KPR
MILL LIMITED

FASO®
MEN & WOMEN

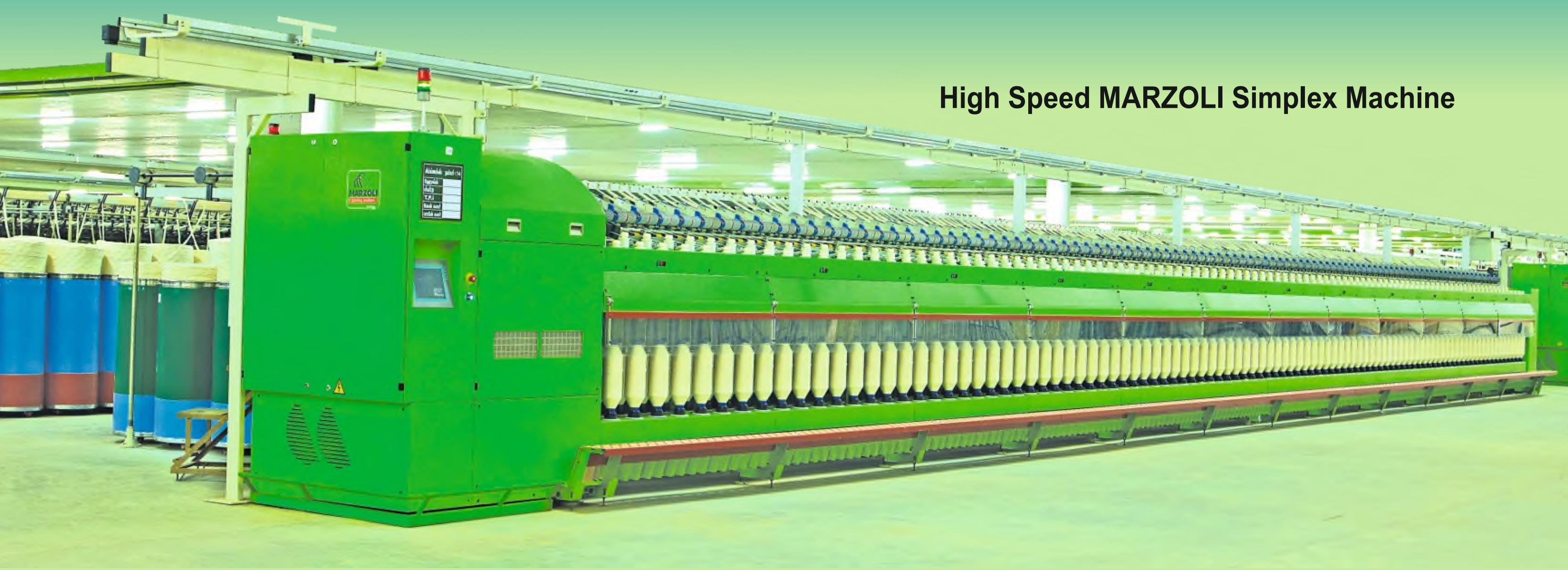
20th Annual Report 2022-23

Empowering Employees - Glimpse of Joyous learning

HIGHLIGHTS 2022-23

	(₹ in Lakhs)
Total Revenue	6,24,820
PBDIT	1,33,671
PBT	1,08,416
PAT	81,410
Cash Profit	98,779

	(₹ in Lakhs)
Assets	4,26,689
Net worth	3,70,669
EPS - ₹	23.81
Cash EPS - ₹	28.89



High Speed MARZOLI Simplex Machine

Investing high standards of Management quality and hard work, KPR consistently repeats its sustained growth level accumulating long term value for all its stakeholders. KPR is always known for its robust manufacturing infrastructures with upgraded technology. Its HR strategy always moved towards building an aspirational work place. Its continued focus and investment in its employee force have helped to build and sustain a dedicated and agile work force that stood with KPR even in difficult times. Social responsibility has always been and remains a determined principle of KPR's Corporate policy.

K.P.R. Mill Limited is considered as one of the Top 5 Listed Textile Companies in India with diversified business focus spanning across Yarn, Fabrics, Garments, Green Power, Sugar and Ethanol, extending employment to over 30,000 people (90% are women). The Company has earned a great deal of experience of over three decades to produce an indelible mark in the textile landscape. Manufacturing an impressive product range of textile varieties such as Readymade Knitted Apparel; Fabrics; Compact, Melange, Carded, Polyester and Combed Yarn, the Company reaches out to global customers with diligence, superior quality and delivery excellence.

The distinguished 'KPR Group' has 15 Manufacturing units of advanced technology equipped with a capacity to produce 1,00,000 MT of Cotton yarn & 4,000 MT Viscose vortex yarn per annum; 40,000 MT fabrics per annum; 157 million readymade knitted apparel per annum, one of the largest Garment Producers in India; Industry acclaimed ETP embedded Fabric Processing capacity of 30,000 MT per annum equipped with Advanced Cold Processing Technology and Sophisticated Printing Division with a capacity to print 15,000 MT per annum; 1,00,000 High Fashion Garments placement printing per day; 63 MW Windmill capacity; 12 MW Solar Power; 93 MW Co-gen power (overall 168 MW Renewable Energy catering to most of its power needs through Green Energy); Sugar Plants with an aggregate capacity of 20,000 TCD and Ethanol Plants with 360 KLPD capacity. The unique 100% organic cotton based FASO products with multiple special features has set its foot strongly in the industry. Its vigorous Pan India spread plans have been initiated.

Fully Air-conditioned Garment Unit at Chengapally

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

I am pleased to share with you all that during FY 2023, the Consolidated revenue grew by 28% YoY. Due to high-cost inventory and raw material price inflation the gross margin in Spinning activities contracted. Finance cost increased due to additional working Capital availment, given the inventory buffer and Term Loans for new Sugar and Apparel projects. However, the unstinted support from the Garment segment and our inherent strengths enabled KPR to repeat its performance level, despite the challenges. Now the Cotton prices started stabilizing and the Textile industry is optimistic with Government policies and FTAs.

MAJOR CAPEX-EXPANSION

To accelerate our performance further, we implemented certain modernization and expansion plans. a brief on the same is reported below:

- The 'Roof top' Solar Power Plant at ₹ 50 Crores completed and commissioned.
- The Modernisation plan at an outlay of ₹ 100 Crores in Textile segment is expected to be completed during the current Financial Year.
- Setting up of exclusive Vortex Spinning mill at an outlay of ₹100 Crores will be completed during current Financial Year.
- Processing & Printing expansion at ₹ 50 Crores will be over in First Half of the Current Financial year.
- Ethanol Capacity expansion at ₹ 150 Crores will be commenced before the coming Sugar Season 2023-24.

The solar power should help in saving power cost, the increase in the processing capacity to be utilised internally to meet our additional demand; the Brown field Garment capacity expansion may add up 10-20 Million pieces per annum; the Ethanol capacity expansion may increase KPR's total capacity to 480 KLPD.

In the vortex business, margins are expected to be relatively stable, given the high demand for viscose yarn. On our unique Retail Brand FASO, the Pan-India plan is on track and is looking to expand its footprint in the current year.

The Margin from the Sugar & Ethanol segment is sustainable due to higher returns from the ethanol and co-gen segments.

Latest Technology Auto Coner

HUMAN WELFARE

People are essential for the success of an organization. Well-being of employee leads to increased productivity, better collaboration with team members and higher overall job satisfaction. When employees feel good both physically and mentally, they are more likely to be engaged, motivated and focused at work. Easily accessible education in the form of professional development, will play a vital role in helping to grow the economy by bridging the skills gap and creating a more robust workforce. At KPR, the extension of Higher Education facilities and Career Placement services to employees besides Industry acclaimed welfare facilities develop their skills, grow their knowledge and advance their careers thereby securing their personal growth while supporting greater organizational goals. We are glad to share with you that 100% results were achieved in Class 12 Government Examinations in 2023. As in every year, some of them are Top Scorers and recognizing their achievement KPR has awarded them Full Scholarship (including Bus & Hostel Fee) for their Collegiate Education.

CREDENTIALS

Based on its performance KPR is considered as one of the Top 5 largest and most significant Apparel manufacturers in India. In 2022 Civil Services Examination also, eleven Candidates from the KPR IAS Academy have successfully passed. Among them Two Candidates who are already IFoS and IPS have also passed the IAS Exam.

FUTURE AHEAD

With the opening of economies around the world after the COVID crisis, consumers had the opportunity to spend the money that they could not during the Covid period. Consequently, demand soared and brands and retailers increased orders to meet this pent-up demand. However, with inflation rising, especially after the Russia – Ukraine war, the demand for consumer goods slowed, while inventories remained very high. The Geopolitical tensions, high Inflation, rising commodity prices and interest rates are impacting many economies. Well equipped with the hi-tech integrated facilities, enthused work force, progressive business model and empowered by strong performance track record, loyal customer base and drive for enhancing value for all stakeholders, KPR will keep its growth path in line with the expectation.

ACKNOWLEDGEMENT

I always consider that the organizational success is often the result of a team's hard work. I am very happy to have a Management team that is enthusiastic about doing its work proficiently. Thank you all for your hard work, dedication and perseverance. I am thankful to the Board of Directors for their guidance towards the growth of the Company. I would like to thank our Bankers, Shareholders and all Stakeholders for their continued support and confidence.

With Best Wishes

K.P.Ramasamy
Chairman

Renewable Energy - Rooftop Solar Power at Arasur Factory

BOARD OF DIRECTORS

Sri K.P. Ramasamy
Chairman

Sri KPD Sigamani
Managing Director

Sri P. Nataraj
Managing Director

Sri C.R. Anandakrishnan
Executive Director

Sri E.K. Sakthivel
Executive Director

Sri G.P. Muniappan
Independent Director

Sri A.M. Palanisamy
Independent Director

Dr.K. Sabapathy
Independent Director

Sri C. Thirumurthy
Independent Director

Dr. S. Renganayakei
Women Independent Director

Sri P. Selvakumar
Whole-Time Director

Smt V. Bhuvaneshwari
Women Independent Director

REGISTERED OFFICE

No.9, Gokul Buildings,
1st Floor, A.K.S. Nagar,
Thadagam Road,
Coimbatore - 641 001
Ph: 0422-2478090
FAX: 0422-2478050

CORPORATE OFFICE

1st Floor, Srivari Shrimat,
1045, Avinashi Road,
Coimbatore – 641 018
Ph: 0422-2207777
FAX: 0422-2207778
Email: corporate@kprmill.com
Web: www.kprmilllimited.com

CHIEF FINANCIAL OFFICER

PL Murugappan

COMPANY SECRETARY & COMPLIANCE OFFICER

P. Kandaswamy

STATUTORY AUDITORS

B S R & Co. LLP,
Chartered Accountants,
KRM Tower, 1st and 2nd Floor,
No.1, Harrington Road, Chetpet,
Chennai - 600 031

BANKERS

Bank of Baroda
IDBI Bank Limited
Union Bank of India
Bank of India
ICICI Bank Limited
Citi Bank N.A.
HDFC Bank Limited
The Federal Bank Ltd
Standard Chartered Bank
Punjab National Bank
The Hongkong and Shanghai Banking Corporation Limited

REGISTRAR AND SHARE TRANSFER AGENTS

NSDL Database Management Limited
4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013
Phone: 022-49142700
Fax: 022-49142503
Email: investor.ndmlrta@nsdl.co.in
Website: www.ndml-nsdl.co.in

COMPANY CIN

L17111TZ2003PLC010518

FASO®

MEN & WOMEN


KA1001


FS9001


CA2001


SA3001


FS4003


FS4004


SA3005


SA3006


FS4001


FS4002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SA3500


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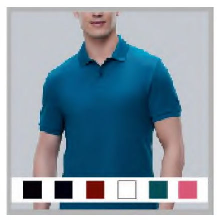
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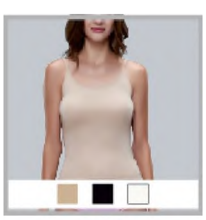
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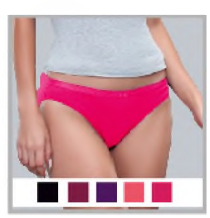
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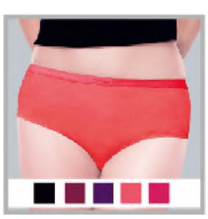
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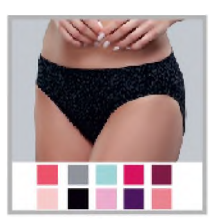
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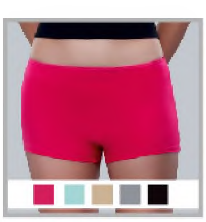
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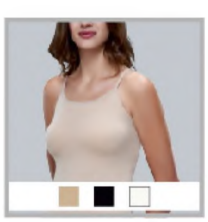
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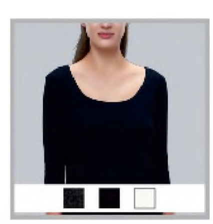
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DIRECTORS' REPORT

Dear Members,

The Board of Directors takes pleasure in presenting the report on the operations and business of the Company along with Audited Financial Statements for the Financial Year ended 31st March, 2023.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	**2021-22**	**2022-23**	**2021-22**
Sales and Other Income:-				
Domestic Sales	**2,85,579**	2,42,442	**3,69,601**	2,95,811
Export Sales	**1,71,502**	1,52,427	**2,26,417**	1,71,667
Other Income	**29,886**	20,961	**28,802**	23,492
	4,86,967	4,15,830	**6,24,820**	4,90,970
Profit before Interest & Depreciation	**92,909**	1,06,853	**1,33,671**	1,30,593
Less : Interest	**2,670**	1,339	**7,886**	2,329
Depreciation	**7,764**	7,565	**17,369**	14,112
Profit Before Tax	**82,475**	97,949	**1,08,416**	**1,14,152**
Less : Taxation:-				
Provision for Current Tax	**18,324**	24,870	**25,273**	29,706
Tax relating to earlier years	**(802)**	(75)	**(982)**	(53)
	17,522	24,795	**24,291**	29,653
Deferred Tax expense / Credit	**1,449**	74	**2,715**	315
Profit After Tax	**63,504**	73,080	**81,410**	84,184
Other Comprehensive Income (Net of tax)	**-**	-	**-**	-
Total Comprehensive Income	**63,504**	73,080	**81,410**	84,184

REVIEW OF OPERATIONS

The year began with a positive note of robust growth and profitability. But the steep increase in cotton prices at all time high level coupled with lower yarn price realisation has trimmed the cotton-yarn spreads. However, the supportive trends in garment segment enabled better performance, overcoming these challenges. The wind power generation during the year was good. Despite the adverse factors like Global recession, Ukraine war, huge volatility in cotton prices, high inflation etc., the inherent strengths enabled KPR repeating a better performance during the year also.

WAY FORWARD

The cotton prices have started stabilising and the garment order position continues to be encouraging. The Indian textile industry is optimistic of retaining the growth level with the supportive Government policies, FTAs with significant markets that are likely to create more market opportunities for entire textile value chain. To improve its performance further, KPR has contemplated certain modernisation and expansion plans.

EXPANSION

During the year, we have installed 10 MW rooftop Solar Power plant whose benefit can be derived from the current year, upon receipt of the approval from TANGEDCO.

The Company also have plans to establish separate Spinning Mill for Viscose Yarn production, besides expanding Ethanol production capacity through our Wholly Owned Subsidiary Companies. Considering the developments in the textile market further plans may be decided by the Board at appropriate time.

BRANDED RETAIL BUSINESS

FASO

Consumers' increasing focus on sustainability and ethical production has added significance to our FASO products, which are organic centric. Enthused by the response to various styles in Men's wear, we have introduced Women's wear also in October 2022, which is also well received in the Market. Consequent on better handling of the pandemic by Indian Authorities over the years, its impact started receding that enabled resurgence of our efforts towards 'Pan-India' spread. In addition to the Southern States, we have already launched FASO products in some of the States of commercial importance and planning to add more such States in the current year.

DIVIDEND

Considering better performance and strong liquidity during the year, the Board of Directors have declared an Interim Dividend @ 200% on equity shares (₹ 2 per Equity Share) at their meeting held on 06.02.2023. The Board in its meeting held on 03.05.2023 also has recommended a Final Dividend of 200% (₹ 2 per Equity Share) on Equity Shares, thus aggregating to 400 % (₹ 4 per Share on Equity Share of Face Value of ₹ 1 each), for the Financial Year 2022-23, subject to the approval of the Members of the Company at the 20th (Twentieth) Annual General Meeting.

FINANCE

Consequent to the expansion of Garment & Sugar business and the availment of additional Working Capital, the finance charges has gone up over previous year. However, led by the successful financial planning comfortable financial position continued during the year also. Some of the term loans availed for the new garment project were repaid and fresh term loan from Banks was availed towards the expansion of Ethanol project in our wholly owned Subsidiary Company.

SUBSIDIARY COMPANIES

The statements pursuant to Section 129(3) of the Companies Act, 2013 (Hereinafter referred to as the 'Act') in 'Form AOC - 1' containing the details of following Wholly Owned Subsidiary Companies forms part of this Annual Report. However as required by the 'Act', we give below a brief report on their performance.

I. K.P.R. Sugar Mill Limited
II. KPR Sugar and Apparels Limited
III. Jahnvi Motor Private Limited
IV. Quantum Knits Pvt. Limited
V. Galaxy Knits Limited
VI. KPR Exports Plc
VII. KPR Mill Pte. Ltd.

SUGAR

The year under review was a successful year for the Indian Sugar industry and is on track for steady growth in the current year too. Though the acreage remains the same, the yield was better due to crop variety, better farming practices, etc. With the Government's continuous support towards the sugar sector and increasing focus on diversion towards ethanol production to promote Ethanol Blending Program in India, the sugar sector is likely to gain traction going forward.

ETHANOL

Encouraged by the success of achieving the target of 10 percent Ethanol blending in petrol, much ahead of the target date, the Government advanced the target of 20 percent ethanol blending to the year 2025 (earlier 2030). To increase revenue we are planning to expand Ethanol production capacity.

K.P.R. SUGAR MILL LIMITED

The sugarcane crushing for sugar season 2022-23 commenced in October 2022, produced 1,22,730 MT of Sugar. The Co-gen plant produced 1437.38 lakhs units of Power. Out of the same, 796.21 lakhs units were sold and 641.17 lakh units were captively consumed. During the year 38,936.42 KL of Ethanol was produced, using Sugar Syrup and Molasses and the entire production was sold to Oil Marketing Companies. The expansion plan to increase Ethanol production capacity from 90 KLPD to 240 KLPD with Zero Liquid Discharge System is in progress.

During the year, an Interim Dividend of ₹ 130/- on the Equity shares of Face Value of ₹ 10/- each was declared by its Board in its meeting held on 06.02.2023.

KPR SUGAR AND APPARELS LIMITED

Ramping up of production in the new 42 million Garments capacity at Chengapally, Tirupur district, Tamil Nadu has been completed and is successfully executing the orders from International Buyers.

The sugarcane crushing for sugar season 2022-23 commenced in November 2022, produced 98,565 MT of Sugar. The Co-gen plant produced 1,468.85 lakhs units of power. Out of the same, 900.34 lakhs units were sold and 568.51 lakh units were captively consumed. During the year 29,866 KL of Ethanol was produced, using Sugar Syrup and Molasses and the entire production was sold to Oil Marketing Companies.

JAHNVI MOTOR PRIVATE LIMITED

During the year, the Company could sell 156 Audi Cars and earned a total revenue of ₹ 113.91 Crores. Steady economic growth amid signs of moderating inflation, coupled with strong earnings, is fueling the demand at the higher end of the market and supporting sales of luxury vehicles. Local demand continues to be strong.

QUANTUM KNITS PVT. LIMITED

During the year, an Interim Dividend of ₹ 1500/- on the Equity shares of Face Value of ₹ 10/- each out of accumulated reserves was declared by its Board in its meeting held on 06.02.2023.

GALAXY KNITS LIMITED

The Company has not yet commenced its operation.

K P R EXPORTS PLC (ETHIOPIA)

As informed in the earlier report, we have already approached the Ethiopian Authorities seeking their assistance to formally close the Apparel manufacturing unit at Ethiopia due to civil disturbance and to bring back capital materials therein. The same is being followed up.

KPR MILL PTE. LTD (SINGAPORE)

The Company was established primarily for the purpose of marketing the products manufactured at Ethiopia. However, considering the changed business environment therein and the growing International trade at our Company, the Management is planning to utilise the services of this Company for its future business plans.

DEPOSITS

The Company has not accepted any deposits from public during the year under review.

DIRECTORS

Mr. K.N.V. Ramani, Independent Director passed away on 30.03.2023. Taking note of his long association and sane advice, the Board placed on record the invaluable services rendered by him as Lead Independent Director and Corporate Lawyer.

The Board of Directors, at its meeting held on May 03, 2023, based on the recommendation of the Nomination & Remuneration Committee appointed Mrs V. Bhuvaneshwari (DIN: 01628512) as an Additional Director (Non-Executive & Independent) to hold office till the conclusion of the ensuing Annual General Meeting and subject to the approval of the members in the said Annual General Meeting appointed as 'Woman Independent Director' of the Company to hold office for a term upto 5 consecutive years. To regularize her appointment in the 20th Annual General Meeting (AGM) of the Company, suitable resolution is included in the notice of AGM proposing her appointment.

Pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, Mrs.V.Bhuvaneshwari (DIN: 01628512) had passed the online proficiency self-assessment test conducted by the 'Indian Institute of Corporate Affairs'.

The Company has adequate Independent Directors in compliance with the Act and SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 (Hereinafter referred to as Listing Regulations). Familiarization Program on the Company and its operation was conducted for the Independent Directors. Requisite declaration from the Independent Directors of the Company under Section 149 (7) of the Act confirming that they meet with the criteria of their Independence laid in Section 149 (6) have been obtained.

Mr.C.R.Anandakrishnan, Executive Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

KEY MANAGERIAL PERSONNEL AND MANAGERIAL REMUNERATION CRITERIA

In pursuance of the Act the Company has Key Managerial Personnel. None of the Managing Directors or Whole Time Directors receives any remuneration or commission from the Subsidiary Companies and the remuneration paid to them is within the purview of the provisions of Section 197 of the Act. The Company pays remuneration by way of salary, perquisites, commission etc., to its Chairman, Managing Directors and fixed monthly remuneration to its Executive Directors and Whole Time Director in line with the approvals accorded by the General Meetings and in pursuance of the recommendation of the Nomination and Remuneration Committee as per the guiding principles laid down in the Nomination and Remuneration Policy. The information as required by Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended.

ANNUAL PERFORMANCE EVALUATION

In line with the criteria evolved by the Nomination and Remuneration Committee, the performance of all Directors, Committees, Chairman etc., have been evaluated pursuant to the provisions of the Act and the Listing Regulations.

COMMITTEES

As required by the provisions of the Act and Listing Regulations, the Company has already formed the following Committees, the details of which are disclosed in the Report on Corporate Governance forming part of this Report.

I. Audit Committee
II. Stakeholders Relationship Committee
III. Nomination and Remuneration Committee
IV. Corporate Social Responsibility (CSR) Committee
V. Risk Management Committee

POLICIES

In pursuance of the Act and the Listing Regulation, the following policies have been framed and disclosed on the Company's website www.kprmilllimited.com

I. Nomination & Remuneration Policy
II. Related Party Transaction Policy
III. CSR Policy
IV. Whistle Blower Policy consisting of Vigil Mechanism
V. Policy on Determining Material Subsidiaries
VI. Code for Fair Disclosure
VII. Risk Management Policy
VIII. Dividend Distribution Policy
The Web-link - https://kprmilllimited.com/file/wp-content/uploads/2018/11/DD-Policy.pdf
IX. Policy for Disclosure of Material Events / Information
X. Policy on Succession Planning for Board and Senior Management

RISK MANAGEMENT

Pursuant to section 134(3) (n) of the Act & Regulation 17(9) of the Listing Regulation, the Company has a Risk Management Policy and has constituted a Risk Management Committee. The Risk Management Committee held its meetings on 29.06.2022 and 19.12.2022 in which all members were present.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has an established Vigil Mechanism for Directors and Employees to report concerns about unethical behaviors, actual or suspected fraud or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors/Employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. The Company has a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise reportable matters. All suspected violations and reportable matters can be reported to the Chairman of the Audit Committee at e-mail id whistleblower@kprmill.com The key directions/ actions can be informed to the Chairman/ Managing Director of the Company. The Whistle Blower Policy has been reviewed by the Board of Directors and displayed in the Company's website.

CSR EXPENDITURE

During the year, in pursuance of the recommendations of the CSR committee the Company has contributed ₹ 6307.89 Lakhs towards implementing the CSR activities including an advance contribution of ₹ 5017.30 lakhs which is equal to 3 Years' estimated CSR contribution to be set-off against subsequent years' CSR obligation. Annual Report on CSR, as required by the Act, is appended.

BOARD MEETINGS

The Board of Directors met Four times during the financial year on 27.04.2022, 28.07.2022, 07.11.2022 and 06.02.2023 through physical mode. The Composition of Board, procedure, venue, dates, time and other details are included in the Corporate Governance Report that forms part of this Report.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in annexing the Consolidated Financial Statements pursuant to the provisions of the 'Act' and the Listing Regulations entered into with the Stock Exchanges. They are prepared in accordance with the Ind-AS prescribed by the Institute of Chartered Accountants of India, in this regard. The Consolidated Financials also marked a significant increase in its Revenue as well as Profitability.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has duly complied with the provisions of Section 186 of the Act and as required therein the details of the Borrowals, Security, Investment etc., are annexed by way of notes to accounts.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were only between Holding Company and Wholly owned Subsidiary Companies in the ordinary course of business, whose accounts are consolidated with Holding Company and placed before the shareholders at the General Meeting for approval. However, as per regulatory requirements an omnibus approval of the audit committee for such transactions has been obtained.

The Transactions as required under Indian Accounting Standards 'Ind AS-24' are reported in Note 40 of the Notes to Accounts of the Standalone Financial Statements as well as Note 40 of the Notes to Accounts of the Consolidated Financial Statements of your Company. The Company's Policy on dealing with related party transactions is available on the Company's website.

EMPLOYEE WELFARE

India has a large working population, a prominent asset in the labour-intensive textiles sector particularly in Garment industry. They are crucial stakeholders playing an integral role in the success of an organisation. KPR continuously takes concrete steps to promote the wellbeing of work force at work and good work-life balance. One of the significant efforts towards the same is provision of Higher Education facility. Employees who receive higher education tend to have improved sense of self-worth with more opportunities to grow besides contributing to the success of the Organisation. Our unique Career development process for the employees based on their educational qualification also continues.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company upto the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and also for the matters incidental thereto. The Company has accordingly adopted the policy against Sexual Harassment of Women at Workplace, for the purpose of preventing, prohibiting and redressing sexual harassment of female employees at all the workplace within the Company which are based on fundamental principles of justice and fair play.

According to the notifications of corporate affairs ministry dated 31st July 2018, Internal Complaints Committee under the sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has been formed and complied with. Further, Anti Sexual Harassment Committee has been constituted at each unit which shall be responsible for redressal of complaints related to sexual harassment. The details of all such Complaints and its proper redressal through prompt corrective steps are informed to the Top Management so as to ensure that suitable processes and mechanisms are put in place to ensure that issues of sexual harassment, if any, are effectively addressed. During the year, no complaints of sexual harassment were received by the Company from any of its Units.

DIRECTORS' REPORT

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act read with the Companies (Accounts) Rules, 2014 are provided in the Annexure to the Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(5) of the Act, the Board of Directors of the Company hereby state and confirm that;

I. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

II. The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.

III. The Directors have taken proper and sufficient care for the maintenance of adequate record in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The Directors have arranged preparation of the accounts for the financial year ended 31.03.2023 on a going concern basis.

V. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

VI. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Corporate Governance Report and Management Discussion and Analysis Report are attached to this Report. Certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulation is also attached to this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In pursuance of Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report, containing the initiatives taken by the company from environmental, social and governance perspective, forms part of this Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The details of internal financial control and their adequacy are included in the Report of Management Discussion & Analysis, which forms part of this report.

RATIO OF REMUNERATION TO EACH DIRECTOR

Details / Disclosures of Ratio of Remuneration of Director to the median employee's remuneration as required by the Act and Companies Rules are appended.

SIGNIFICANT & MATERIAL ORDER PASSED BY THE REGULATORS

No significant and material order was passed by any Regulators that have any impact on the going concern status and the operations of the Company.

DETAILS REGARDING ISSUE OF SHARES

During the year under review the Company has not issued any shares.

BUYBACK

The Buyback of 22,36,000 Equity Shares mooted during the FY 2021-22 was completed on 26th April 2022. The present Paid up Capital post Buyback is ₹ 34.18 Crores.

AUDITORS

In the 19th Annual General Meeting of the Company held on 23.08.2022 M/s. B S R & Co LLP, Chartered Accountants (ICAI Firm Regn. No.101248W/W-100022) were re-appointed as Statutory Auditors of the Company for second term of five consecutive years from the Financial Year 2022-23.

AUDITORS REPORT

The Auditor's Report to the Shareholders does not contain any qualification. There were no frauds reported by the Statutory Auditors under provisions of Section 143 (12) of the Companies Act, 2013 and rules made thereunder.

COST RECORDS

Pursuant to Section 148 of the Act, the company falls under the limits specified under this section and hence the company has maintained proper books of accounts with all the particulars relating to the utilization of material, labour and to other items of cost.

COST AUDIT

In pursuance of Companies (Cost Records and Audit) Rules, 2014, the Company has appointed a Cost Auditor for the Company to audit the cost records for the Financial Year 2022-23.

SECRETARIAL AUDIT REPORT & CERTIFICATES AND SECRETARIAL STANDARDS COMPLIANCE

The Company has complied with the applicable Secretarial Standards issued by ICSI. As required by the Act a Secretarial Audit Report issued by a Company Secretary in practice (PCS) a Peer Reviewed Unit in Form MR 3 is annexed with this report and it does not contain any qualification. Certificate from PCS that none of the Directors are debarred or disqualified forms part of this Annual Report. Annual Secretarial Compliance Report certifying compliance of SEBI Regulations has been obtained and filed with the Stock Exchanges.

ANNUAL RETURN

Pursuant to section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in the prescribed form is available on the Company's website: https://kprmilllimited.com/financial-result_annual-reports/

DETAILS OF DEMAT/UNCLAIMED SUSPENSE ACCOUNT

The status of unclaimed shares of the Company transferred to the demat account, 'K.P.R. Mill Limited - Unclaimed Shares Demat Suspense Account', in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	2	2750
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	2	2750

The Voting rights in respect of these shares will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned Shareholders.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year as on 31.03.2023 and the date of this Report.

NO CHANGES IN THE BUSINESS

Your Directors would like to inform that Company is doing its regular business and there has been no change in its objectives.

GENERAL

Disclosures under sub rule 5 (xi) and (xii) of rule 8 of Companies (Accounts) Rules, 2014 are not applicable to the Company.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude and express their appreciation for the assistances and co-operation received from the Bankers, Government Authorities, Customers, Vendors, and Members during the year under review. Your Directors also wish to thank the employees at all levels for their co-operation and dedication.

FOR AND ON BEHALF OF THE BOARD

Coimbatore
03.05.2023

K.P. Ramasamy
Chairman
DIN: 00003736

ANNEXURE TO THE DIRECTORS' REPORT

Form AOC – 1
(Pursuant to first provision to sub-section 12 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Financial Summary of Subsidiary Companies

(₹ in Lakhs)

Particulars	K.P.R. Sugar Mill Limited	Quantum Knits Pvt. Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	KPR Sugar and Apparels Limited	KPR Exports PLC	KPR Mill PTE. Ltd
Share Capital*	394	10	5	193	7,100	424	21
Reserves & Surplus	68,117	(236)	(2)	1,567	71,150	(275)	(231)
Total Assets	1,00,501	3,194	4	3,810	1,66,787	149	59
Total Liabilities	31,990	3,420	1	2,050	88,537	-	269
Investments (Excluding investment in subsidiaries)	-	-	-	-	-	-	-
Turnover	95,110	2,920	-	11,351	1,05,791	-	-
Profit /(loss) Before Tax	22,697	(454)	-	443	10,328	-	(42)
Provision for Tax	6,531	-	-	120	1,384	-	-
Profit /(loss) After Tax	16,166	(454)	-	323	8,944	-	(42)
Proposed Dividend	-	-	-	-	-	-	-
% Share Holding	100	100	100	100	100	100	100

* Includes share application money pending allotment of ₹1,170 lakhs relating to KPR Exports PLC and ₹7 lakhs relating to KPR Mill Pte. Limited

Form AOC-2
(All the transactions are at arm's length basis only)

Particulars of Employees- (Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014)

a). Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Remuneration paid to Whole-Time Directors (WTD)

Name of the Director	Title	% Increase Over Previous Year	Ratio of Remuneration to MRE
Mr. K. P. Ramasamy	Chairman	No increase	400.29
Mr. KPD Sigamani	Managing Director	No increase	400.29
Mr. P. Nataraj	Managing Director	No increase	400.29
Mr. C. R. Anandakrishnan	Executive Director	No increase	16.80
Mr. E.K. Sakthivel	Executive Director	No increase	12.60
Mr. P. Selvakumar	Whole time Director	19.55%	11.27

2. Remuneration paid to Non-Executive Directors

The Non-Executive Directors of the Company are entitled for sitting fee only and its details are provided in the Corporate Governance Report.

ANNEXURE TO THE DIRECTORS' REPORT

3. Remuneration paid to other Key Managerial Personnel (KMP)

Name of the KMP	Title	% Increase Over Previous Year
Mr. PL. Murugappan	Chief Financial Officer	17.77%
Mr. P. Kandaswamy	Company Secretary	12.82%

4. Percentage increase in the Median Remuneration of employees in the financial year: 11.98%

5. Number of Permanent Employees on the roll of the Company at the end of the year: 21,819

6. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.

The average annual increase in the salaries of employees during the year was 11.98% which is more than the average increase, if any, in Managerial Remuneration.

7. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.

For and on behalf of the Board

K.P.Ramasamy
Chairman
DIN: 00003736

Coimbatore
03.05.2023

ANNEXURE TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2022-23

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

   The most effective CSR plans ensure that while Organizations comply with the Legislation, their investments also respect the growth and development of marginalized communities and the environment. CSR should also be sustainable involving activities that an organization can uphold without impacting their business goals.

   KPR's CSR Policy is to enhance the value of Mankind by empowerment rather than on creating dependence on others for livelihood. Try to repay to the society in all possible manner so as to enable the marginalized section are made capable of deriving the fruits that were once meant for the elevated section of the society. The Company earns and spends a part of it to pay back to the society through its various activities which fall in line with the Schedule VII of the Companies Act, 2013. Since access to quality education is fundamental to the growth of India, the Company primarily involves in 'Promotion of Education' under its CSR activities.

2. **The Composition of the CSR Committee is as follows**

S.No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K.P.Ramasamy	Chairman	2	2
2	Mr. KPD Sigamani	Managing Director	2	2
3	Mr. P. Nataraj	Managing Director	2	2
4	Dr. S. Renganayakei	Woman Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

   https://kprmilllimited.com/file/wp-content/uploads/2021/05/CSR-POLICY.pdf and https://kprmilllimited.com/file/wp-content/uploads/2021/05/CSR-PROJECTS-COMPOSITION-OF-CSR-COMMITTEE.pdf

4. Provide the executive summary along with web-link of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – **Not Applicable**

5. (a). Average net profit of the company as per sub-section (5) of section 135 **– ₹ 64,530 Lakhs**
   (b). Two percent of average net profit of the company as per sub-section (5) of section 135 **– ₹ 1290.59 Lakhs**
   (c). Surplus arising out of the CSR projects or programmes or activities of the previous financial years **– Nil**
   (d). Amount required to be set-off for the financial year, if any – **Nil**
   (e). Total CSR obligation for the financial year [(b)+(c)-(d)] – ₹ **1290.59 Lakhs**

6. (a). Amount spent on CSR Projects (both Ongoing Project and Other than Ongoing Project) - ₹**1307.89 Lakhs + ₹5000 Lakhs (CSR Advance)**
   (b). Amount spent in Administrative Overheads – **Nil**
   (c). Amount spent on Impact Assessment, if applicable – **Not applicable**
   (d). Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ **1307.89 Lakhs + ₹ 5000 Lakhs (CSR Advance)**
   (e). CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ In Lakhs)	Amount Unspent (₹ In Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
1307.89 + 5000 (CSR Advance)	Nil				

ANNEXURE TO THE DIRECTORS' REPORT

(f). Excess amount for set off, if any – ₹**5000 Lakhs (CSR Advance)**

Sl.No.	Particulars	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	1290.59
(ii)	Total amount spent a. for the Financial Year b. CSR advance	 1307.89 5000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5017.30
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5017.30

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: **Nil**

Sl.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per Second proviso to sub-section (5) of Section 135, if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹).	Date of transfer.		
1	FY-1	NIL						
2	FY-2							
3	FY-3							
	TOTAL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: **No**

If Yes, enter the number of Capital assets created / acquired –

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl.No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property of asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
	NIL						

ANNEXURE TO THE DIRECTORS' REPORT

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 – **Not applicable**

	P. Nataraj	**K.P. Ramasamy**
	Chief Executive Officer &	Chairman
Coimbatore	Managing Director	CSR Committee
03.05.2023	DIN: 00229137	DIN: 00003736

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO COMPANIES (ACCOUNTS) RULES, 2014

A) CONSERVATION OF ENERGY

a) ENERGY CONSERVATION MEASURES TAKEN

1) To optimize the power consumption in all our textile and garment units, the existing motors and pumps were replaced by high efficiency Motors of IE3 to IE5 standards with Variable frequency drives along with automation applications.
2) To reduce the power consumption, Solar power generation of 7.8 MW capacity was installed in our Arasur Plant roof and 2.2 MW in the Garment plant roof.

b) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR CONSERVATION OF ENERGY

Further efforts are being taken to reduce power consumption at all units by installing the Power Monitoring equipment.

c) IMPACT OF THE MEASURE (a) & (b) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON COST OF PRODUCTION OF GOODS

The energy saving measures result in consumption of economized power and fuel that would reduce the cost of production. Total energy consumption & Consumption per unit of production are as per Form 'A' below:

FORM A – PARTICULARS IN RESPECT OF ENERGY CONSUMPTION:

Particulars	Units	2022-23	2021-22
1. Power & Fuel Consumption			
A) Electricity			
i) Connected Load	KVA	43,865	42,915
ii) Purchase of Units	Lakh Units	1,644	1,065
iii) Total Amount	₹ Lakhs	12,397	7,735
iv) Rate Per Unit (Average)	₹	7.54	7.26
v) Demand Charges	₹ Lakhs	2,183	1,674
B) Electricity from Third Party			
i) Purchase of Units	Lakh Units	261	722
ii) Total Amount	₹ Lakhs	1,317	3,896
iii) Rate Per Unit (Average)	₹	5.04	5.40
2. Own Generation			
i) Through Diesel Generator			
Units generated	Lakh Units	2	2
Total Amount	₹ Lakhs	60	61
Cost/Unit	₹	26.79	28.18
Units/Litre of Diesel	Units	3.25	3.23
ii) Through Wind Mill			
Units generated	Lakh Units	992	1,050
iii) Through Steam Turbine Units			
Coal/Furnace Oil / Others	Units	NIL	NIL
3. Consumption per unit of Production			
a) Production of Yarn	Kgs	8,77,94,375	8,51,98,948
Electricity (units) per Kg of yarn Production	Units	2.82	2.70
b) Processed Fabric	Kgs	2,11,20,040	2,14,77,954
Electricity (units) per Kg of Fabric Processed	Units	1.14	1.08
c) Garment Produced – In House	Garments	10,30,85,906	11,27,50,741
Electricity consumed/ Garment Production	Units	0.23	0.19

ANNEXURE TO THE DIRECTORS' REPORT

B. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D):

1. Specific areas in which R&D carried out by the Company:

   Further Improvement in Quality of Products, Development of new Products and Designs, Cost control measures, Energy Conservation etc.

2. Benefits derived as a result of above R&D:

   Sustained quality of products at economized cost.

3. Future Plan of Action:

   Continuous focus on innovations in Textile development processes & products.

4. Technology absorption, adaptation and innovation:

   The advanced technology of cold processing adopted at our new state of the art processing unit reduces the water consumption by 30% and eliminates the usage of Salt completely. This eco - friendly facility will economize the cost of production besides enhancing the quality.

   All manufacturing facilities are equipped with high-tech quality control equipment and well trained Personnel. ETP at Processing Division has Zero Discharge System.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakhs)

S.No	Particulars	2022-23	2021-22
1	Foreign Exchange earned through exports amounted to	1,71,502	1,52,427
2	Foreign exchange used	53,694	11,916

For and on behalf of the Board

K.P. Ramasamy
Chairman
DIN: 00003736

Coimbatore
03.05.2023

ANNEXURE TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

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

To,
The Members,
M/s. K.P.R. Mill Limited
Coimbatore.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by K.P.R. Mill Limited (hereinafter called the Company). 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 the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, subject to the Annual Report, the Company has, during the audit period covering the financial year ended on 31st March 2023 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 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act)and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
   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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
   e) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
vi. And other applicable laws to a Textile Industry viz., Textile Control Orders, Textile Committee Produce Cess Act, Textile (Development and Regulation) Order etc.,

As per the information and explanation provided by the management and officers of the Company and also on verification of reports and certificates of professionals, I report that adequate systems are in place to monitor and ensure compliance of Laws relating to Direct and Indirect Taxes, Labour and other Legislations.

I have also examined compliance with the Listing Agreement and applicable Regulations of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

ANNEXURE TO THE DIRECTORS' REPORT

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Women Director. There were no changes in the composition of the Board of Directors during the year under review except, Sri.K.N.V.Ramani, an Independent Director who passed away on 30.03.2023.

During the year under review, the Company has re-appointed Sri.K.P.Ramasamy as an Executive Chairman of the Company for a further period of 5 years from 01.04.2022 to 31.03.2027 by Special Resolution passed on 21.04.2022 by the Shareholders through Postal Ballot by way of remote e-voting process.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, 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.

As per the minutes of the Meeting duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

As informed the Company has responded appropriately to the notices received from various statutory / regulatory authorities wherever found necessary.

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

I further report that during the audit period there were no instance of

a) Public / Rights / Preferential Issue of Shares / Debentures / Sweat Equity
b) Redemption
c) Foreign Technical Collabaration
d) Merger / Amalgamation / Reconstruction, etc

During the year under review, the Company has Bought Back of 22,36,000 Equity Shares of ₹ 1/- each on 26.04.2022.

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

K Radhakrishnan B.Com FCS
Practising Company Secretary
FCS No: 12236 CP No: 16911
Peer review Certificate No.1181/2021

Place : Coimbatore
Date : 03.05.2023
UDIN : F012236E000245051

ANNEXURE TO THE DIRECTORS' REPORT

Annexure A'

To,
The Members
M/s. K.P.R. Mill Limited,
Coimbatore

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. The verification done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. I have obtained the Management representation about the Compliance of Laws, Rules and Regulations and happenings of events, etc.

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

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

K Radhakrishnan B.Com FCS
Practising Company Secretary
FCS No: 12236 CP No: 16911
Peer review Certificate No.1181/2021

Place : Coimbatore
Date : 03.05.2023
UDIN : F012236E000245051

ANNEXURE TO THE DIRECTORS' REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
M/s. K.P.R. Mill Limited
9 Gokul Buildings
First Floor, AKS Nagar
Thadagam Road
Coimbatore – 641 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. K.P.R. Mill Limited having CIN: L17111TZ2003PLC010518 and having registered office at 9, Gokul Buildings, First Floor, AKS Nagar, Thadagam Road, Coimbatore – 641 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that as on the date of this certificate none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

K Radhakrishnan B.Com FCS
Practising Company Secretary
FCS No: 12236 CP No: 16911
Peer review Certificate No.1181/2021

Place : Coimbatore
Date : 03.05.2023
UDIN : F012236E000245084

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is a continuous process of applying the best management practices, ensuring that the law is followed by us the way intended and adhering to ethical standards for effective management, meeting stakeholder responsibilities and complying with corporate social responsibilities.

BOARD OF DIRECTORS

The Board consists of eminent Professionals from different fraternity empowering the Corporate's strive for sustained better Corporate Governance practices. It comprises twelve Directors viz., One Executive Chairman, Five Executive Directors and Six Independent Directors (Including two woman Directors) having no business relationship with the Company & constituting 50% of Board's composition in compliance with the Listing Regulation & Companies Act, 2013 ('Act').

Name of the Director	Category	Number of Directorships held ***	Number of Board & Committee Memberships in Other Companies ****	
			Chairman	Member
Mr.K.P.Ramasamy	Executive Director	11	-	-
Mr.KPD Sigamani	Executive Director	12	-	-
Mr.P.Nataraj	Executive Director	12	-	-
Mr.C.R.Anandakrishnan	Executive Director	3	-	-
Mr.E.K.Sakthivel	Executive Director	1	-	-
Dr.K.Sabapathy	Independent Director	4	-	-
Mr.G.P.Muniappan	Independent Director	5	1	1
Mr.K.N.V.Ramani*	Independent Director	4	4	4
Mr.A.M.Palanisamy	Independent Director	7	2	2
Mr.C.Thirumurthy	Independent Director	1	-	-
Dr.S.Renganayakei	Woman Independent Director	4	-	-
Mr.P.Selvakumar	Executive Director	5	-	-
Mrs.V.Bhuvaneshwari**	Woman Independent Director	5	-	3

* Mr. K.N.V. Ramani, Independent Director passed away on 30.03.2023.

** Mrs.V.Bhuvaneshwari was appointed as Additional Director (Non-Executive & Independent) on 03.05.2023.

*** Excluding Directorship in Companies under Section 8 of the Act, alternate Directorship and Companies incorporated outside India.

**** Chairmanship / Membership of Board Committees include Audit Committee and Stakeholders Relationship Committee but exclude Committees of Subsidiary Company, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act.

Name of the Director	Names of Listed Entity in which directorships held	Category of Director
1. Mr. A. M. Palanisamy	Kovai Medical Center and Hospital Limited	Independent Director
2. Mrs. V. Bhuvaneshwari	Precot Limited	Independent Director
	Elgi Rubber Company Limited	Independent Director
	Kovai Medical Center and Hospital Limited	Independent Director

Their Directorships are within the limit prescribed. The Independent Directors have the option and freedom to interact with the Company Management periodically and they are provided with the information required to perform their functions effectively.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

The Terms and Conditions of appointment of Independent Directors are as per the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The roles and offices of Chairman and CEO are separated to promote balance of power.

CHART/ MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS (as per Schedule V(C) (2) (h) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2018)

The Board of Directors of the Company is composed of a wide range of Dignitaries, Technical experts, and Individuals with proven experience in Textile Industry and /or various fields such as Corporate Law, Banking, Medical, Chartered Accountancy, Company Secretary, and Information Technology. The Board constantly endeavors to achieve the highest standards of Corporate Governance.

The Nomination and Remuneration Committee of the Company normally consider the following key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board of the Company for its effective functioning.

CORPORATE GOVERNANCE

SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

Leadership - The capacity to set and achieve challenging goals, take fast and decisive action when needed, outperform the competition, and inspire others to perform at their highest possible level.

Governance - The collection of mechanisms, processes and relations by which Corporate is governed. Corporate governance is the combination of rules, processes and laws by which businesses are operated, regulated or controlled.

Technology - The combination of techniques, skills, methods, and processes used in the production of goods or services or in the accomplishment of objectives.

Corporate finance - Managing sources and deployment of funds to enable the best returns both for the long and short term so as to increase the value of the Corporate to the stakeholders.

International business - Encompasses all commercial activities that take place to promote the transfer of goods, services, resources, people, ideas, and technologies across national boundaries.

Sales and marketing - Generating revenue from the operations of the Corporate. The role of marketing is to create market awareness, preference and demand for the products of the Corporate. Sales is responsible for converting that demand into actual sales.

The proficiency of individual Members in the specific areas are indicated here below. However the absence of indication in any area should not be construed that the individual does not possess the related skill or qualification.

CORPORATE GOVERNANCE

Key Board Qualification & experience

Name of Director	Leadership	Governance	Technology	Financial	Industry Global Business	Industry Sales and Marketing
Mr.K.P.Ramasamy Chairman	✓	✓	✓	✓	✓	✓
Mr.KPD Sigamani Managing Director	✓	✓	✓	✓	✓	✓
Mr. P. Nataraj Managing Director	✓	✓	✓	✓	✓	✓
Mr. C.R. Anandakrishnan Executive Director	✓	✓	✓	✓	✓	✓
Mr.E.K.Sakthivel Executive Director	✓	✓	✓	✓	✓	✓
Mr.P.Selvakumar Whole time Director	✓	✓	-	✓	✓	-
Dr. K. Sabapathy Independent Director	✓	✓	-	✓	✓	-
Mr.G.P.Muniappan Independent Director	✓	✓	-	✓	-	-
Mr. K.N.V. Ramani* Independent Director	✓	✓	-	✓	-	-
Mr. A.M. Palanisamy Independent Director	✓	✓	-	✓	✓	✓
Mr. C. Thirumurthy Independent Director	✓	✓	-	✓	-	-
Dr. S. Renganayakei Woman Independent Director	✓	✓	-	✓	-	-
Mrs.V.Bhuvaneshwari** Woman Independent Director	✓	✓	-	✓	✓	-

*Ceased to be a Director with effect from 30.03.2023.

** Appointed as Additional Director (Non-Executive & Independent) with effect from 03.05.2023.

BOARD PROCEDURE

Four Board Meetings were held during the year under review. The dates and notices were fixed/issued well in advance in compliance with the Secretarial Standards. Meetings were held on 27.04.2022, 28.07.2022, 07.11.2022 and 06.02.2023. The Board Meetings were held on 27.04.2022, 28.07.2022 and 07.11.2022 at 10.30 A.M at SF.No. 204, Kollupalayam Village, Arasur, Coimbatore - 641 407 and a Meeting was held on 06.02.2023 at 10.30 A.M. at First Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018.

All the meetings were held through physical mode.

The Agenda and Notes on agenda containing all material information such as Purchase and stock of raw materials; Production, Sale, Export, Realisation and stock details of yarn fabric and Garments; Data on Fabric processing; Capacity utilization in each segment; Wind power generated, power consumed, availment of working capital facilities and term loan; FOREX risk exposures, annual budget, capital expenditure, sale of assets, proposal for Investments & Projects and status of its implementation, financials of Subsidiary Companies; Cash flow Statement; Comparison of performance with the budget; applicable Regulatory changes etc., are circulated to the Directors in advance for facilitating meaningful and focussed discussions at the Meetings. The attendance record of each Director at the Board Meetings and at the last Annual General Meeting is given below:

S.No	Name of Director	Number of Board Meeting		Last AGM Attended Yes / No
		Held	Attended	
1	Mr. K. P. Ramasamy	4	4	Yes
2	Mr. KPD Sigamani	4	3	Yes
3	Mr. P. Nataraj	4	4	Yes
4	Mr. C. R. Anandakrishnan	4	4	No
5	Mr. E. K. Sakthivel	4	4	Yes
6	Dr. K. Sabapathy	4	4	Yes
7	Mr. G. P. Muniappan	4	4	Yes
8	Mr. K. N. V. Ramani*	4	1	Yes
9	Mr. A. M. Palanisamy	4	4	Yes
10	Mr. C. Thirumurthy	4	4	Yes
11	Dr. S. Renganayakei	4	4	Yes
12	Mr. P. Selvakumar	4	4	Yes
13	Mrs. V. Bhuvaneshwari**	NA	NA	NA

* Ceased to be a Director with effect from 30.03.2023.
**Appointed as Additional Director (Non-Executive & Independent) with effect from 03.05.2023.

AUDIT COMMITTEE

The Audit Committee consists of 3 Directors of which 2 are Independent Directors. All the Members of the Audit Committee are financially literate. A Member is a Chartered Accountant and another is a Retired Deputy Governor of RBI. The terms of reference to the Audit Committee are as per the provisions of Section 177(4) of the Act & Regulation 18 of the Listing Regulation and in pursuance of Audit Committee Charter.

1. Mr. G.P. Muniappan - Independent & Non – Executive Director (Chairman)
2. Dr. K. Sabapathy - Independent & Non – Executive Director
3. Mr. P Nataraj - Non Independent & Executive Director

During the year under review, the Audit Committee met Four times and the attendance of each Member through physical mode is furnished as below:

Name of Member	Attendance at the Meetings held on			
	27.04.2022	28.07.2022	07.11.2022	06.02.2023
Mr. G.P.Muniappan – Independent & Non- Executive Director (Chairman)	✓	✓	✓	✓
Dr.K.Sabapathy - Independent & Non - Executive Director	✓	✓	✓	✓
Mr.P.Nataraj – Non-Independent & Executive Director	✓	✓	✓	✓

✓Attended

The Audit Committee Meetings dated 27.04.2022, 28.07.2022 and 07.11.2022 were held at 09.00 A.M / 9.30 A.M at SF.No.204, Kollupalayam Village, Arasur, Coimbatore - 641 407 and the meeting dated 06.02.2023 was held at 09.00 A.M. at First Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641 018.

All the meetings were held through physical mode.

Statutory Auditors, the permanent invitees to the Committee Meetings attended all the aforesaid meetings.

Mr. P. Kandaswamy, Company Secretary functions as the Secretary of the Committee.

The Committee recommends the appointment & remuneration of Internal Auditors, Statutory Auditors and Cost Auditors. A qualified Professional with good exposure conducts Internal Audit. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 23.08.2022.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of 3 Independent Directors as its Members.

Mr. G.P. Muniappan	- Independent & Non - Executive Director (Chairman)
Dr. K. Sabapathy	- Independent & Non - Executive Director
Dr. S. Renganayakei	- Women Independent & Non - Executive Director

The terms of reference specified by the Board of Directors to the Committee are as per the provisions of Section 178 of the Act & Regulation 19 of the Listing Regulation and Nomination & Remuneration Policy which are broadly indicated hereunder.

The functions of Committee is to formulate criteria to determine qualifications, positive attributes and independence of Directors, Key Managerial Personnel (KMP), Senior Management etc., recommend to the Board a Policy relating to their appointment and remuneration, so as to ensure that the Company's policies in respect of the Directors, KMP are competitive to recruit and retain the best talent in the Company; to recommend revision in their remuneration; to ensure appropriate disclosure of remuneration paid to the said persons etc.

The details of remuneration paid to directors are furnished below. The Whole Time Directors are appointed for the term of Five years by the Shareholders of the Company. There is no 'Stock Option Scheme' in the Company.

During the year under review, the Nomination and Remuneration Committee met once and the attendance of each member is furnished as below:

Name of Member	Attendance at the Meeting held on
	22.04.2022
Mr. G.P. Muniappan – Independent & Non - Executive Director (Chairman)	✓
Dr.K.Sabapathy – Independent & Non - Executive Director	✓
Dr.S.Renganayakei – Women Independent & Non - Executive Director	✓

✓Attended

The Nomination and Remuneration Committee Meeting was held on 22.04.2022 at 9.00 A.M at First Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018. The meeting was held through physical mode.

Details of Remuneration and Sitting Fee paid to the Directors are given below:

Name of Director	Remuneration during the year 2022 – 2023 (₹ in Lakhs)	Sitting fees for attending meeting of the board and/or committee there of (₹ in Lakhs)
Mr. K.P. Ramasamy	572.00	Nil
Mr. KPD Sigamani	572.00	Nil
Mr. P. Nataraj	572.00	Nil
Mr. C.R. Anandakrishnan	24.00	Nil
Mr. E.K. Sakthivel	18.00	Nil
Dr. K. Sabapathy	Nil	3.00
Mr. K.N.V. Ramani*	Nil	0.30
Mr. G.P. Muniappan	Nil	3.00
Mr. A.M. Palanisamy	Nil	1.20
Mr. C. Thirumurthy	Nil	1.20
Dr. S. Renganayakei	Nil	1.20
Mr. P. Selvakumar	17.32	Nil

*Ceased to be a Director with effect from 30.03.2023.

The Non-Executive Independent Directors are entitled to sitting fees only as per the statutory provisions and the limits approved by the Members.

The Nomination and Remuneration Committee Policy has been framed and displayed in the Company's Website.

The performance evaluation criteria for Independent Directors have already been included in the Nomination Remuneration committee policy. The Website link to the policy is provided here:

https://kprmilllimited.com/file/wp-content/uploads/2018/11/5.KPR-NR-Policy.pdf

STAKEHOLDERS RELATIONSHIP COMMITTEE

The company has a Stakeholder Relationship Committee to consider and resolve the grievances of Security holders of the Company. The Committee consists of 3 Directors of whom 2 are independent.

Dr.K.Sabapathy	- Independent & Non - Executive Director (Chairman)
Mr.G.P.Muniappan	- Independent & Non-Executive Director
Mr.P.Nataraj	- Non - Independent & Executive Director

Two Meetings were held during the Financial Year and the attendance of each Member is furnished as below:

Name of Member	Attendance at the Meetings held on	
	27.04.2022	07.11.2022
Dr. K. Sabapathy – Independent & Non - Executive Director (Chairman)	✓	✓
Mr. G.P. Muniappan – Independent & Non - Executive Director	✓	✓
Mr. P. Nataraj – Non Independent & Executive Director	✓	✓

✓ Attended

The Stakeholder Relationship Committee Meetings were held on 27.04.2022 and 07.11.2022 at 10.00 A.M at SF.No.204, Kollupalayam Village, Arasur, Coimbatore - 641 407.

All the meetings were held through physical mode.

Mr. P. Kandaswamy, Company Secretary is the Secretary to the Committee and the Compliance Officer of the Company.

Nature of complaint / queries received during the Financial Year 2022 – 23	No. of Complaints
For non-receipt of dividend, annual report, shares lodged for transfer, issue of duplicate share certificates	0
Complaints from BSE/NSE/SEBI/Legal	3
Queries / Complaints redressed	3
Pending queries/ complaints as on 31.03.2023	0

Pursuant to SEBI's Directions, Company has created a centralized web based complaints redressal system 'SCORES' and there was no complaint received during the year in that system.

As per Regulation 46 of the Listing Regulation, the Company has designated the following exclusive E-mail ID for the convenience of Investors: **investors@kprmill.com**

In addition they can forward their grievance, if any, to the following E-mail ID also: **kandaswamy@kprmill.com**

As required by the Listing Regulation, Company's website **www.kprmilllimited.com** is updated with the Quarterly information conveyed to the Stock Exchanges.

All information required to be disseminated in the Company's website as per Regulation 46 (2) of the Listing Regulations are disseminated. The Company's website contains a separate dedicated section **'Investor'** wherein shareholders' information are available. The Company's Annual Report is also available in a user-friendly and downloadable form.

With a view to regulate trading in securities by the Directors and Designated Employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee consists of Four Directors of which one is Independent Director.

1. Mr. K.P.Ramasamy – Non - Independent & Executive Director (Chairman)
2. Mr. KPD Sigamani – Non - Independent & Executive Director
3. Mr. P. Nataraj – Non - Independent & Executive Director
4. Dr. S.Renganayakei – Women Independent & Non - Executive Director

The main objective of the Corporate Social Responsibility Committee is to assist the Board of Directors and the Company in fulfilling its Corporate Social Responsibility ("CSR") activities. Besides and in line with the terms of reference made by the Board of Directors while constituting the Committee, the Committee has the overall responsibility for identifying the areas of CSR activities; recommending the amount of expenditure to be incurred on the identified CSR activities; devising and implementing the CSR policy; coordinating with the Agency, if any, appointed to implement programs and executing initiatives as per CSR policy of the Company. The Committee is also responsible for reporting the progress of various initiatives and in making appropriate disclosures on a periodical basis. The CSR Policy has also been framed and its details are uploaded in the Company's website **www.kprmilllimited.com.**

The Corporate Social Responsibility Committee met twice during the Financial Year and the attendance of each Member is furnished as below:

Name of Member	Attendance at the meeting held on	
	22.04.2022	07.11.2022
Mr. K.P.Ramasamy – Non Independent & Executive Director (Chairman)	✓	✓
Mr. KPD Sigamani – Non Independent & Executive Director	✓	✓
Mr. P. Nataraj – Non Independent & Executive Director	✓	✓
Dr. S. Renganayakei – Woman Independent & Non-Executive Director	✓	✓

✓Attended

The First Corporate Social Responsibility Committee Meeting was held on 22.04.2022 at 10.00 A.M at First Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018.

The Second Corporate Social Responsibility Committee Meeting was held on 07.11.2022 at 08.00 A.M at SF.No.204, Kollupalayam Village, Arasur, Coimbatore - 641 407.

All the meetings were held through physical mode.

RISK MANAGEMENT:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of the Listing Regulation, the Company has framed a Risk Management Policy. In the opinion of the Board there appears to be no element of risk which may threaten the existence of the company. The Risk Management Policy is disseminated in the website of the Company. The Risk Management Committee consisting of following members met twice during the Financial Year, reviewed the risks relating to the Industry and Company and the attendance of each Member is furnished as below:

Name of Member	Attendance at the meeting held on	
	29.06.2022	19.12.2022
Mr. P. Nataraj – Non Independent & Executive Director (Chairman)	✓	✓
Dr. K. Sabapathy – Independent & Non -Executive Director	✓	✓
Mr. P.L. Murugappan - Chief Financial Officer	✓	✓

✓Attended

The Risk Management Committee Meetings were held on 29.06.2022 and 19.12.2022 at 10.00 A.M at First Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018.

All the meetings were held through physical mode.

FAMILIARISATION PROGRAM

Familiarization Program on the Company and its operations was conducted apprising the Independent Directors of the following:

1. Roles, Rights and Responsibilities of Independent Directors in the Company.
2. Manufacturing Facilities/Units of the Company
3. Products Manufactured
4. Production Capacity of each segment and expansion under progress that are approved by Board from time to time
5. Key Strengths
6. Evolution
7. Unique Employment Model
8. Power Self-sufficiency through captive green power – Windmills, Cogen and Solar
9. CSR Activities
10. Expansion plans in Garment, Sugar, Ethanol and Co-gen Power.
11. Update on retail business
12. Historical performance & Future Plans

Besides Reports on the following activities apprising the system and procedures followed by the Company in ensuring compliance/ observance of those activities were also provided:

1. Compliance with applicable Legislations and Regulations
2. Risk Management
3. Ensuring significant development in Human Resources / Industrial Relations
4. Annual Budgets and Funding Plans consistent with agreed corporate strategies
5. Internal Finance Control
6. Integrity of financial information
7. Evaluation of Non-Independent Directors, the Chairperson and the Board as a Whole
8. Related Party Transactions

The following is the Web link for the details imparted to the Independent Directors:

https://kprmilllimited.com/file/wp-content/uploads/2023/05/FAMILIARISATION-PROGRAMME-2023-1.pdf

CEO / CFO CERTIFICATION

The CEO and CFO have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as required and forms part of this Annual Report.

GENERAL BODY MEETING

Details of Location, Date of the General Meetings held during the last three years:

Annual General Meeting	Date	Venue	Time of Meeting	Special resolution passed
17th	24.09.2020	Video Conferencing (VC) / Other Audio Visual Means (OAVM)	02.30 P.M	Re-appointment of Dr.S.Renganayakei as an Independent Director for a second term.
18th	09.09.2021	Video Conferencing (VC) / Other Audio Visual Means (OAVM)	02.30 P.M	Alteration of the existing Articles of Association of the Company by adoption of a new set of Articles of Association.
19th	23.08.2022	Video Conferencing (VC) / Other Audio Visual Means (OAVM)	02.30 P.M	Alteration of Clause 72 (ii) of the Articles of Association of the Company.

POSTAL VOTING AND E-VOTING:

In pursuance of the Listing agreement, E-Voting at the 19th AGM and remote e-voting were extended to all the Shareholders of the Company to facilitate voting on the Subjects/Resolutions contained in the 19th AGM notice. To conduct the voting procedure in a fair and transparent manner, a Scrutinizer was appointed for the above purposes. Accordingly the Scrutinizer conducted the voting process and submitted his reports on the voting polled, to the Chairman of the Company.

As per the said Report, the results of the voting on the Subjects/ Resolutions, contained in the Agenda of the meeting were announced. Besides, Reports were forwarded to the Stock Exchanges and they were also uploaded along with the scrutinizers report, in Company's website. Entire Resolutions contained in the said agenda were passed.

During the year under review no Extra - Ordinary General Meeting was held.

During the year, Special Resolution for re-appointment of Mr. K.P.Ramasamy as the Executive Chairman of the Company with effect from 1st April, 2022 for a further term of five years was passed by the Shareholders of the Company through Postal Ballot on 21.04.2022 in compliance with the procedure laid down under the applicable provisions of the Companies Act, 2013 read with rules made thereunder, SEBI (LODR) Regulations,2015 and Articles of Association of the Company.

Voting Results:

Particulars	% of Votes
Votes in favour of the Resolution	100.00
Votes against the Resolution	0.00

The Company had appointed Mr.A.Vetrivel (FCA. 25028) Chartered Accountant, to act as the Scrutiniser, for conducting the Postal Ballot process for the resolution mentioned above, in a fair and transparent manner.

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Annual Report.

CORPORATE GOVERNANCE

DISCLOSURE:

I. None of the transactions with related parties during the year 2022-23 were in conflict with the interest of the Company and all the transactions were only with the Wholly Owned Subsidiary Companies.

II. No penalty or levy has been imposed by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during last year.

III. Mr. K.P. Ramasamy, Chairman, Mr. KPD Sigamani, Managing Director and Mr.P.Nataraj, Managing Director are related to each other. Mr.C.R.Anandakrishnan, Executive Director is related to Mr.K.P.Ramasamy, Chairman and Mr.E.K.Sakthivel, Executive Director is related to Mr.KPD Sigamani, Managing Director.

IV. The Independent Directors of the Holding Company were nominated in the Subsidiary Companies Viz: M/s. K.P.R. Sugar Mill Limited (Material Subsidiary), M/s. Jahnvi Motor Private Limited and M/s. Quantum Knits Private Limited.

V. Directors Responsibility Statement and Management Discussion and Analysis Report have been furnished elsewhere in the Annual Report.

VI. The Company has a system to inform the Members of the Board about the risk Assessment and its minimization procedure.

VII. The corporate governance requirements as specified in SEBI (Listing Obligation and Disclosure Requirement) Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 has been duly complied with by the Company.

MEANS OF COMMUNICATION

The Annual Report containing the financial statements is posted / e-mailed to the shareholders of the Company in compliance with the provisions of the Act. **Towards Green Initiative, the Shareholders are requested to convey / update their e-mail address as well as register the same with their respective Depository Participant.**

Official-news releases and official media releases are sent to Stock Exchanges.

i. Quarterly Results are usually published in “Business Line” (English) and in “Makkal Kural” (Tamil) or “Malaimalar” (Tamil)

ii. The Financial Results are also accessible on the Company’s Website www.kprmilllimited.com

iii. Presentations made to institutional investors and financial analysts on the Company’s unaudited quarterly as well as audited annual financial results are uploaded on the Company's website.

SHAREHOLDERS INFORMATION

Annual General Meeting for the financial year 2022-23:		
Day and Date	:	Friday, 28.07.2023
Time	:	2.30 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

DATE OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from 22.07.2023 to 28.07.2023 (Both days inclusive) for the purpose of Final Dividend and Annual General Meeting of the Company.

DATE OF PAYMENT OF DIVIDEND

The payment of Interim Dividend declared by the Board of Directors at their meeting held on 06.02.2023 was made on 22.02.2023.

Dividends if declared at the Annual General Meeting will be paid to the Shareholders within stipulated time as per the Act.

SHARE DETAILS:

The Equity Shares of the Company are listed at the following Stock Exchanges:

BSE Limited **Scrip Code: 532889**

1st Floor, Rotunda Buildings,

Phiiroze Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited **Symbol: KPRMILL**

Exchange Plaza, Plot: C/1, G Block,

Bandra-Kurla Complex, Bandra (E),

Mumbai – 400 051

The Annual Listing Fee payable to the Stock Exchanges for the Financial Year 2022-23 have been paid in full.

DEMATERIALISATION OF SHARES:

Members have the option to hold their shares in demat form either through the National Securities Depository Limited or the Central Depository Services (India) Limited. The ISIN Number of the Company is **INE930H01031.**

The Annual Custodian Fee for the Financial Year 2022-23 to NSDL and CDSL have been paid in full.

As on 31.03.2023, shares representing 99.99 percentage of the total paid up capital of the Company are held in dematerialized form with NSDL and CDSL.

REGISTRAR AND TRANSFER AGENTS:

NSDL Database Management Limited
4th Floor, Trade World A Wing,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Phone: 022-49142700
Fax: 022-49142503
Email: investor.ndmlrta@nsdl.co.in
Website: www.ndml-nsdl.co.in

SHARE TRANSFER SYSTEM

After confirmation of the sale transaction from the Broker, Shareholder should approach the depository participant with a request, in the form of delivery instruction slip, to transfer the shares to the account of the broker. The depository participant will execute the instruction and transfer the share to the account of the Broker.

Similarly, in the case of a purchase, the Broker will arrange to credit the shares in the Demat account of Share Holder within 24 hours after the payout has been declared by the Exchange. There is no need for a separate communication with the Company or its Share Transfer Agents.

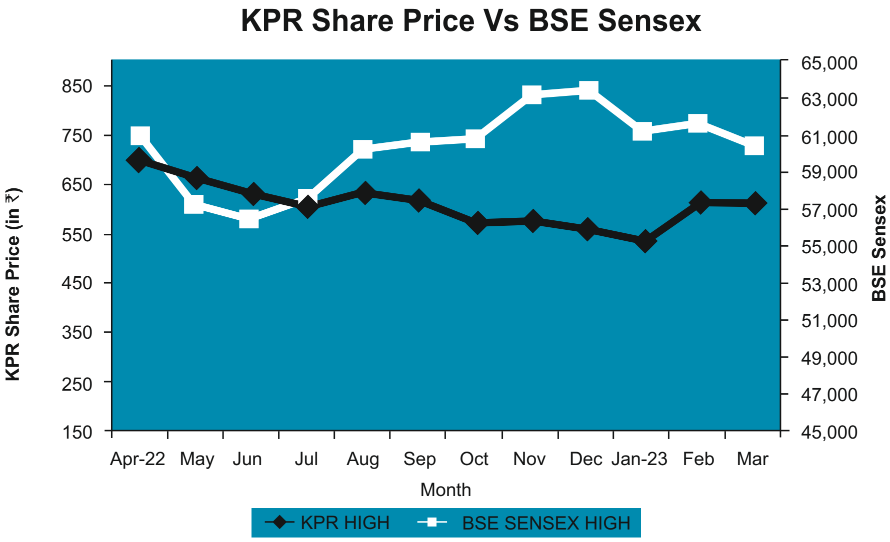
Please register your mobile number and email id with the DP, to get instant information through SMS from the Depository, whenever shares are debited from your DP account. Please ensure from your DP that your order is intact. Please collect a copy of transaction/holding from your DP periodically. Also use the nomination facility available with the Depository and register the nominee.

In respect of shares to be transferred in physical form, the facility has been done away with as per the new amendment SEBI (LODR amendment) Regulation, 2018. Unless and until the shares in physical forms are converted into Demat, the transfer of shares/securities cannot be done. It is to be made clear that, this Regulation is only with respect to transfer of shares/securities in physical mode and not with respect to transposition or transmission of securities. Such transposition and transmission can still be done in physical mode. So, for effecting the transfer of shares, the shareholders are requested to send application to the depository for conversion of physically held shares in dematerialized form.

MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the BSE Limited and National Stock Exchange of India Limited, during the financial year 2022-23 are given below:

MONTH	BSE			NSE		
	High (₹) (Ps)	Low (₹) (Ps)	Total Traded Quantity (in Crs)	High (₹) (Ps)	Low (₹) (Ps)	Total Traded Quantity (in Crs)
April 2022	704.00	620.25	0.05	710.00	620.00	0.64
May 2022	666.00	537.90	0.06	655.95	537.95	1.03
June 2022	633.90	479.60	0.03	633.90	479.50	0.74
July 2022	604.80	488.55	0.07	605.00	488.55	1.05
August 2022	638.55	558.00	0.08	638.00	558.10	0.72
September 2022	619.80	523.05	0.08	620.00	510.00	0.55
October 2022	577.35	525.60	0.08	576.00	527.70	0.62
November 2022	580.00	530.00	0.04	580.00	525.05	0.66
December 2022	561.10	479.55	0.07	562.00	479.45	0.78
January 2023	536.70	506.30	0.02	537.00	505.95	0.34
February 2023	619.15	517.10	0.04	619.00	517.30	0.59
March 2023	614.95	536.00	0.02	615.00	535.85	0.33



DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH 2023:

Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Equity
1-500	1,15,250	95.58	58,44,139	1.71
501- 1000	2,383	1.98	18,17,677	0.53
1001- 2000	1,298	1.08	19,44,745	0.57
2001- 3000	489	0.40	12,29,947	0.36
3001- 4000	239	0.20	8,51,902	0.25
4001- 5000	194	0.16	9,06,894	0.27
5001- 10000	311	0.26	22,64,940	0.66
10001 & Above	415	0.34	32,69,53,756	95.65
Total	**1,20,579**	**100.00**	**34,18,14,000**	**100.00**

SHAREHOLDING PATTERN AS ON 31ST MARCH 2023:

Category	Number of Shares Held	% of Holding
Promoters & Promoters Group	25,56,06,116	74.78
Mutual Funds	4,62,33,443	13.53
Foreign Institutional Investors	1,04,86,956	3.07
NRIs	12,72,130	0.37
Bodies Corporate	11,42,834	0.33
Public	2,70,72,521	7.92
Total	**34,18,14,000**	**100.00**

SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH 2023:

S.No	Name of Director	Shareholding
1	Mr. K.P. Ramasamy	7,30,30,816
2	Mr. KPD Sigamani	7,30,31,217
3	Mr. P. Nataraj	7,30,31,217
4	Mr. C.R.Anandakrishnan	6,950
5	Mr. E.K.Sakthivel	-
6	Dr. K. Sabapathy	-
7	Mr. K.N.V. Ramani	-
8	Mr. G.P.Muniappan	-
9	Mr. A.M. Palanisamy	-
10	Mr. C.Thirumurthy (Shares in the name of relative only)	50
11	Dr. S. Renganayakei	-
12	Mr. P. Selvakumar	-

CORPORATE GOVERNANCE

PLANT LOCATION:

LOCATION	TELEPHONE	FACILITIES
Indiampalayam Village, Sathyamangalam – 638 454	Tel: + 91 4285 251490	Spinning
S.F.No.273, Kittampalayam, Karumathampatti, Coimbatore – 641 659.	Tel: + 91 421 2321000	Spinning, Knitting, Compact & Mélange
S.F. No.525, Neelambur, Coimbatore – 641 062	Tel: + 91 422 2625115	Spinning & Knitting
S.F.No.181, Kollupalayam, Arasur, Coimbatore – 641 407.	Tel: + 91 422 2635500	Spinning, Knitting & Garmenting
252, Periyar Colony, Tirupur – 641 652	Tel: + 91 421 2259200	Garmenting
SIPCOT Industrial Area, Perundurai	Tel: + 91 4294 234800	Processing
270 J, Periyar Colony, Tirupur – 641 652	Tel: + 91 421 2259500	Marketing (Yarn & Fabric)
S.F. No 7, Avinashi Road, Thekkalur, Tirupur- 641 654	Ph: +91 89733 33255	Garmenting
No 460, Avinashi Main Road, Thekkalur, Tirupur – 641 654	Tel: +91 422 263 5550	Garmenting
SIPCOT Industrial Area, Perundurai	Tel: + 91 4294 234800	Processing Unit II and Printing Division
Tirunelveli, Tenkasi, Theni & Coimbatore District	-	Windmills

ADDRESS FOR CORRESPONDENCE

Company Secretary,
K.P.R. Mill Limited,
1st Floor, Srivari Shrimat,
1045, Avinashi Road,
Coimbatore – 641 018
Ph: +91 422 220 7777

For your reference the Company's **CIN: L17111TZ2003PLC010518**

LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR

CARE Ratings Limited has revised and re-affirmed its Credit Rating as follows:

Facilities	Ratings	Rating Action
Long-term Bank Facilities	CARE – AA+; Stable (Double A Plus; Outlook; Stable)	Revised from CARE AA; Stable (Double A; Outlook: Stable)
Short- term Bank Facilities	CARE A1+ (A one Plus)	Reaffirmed

CAPITAL INTEGRITY AUDIT

The Certificate from a Practicing Company Secretary, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis. A copy of the said Certificate is submitted to the Stock Exchanges where the securities of the Company are listed.

PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has prescribed a Code of Conduct for prevention of insider trading through Purchase / Sale of Share of the Company by an insider on the basis of unpublished price sensitive information. The same is followed and the designated persons are disclosing the related information periodically. As per SEBI (Prohibition of Insider Trading) Regulations, the Automation of System driven continuous Disclosures are also adopted.

The Company has also formulated a Code for Fair Disclosure of the Price Sensitive information in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same is disseminated in the website of the Company.

Mr.P.Kandaswamy, Company Secretary functions as the Compliance Officer.

SUBSIDIARY

The financials of the Subsidiary Companies viz., M/s.K.P.R. Sugar Mill Limited, M/s.Jahnvi Motor Private Limited, M/s Quantum Knits Private Limited, M/s.Galaxy Knits Limited, M/s. KPR Sugar and Apparels Limited, M/s. KPR Export PLC, Ethiopia and M/s. KPR MILL PTE.LTD, Singapore have been duly reviewed by the Audit Committee and the Board of the Holding Company. Salient features of the Board minutes of the unlisted subsidiary companies have been placed before the Board of the Holding Company. The Holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the Subsidiary Companies.

MATERIAL SUBSIDIARY:

The Company has also formulated a policy for determining the Material Subsidiary. In order to fall in line with the requirements of SEBI (LODR) Regulations, 2015 the 'Policy for determining material subsidiary' was amended by the Board of Directors at their meeting held on 03.05.2023 and the details of such policies are disseminated in the website of the Company. The Website link to the policy as provided here:

https://kprmilllimited.com/file/wp-content/uploads/2023/05/Policy-for-Material-Subsidiaries-KPRML.pdf

In addition to K.P.R. Sugar Mill Limited, a Wholly Owned Subsidiary Company with effect from 01.04.2023 KPR Sugar and Apparels Limited, another Wholly Owned Subsidiary Company also becomes Material Subsidiary.

1. K.P.R. Sugar Mill Limited was incorporated on 03.03.2006 at Coimbatore and its Statutory Auditor, Mr. A. Vetrivel was re-appointed on 19.08.2022 to audit the accounts from FY 2022-23 to FY 2026-27.

2. KPR Sugar and Apparels Limited was incorporated on 01.10.2020 at Coimbatore and its Statutory Auditor, Mr. A. Vetrivel was appointed on 06.09.2021 to audit the accounts from FY 2021-22 to FY 2025-26.

Its Secretarial Audit Report as per 24A of SEBI (LODR) Regulations is provided in the following web link: https://kprmilllimited.com/financial- result_annual-reports/

Loans and advances

The Company has extended loan to its wholly owned Subsidiary Company, KPR Mill Pte Ltd, Singapore and its balance as on 31.03.2023 was ₹ 223 lakhs.

The Wholly owned Subsidiary Company K.P.R. Sugar Mill Limited has extended loan to another wholly owned Subsidiary Company KPR Sugar and Apparels Limited and its outstanding is ₹ 11,516 Lakhs.

RELATED PARTY TRANSACTIONS (RPT)

There has been no materially significant related party transaction with the Company's Promoters, Directors, KMP and the Management, their Subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions in pursuance of Accounting Standards are given in the notes to accounts and Directors' Report.

As per SEBI (LODR), periodical report on related party transactions are filed with the Stock Exchanges and uploaded in the Company website.

The Company has also formulated a policy on dealing with the Related Party Transactions and the details of such policies are disseminated on the website of the Company.

The Website link to the policy as provided here:

https://kprmilllimited.com/file/wp-content/uploads/2022/11/RELATED-PARTY-TRANSACTION-POLICY.pdf

CORPORATE GOVERNANCE

DETAILS OF NON – COMPLIANCE BY LISTED ENTITY:

During the last three financial years there were no non - compliances by the listed entity nor any penalties or strictures imposed on the Listed Entity by the Stock Exchanges or Board or any Statutory Authority on the matters related to Capital Market.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has formed Vigil Mechanism and Whistle Blower Policy that provides for adequate safeguards against victimization of Directors / Employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. Further details of the same are provided in the Directors report.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS:

Certificate from PCS stating that none of the directors are debarred or disqualified forms a part of this Annual Report.

REGARDING SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of sexual harassment of women at workplace (prevention, prohibition and redressal act) 2013 Internal Complaints Committee has been formed. There were no complaints filed/disposed or pending during the financial year 2022-23.

TRANSFER TO IEPF ACCOUNT OF CENTRAL GOVERNMENT

The Company has transferred the following unpaid dividend amounts which remained unpaid for more than seven years that were due for transfer during the financial year 2022-23 to the Investor Education and Protection Fund of the Central Government:

Transfer of Unclaimed Dividends to IEPF Account

S.No	Dividend	Date of Transfer	Amount (₹)
1	Final Dividend 2014-15	26.09.2022	81,955.00
2	Interim Dividend 2015-16	03.03.2023	97,065.00
3	Second Interim Dividend 2015-16	10.04.2023	58,168.00

Transfer of Shares to IEPF Account

No of Shareholders	No of Shares	Date of Transfer
2	70	31.10.2022
3	900	05.04.2023

FEES TO STATUTORY AUDITOR

The particulars of payment of Statutory Auditors' fees, including subsidiaries on a consolidated basis is given below:

(₹ in Lakhs)

Particulars	Amount
Services as statutory auditors (including quarterly audits)	32.00
Tax audit	-
Services for tax matters	-
Other matters	-
Re-imbursement of out-of-pocket expenses	1.00
Total	**33.00**

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES

Committed to the principles of good Corporate Governance, the Company has, wherever necessary, complied with the Voluntary Guidelines issued by the Ministry of Corporate Affairs on Corporate Governance.

REPORT ON COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS

The Report on Compliance of Discretionary Requirements as provided in the Listing Regulation is furnished below:

1. The Board:

The Chairman of the Company is an Executive Chairman having an office at the premises of the company.

2. Shareholder Rights:

The Company has been consistently requesting the shareholders to furnish their e-mail ID with Depository/RTA/Company every year through AGM Notice. But still some of the shareholders have not furnished the same. After completion of the process the Company may consider forwarding the financial results to all the shareholders periodically.

3. Modified opinion(s) in Audit Report:

The Auditor’s Report to the Shareholders does not contain any qualification.

4. Separate posts of Chairperson and Chief Executive Officer:

The Company has an Executive Chairman and two Managing Directors among whom one is a Chief Executive Officer.

5. Reporting of Internal Auditor:

The Internal Auditor is reporting directly to the Audit Committee.

The above Corporate Governance Report has been placed before the Board of Directors at their Meeting held on 03.05.2023 and the same was approved thereat.

CODE OF CONDUCT AND ETHICS – DECLARATION

It is hereby declared that the Board of Directors of the Company have adopted a Code of Conduct for the Board members and Senior/Key Management Personnel of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior/Key Management Personnel to whom this Code of Conduct is applicable have affirmed the compliance of Code of Conduct during the year 2022 - 23.

P.Nataraj
Chief Executive Officer &
Managing Director
DIN: 00229137

Coimbatore
03.05.2023

CERTIFICATE

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

To the Members of K.P.R. Mill Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated April 7, 2023.
2. We have examined the compliance of conditions of Corporate Governance by K.P.R Mill Limited ("the Company"), for the year ended March 31, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with the National Stock Exchange of India Limited and the BSE Limited (collectively referred to as "Stock Exchanges").

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 23214150BGXPGC6162

Place : Coimbatore
Date : May 3, 2023

CERTIFICATE

CEO / CFO CERTIFICATE

The Board of Directors
K.P.R. Mill Limited,
Regd Office: No.9, Gokul Buildings, 1st Floor,
A.K.S. Nagar, Thadagam Road,
Coimbatore - 641 001

In relation to the **Audited Financial Accounts of the Company as at 31.03.2023** we hereby certify that:

a) We have reviewed financial statements (standalone and consolidated) for the year ended and that to the best of our knowledge and belief:

   (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian Accounting Standards, applicable laws and regulations.

b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept that it is our responsibility to establish and maintain internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation or such internal controls, if any of which we are aware and the steps we have taken or proposes to take to rectify these deficiencies.

   (i) There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data and there have been no material weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies.

   (ii) There were no significant changes in internal control during the period covered by this report.

   (iii) All significant changes in accounting policies during the period, and that the same have been disclosed in the notes to the financial statements;

   (iv) There were no instances of fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Coimbatore
Date: 03.05.2023

PL. Murugappan
Chief Financial Officer

P. Nataraj
Chief Executive Officer &
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMY

Global

The global economy is still marred by profound shocks and unprecedented uncertainty. Mixed signals are emanating from the geopolitical situation and financial market volatility. Just as the COVID-19 pandemic was receding, the war in Ukraine overwhelmed the world and fundamentally altered the global economic outlook. Surges in food and energy prices and shortages in key staples have severely affected the poorer sections across the world. Though international food, energy and other commodity prices have eased moderately in recent times, inflation remains high and broad-based.

India

In this hostile international environment, the Indian economy remains resilient, drawing strength from its macroeconomic fundamentals. Our financial system remains robust and stable. Banks and corporates are healthier than before the crisis. India is widely seen as a bright spot in an otherwise gloomy world. Yet, our inflation remains elevated, as in most parts of the world.

TEXTILE INDUSTRY

Global

The Russia-Ukraine war impacted the pace of the global market recovery from the COVID-19 pandemic. The war has led to economic sanctions on multiple countries, a surge in commodity prices and supply chain disruptions, causing inflation across goods and services affecting many markets across the globe. However, the global textile market grew from $573.22 billion in 2022 to $610.91 billion in 2023 at a compound annual growth rate (CAGR) of 6.6%. Growth of E-commerce - Increasing demand for online shopping is expected to drive the textile manufacturing market. The Textile market is expected to grow to $755.38 billion in 2027 at a CAGR of 5.5% (Source-Business Research Company).

India

Empowered with the abundant availabilities of Cotton, India also has a large pool of manpower which is advantageous since textile and apparel is a labour-intensive sector. The Indian Textile and apparel manufacturing is second largest in the world that spans the entire value chain from fibre to finished goods. All these factors promoted India as one of the leading manufactures and a sourcing hub. The enthusiasm in the textile industry on account of the latest FTAs is expected to move beyond enhanced market access and trade.

There appears to be plenty of opportunities for the Indian T&C Industry arising globally as the majority of Companies and Customers are looking for market diversification and explicitly, India is the most favoured destination. The Country has the potential to grab the emerging demands and markets by making investments in sustainability, circularity and traceability, supported by the concluded / yet to be concluded FTAs.

Cotton

Cotton has a prominent share in the textile manufacturing sector. India has the distinction of having the largest area under cotton cultivation which is about 38% of the world area under cotton cultivation and is one of the largest producer of cotton in the world accounting for about 22% of the world cotton production. However cotton yield is still lower against the world average yield. The increasing applications and usage of cotton in various industries are driving the demand for cotton from many countries across the globe.

Speculative trading, unseasonal rains and global shortage were the route cause for the historical increase in cotton price. The notable point is that the farmers are already taking the price reflecting on international and national commodities market as reference price.

INDIAN COTTON BALANCE SHEET FOR THE SEASON 2022-23

As on 31.03.2023	(In Lakh Bales)
Opening Stock	39.48
Production	337.23
Imports	10.00
TOTAL SUPPLY	**386.71**
Consumption	311.00
Exports	30.00
TOTAL DEMAND	**341.00**
Closing Stock	45.71

(Source: Government of India's Committee on Cotton Production & Consumption)

YARN

The majority of cotton yarn produced across the globe is used to manufacture apparels. Currently, consumers and brands are promoting sustainable fashion like never before, and clothing made using cotton yarn is an excellent choice for sustainability. High cotton yarn price was compounded by a rise in cotton prices. Challenges such as the Russia – Ukraine war have further contributed to the price rise. However, the prices of cotton are returning to normalization as the supply chain is getting back on track. This in turn is expected to normalize the industry in the next few years. Nowadays, key fashion houses and retailers have started to progressively incorporate cotton into the supply chains resulting in a significant increase in the product demand. This is anticipated to benefit and create new opportunities for the cotton yarn market growth. Thus, rising demand from the global textile industry is likely to drive its market growth.

MANAGEMENT DISCUSSION AND ANALYSIS

GARMENTS

Growing awareness of the latest fashion trends among the young generation helps to propel the textile garment market. Increased spending on apparel and accessories from online platforms and rising willingness to pay a premium for high-quality apparel, and increasing awareness towards sustainable and eco-friendly clothing helps to boost the growth of the textile garment market. In the total global textiles trade, 60% represents apparel. India is the sixth largest exporter of textiles and apparel products in the world with a massive raw material and manufacturing base. India has a large working population, which can be a great asset in the labour intensive textiles sector, particularly in the garments industry. Garment players in particular are expanding their scale and process capabilities to International Standards and gradually gaining market share. The Indian textiles sector needs to act fast and grab the huge opportunity opening up due to a change in global textiles trade patterns. While the opportunity is huge, the government and the industry need to act in coordination, as the world will not wait.

Internal control

Internal Control comprises of the plan of organization and all the coordinate methods and measures adopted within a business to safeguard its assets; check the accuracy and reliability of its accounting data and completeness of accounting records; promote operational efficiency; to encourage adherence to the prescribed managerial policies, to assist in achieving the orderly and efficient conduct of business; prevention and detection of fraud and errors and timely preparation of financial statements.

Our Internal Control System is fully equipped with necessary checks and balances ensuring that the transactions are adequately authorized and reported correctly. The Internal Auditor conducts regular Audits of various departments and Units to ensure that necessary controls are in place. The Audit Committee while reviewing the system and the Internal Audit Report, call for comments of Auditors on internal control systems and discuss any related issues with the Auditors and the Management of the company before submission to the Board. The Independent Directors also satisfy themselves on the integrity of financial information and ensure that financial controls including Signature controls. Budget Controls, Data control and systems of risk management are in place. The systems and procedures are documented by way of Manual.

EMPLOYEE WELFARE

The economic and social developments of Women in our Country relies on their access to employment opportunities and other services such as Education, Health Care, Finance etc, enabling their better participation in the economy and society. Education provides each individual a basis for the development of their performance laying the foundation for employability. Realising and recognising the above societal needs, KPR has ensured that 90% of its workforce represents female fraternity and that too mostly from rural places. Besides industry acclaimed welfare facilities, they are also equipped with higher education facility empowering their competence. Moreover KPR also extends placement services to them commensurate with their educational qualifications, in other reputed enterprises which is hailed as one of the innovative services towards development of Women and the Society. We are very happy to share that our work force demonstrates their outstanding performance making best use of the higher education facilities and the placement services.

PERFORMANCE

The historical high demand for Cotton resulted in spiralling its prices both the domestic and international markets. However the consequential increase in yarn prices was not commensurate with the increase in price of cotton thereby impacting the margin in yarn segment. Though due to Ukraine war, garment orders from Europe in general were slow, since we are in the basic segment its impact was less. The garment sales, margin and order position continues to be good. With regard to Sugar and Ethanol the encouraging trend continued.

RETAIL BUSINESS - FASO

In addition to the stylish Men's wear, we have also introduced Women's wear during the year, which was also responded well. Towards Pan – India plans, besides South India we have also covered 7 more States and in the Current year planning to stretch our wings to other states also. Moreover, established Two exclusive stores and tie up with large format stores have also been entered. Our products are also very active in online trade.

EXPANSION

The expanded capacities in Garment & Sugar, Cogen and Ethanol segments have started adding revenue to the Company. Fabric Printing Capacity has been doubled (15000 MT per annum). We have installed 10 MW rooftop Solar Power plant at Arasur Factories and awaiting the approval from the TANGEDCO.

We are also contemplating setting up of a separate Spinning Mill for viscose yarn and expansion of Ethanol production capacity through our wholly owned Subsidiary Companies. Depending on the market scenario and prospects the Board may consider further expansion at appropriate time.

RISKS AND THREATS

Risk relating to Raw material

Cotton plays an important role in the Indian economy as the country's textile industry is predominantly cotton based. India is one of the largest producers as well as exporters of cotton yarn. Cotton accounts for more than 51 percent of the total raw material cost in the Indian textile industry and continues to remain at an elevated level. The wild fluctuation in its prices - highest in a decade - has impacted the margins of the Industry as a whole. However, it is reported that the increase in the cotton crop area as well as its yields are also likely to mitigate its impact during the next financial year. Though the cotton prices have cooled down against its peak price, the prices are still higher than the pre-covid level only.

MANAGEMENT DISCUSSION AND ANALYSIS

The prudent and pragmatic cotton procurement strategies and availability of exclusive personnel in the cotton growing areas and market to monitor and report the events affecting its availability and supplies enables KPR to access the quality cotton at competitive prices. As KPR is an integrated Apparel Unit, the impact of higher cost of raw material on its performance is minimal as the additional cost can be shouldered by the resultant products.

Risk relating to Technology obsolescence

As the Indian Textile Industry is maturing, the levels of competition are also escalating. In order to survive and thrive in the present-day world, textile manufacturers are increasingly relying on a wide range of machinery testing equipment for ensuring optimal quality of output. The onus is on textile producers to maintain a balance between speed, quality and expertise – and technology is helping them do precisely that. Considering these and the factors such as increased efficiency and productivity KPR always buy new advanced Technology Machinery and Equipments only. Moreover, regular updation of technology advancement in the machinery and production process continues, thereby automation, wherever possible, is introduced which also entails production and supply of high quality goods and services.

Market Risks / Industry Risks:

The calamities such as Ukraine war and the pandemic pose a grave risk to the world economy. The world economic growth has slowed and accordingly International fashion retailers have reported rise in inventory and pressure on their margins since summer. This is also reflected in the slump in their off take from supplying countries. However, as we are in the basic segment, its impact is expected to be less. It is hoped that with the unstinted support from all the Stakeholders KPR would be able to manage such risk.

Logistics Risks:

One of the foremost challenges that the logistics sector faces today arise due to poor infrastructure. Physical infrastructure impacts transportation which facilitates logistics. The country faces challenges in port and roadways infrastructure which directly impacts the transportation of goods. Fuel costs and policy changes directly impact the logistics sector, since higher the costs of fuel, higher are the transportation and freight costs which would directly impact the costs and disrupt the supply chain. However, KPR with its strategic Logistic team is able to source and supply products as per plans.

Political environment risks:

The Government has been paying due attention to the problems faced by the industry. The industry associations have also brought before the Government all major issues faced by the industry then and there.

Disaster Risks:

The Company has a well-designed safety management policy that eliminates / reduces the risk of workplace incidents, injuries, and fatalities through adoption of various well defined safety measures and devices. Its proper implementation and updation enable effective prevention besides equipping the employees to handle any incident that may occur. The properties of the Company are insured against natural risks like fire, earthquakes, etc. with periodical review of adequacy, rates and risks covered.

Financial Risks:

Proper financial planning evolved by qualified and competent Personnel is put in place with detailed Annual Business Plans. Annual and quarterly budgets are prepared and put up to the management for detailed discussion and analysis. The Projects and expenses are regularly monitored. Preparation of daily and monthly cash flows ensures utilization of funds in an effective manner. The Budgets are regularly placed at Audit Committee and the Board.

i. Credit Risks:

Systems are put in place for assessment of credit worthiness of customers before admission into dealing. Continuous and periodical monitoring of outstanding, appropriate recovery management system including legal course of action and vigorous follow up are adopted by the Company to mitigate this risk.

ii. Foreign Exchange Risks:

We have foreign currency exposure in Exports and Imports, significantly in US Dollar & Euro. Foreign Currencies are exposed to risk on account of adverse currency movements. Exchange rate fluctuations could cause some of our costs to grow higher than the proportionate revenues. To manage our foreign exchange risk arising from commercial transactions and recognized assets and liabilities, we use forward contracts and selectively enter into hedging transactions to reduce the risks of currency fluctuations. To manage the Forex related matters we have a competent team consisting of qualified and experienced Personnel.

Labour Shortage

The scarcity of skilled workforce is a matter of concern for the Labour Intensive Indian Textile Industry. The Government is trying to curb the skilling gap in the textile segment with the help of schemes like PMKVY. However, KPR doesn't face this issue because of its best HR practices that are unique and distinctive from others. Low absenteeism & attrition rate, higher productivity, ability to source required work force are the fruits of its strategic HR policies.

Stiff competition from low cost Countries enjoying duty concessions

Indian textile exporters can benefit from the FTA as tariff and non-tariff barriers may be eased under the deal. Currently, Bangladesh, Sri Lanka, Pakistan and some other countries get preferential treatment while exporting to the UK, Europe and US. Indian exporters feel that they are not getting equal treatment in the developed economies. It is expected that the concluded and the 'on-going FTAs' will provide Indian exporters a level playing field to some extent.

CYBER RISK AND SECURITY

In the present world, the cyber threats presented by modern tech are a cause of concern and as such cyber security measures are inevitable. Cyber security encompasses technologies, processes, and methods to defend computer systems, data, and networks from attacks. The Company employs different best practices to secure computer systems and networks as suggested by the Cyber Security Team consisting of Tech Savvy Personnel and a Director who has wide knowledge in the IT field. Periodical monitoring of the measures is also in place to strengthen the security systems.

The following measures adopted by the Company to mitigate the risk continued:

1. End-user training
2. Operating System and Application patches and updates
3. Endpoint Update and Monitoring
4. Strong password policy
5. Access control measures
6. Minimize administrative access
7. Network segmentation and segregation
8. Device security
9. Protect mobile devices
10. Strong IT policies
11. Staff training on cyber security awareness and policies
12. Data backups
13. Periodical system audit

FUTURE PROSPECTS

After the covid-19 disturbance, the world is aggressively diversifying outside China and looking for a reliable, sustainable, and scalable partner in textiles trade. Empowered by the significant advantages in availability of raw material and labour, India should capitalise the opportunity to increase its share in global apparel and textiles trade with a quantum leap, rather than the incremental gains that it achieved in the past. The Government of India has an ambitious target of taking textile and apparel (T&A) exports to US$ 100bn in FY28 and taking encouraging efforts for promoting and supporting the textiles sector such as Free Trade Agreements (FTA), Production Linked Incentive (PLI) scheme, development of textile parks, and its exports-promotion schemes. Its initiatives are focused on promoting technology upgradation, creation of infrastructure, skill development and sectoral development in textile sector. These initiatives are likely to create a positive environment and provide a conducive environment for textile manufacturing across the globe. KPR, equipped with the hi-tech integrated facilities, enthused work force, progressive business model and empowered by strong performance track record, loyal customer base and drive for enhancing value for all stakeholders, remains optimistic about healthy growth and prosperity in the coming years also.

For and on behalf of the Board

K.P. Ramasamy
Chairman
DIN: 00003736

Coimbatore
03.05.2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE COMPANY

1	Corporate Identity Number (CIN) of the Listed Entity	**L17111TZ2003PLC010518**
2	Name of the Listed Entity	**K.P.R. Mill Limited**
3	Year of incorporation	**2003**
4	Registered office address	**No. 9 Gokul Buildings, 1st Floor, A.K.S Nagar, Thadagam Road, Coimbatore – 641 001, Tamil Nadu**
5	Corporate address	**1st Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018, Tamil Nadu**
6	E-mail	**kandaswamy@kprmill.com**
7	Telephone	**0422-2207777**
8	Website	**www.kprmilllimited.com**
9	Financial year for which reporting is being done	**2022-23**
10	Name of the Stock Exchange(s) where shares are listed	**BSE Limited & National Stock Exchange of India Limited**
11	Paid-up Capital	**₹ 34,18,14,000**
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	**Mr.P.Kandaswamy Company Secretary 1st Floor, Srivari Shrimat, 1045, Avinashi Road, Coimbatore – 641 018. Tamil Nadu Phone No. 0422-2207777 E-mail ID: kandaswamy@kprmill.com**
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	**Disclosures made in this report are on a standalone basis**

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the Turnover):

S.No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Yarn	40.80
2.	Manufacturing	Fabric	8.09
3.	Manufacturing	Garment	41.96

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No	Product/Service	NIC Code	% of total Turnover contributed
1.	Garment	18101	41.96
2.	Yarn	17121	40.80
3.	Fabric	17115	8.09

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	11	1	12
International	Nil	Nil	Nil

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	15
International (No. of Countries)	60

b. What is the contribution of exports as a percentage of the total turnover of the entity?
In the reporting year, the contribution of exports is 37.52%

c. A brief on types of customers
Our commitment to quality and customer service earned a strong customer base-over 1300 regular domestic clients for yarn and fabrics and Leading Brands from more than 60 countries for Apparels.

IV. EMPLOYEES

18. Details as at the end of Financial Year 2022-2023:

a. Employees and workers (including differently abled):

S.No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	3,462	2,876	83.07	586	16.93
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	3,462	2,876	83.07	586	16.93
	WORKERS					
4	Permanent (F)	18,357	545	2.97	17,812	97.03
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	18,357	545	2.97	17,812	97.03

b. Differently abled Employees and workers:

S.No	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No.(C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	-	-	-	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of Directors	11	1	9.09
Key Management Personnel	2	-	-

20. Turnover rate for permanent employees and workers:

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	3	5	8	3	5	8	3	5	8
Permanent Workers	11	9	20	12	9	21	10	7	17

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	K.P.R. Sugar Mill Limited	Subsidiary	100%	NO
2.	Quantum Knits Private Limited	Subsidiary	100%	
3.	Jahnvi Motor private Limited	Subsidiary	100%	
4.	Galaxy Knits Limited	Subsidiary	100%	
5.	KPR Sugar and Apparels Limited	Subsidiary	100%	
6.	KPR Exports Plc	Subsidiary	100%	
7.	KPR Mill Pte Ltd	Subsidiary	100%	

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - **Yes**

(ii) Turnover (in lakhs) : ₹ **4,73,955**

(iii) Networth (in lakhs) : ₹ **2,97,296**

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-2023			FY 2021-2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Community	Yes. 1. The Company has framed Whistle Blower Policy facilitating better Corporate Governance practices which ultimately benefit all the stakeholders. Industry acclaimed HR Policy covering different areas including grievance redressal mechanism for employees and workers are in place. Also, the Company has Standard operating procedure in place to resolve the grievances of its customers and ensure customer satisfaction. (Web portal: https://kprmilllimited.com/file/wp-content/uploads/2018/11/1-WBP-KPRML-1-GPM-Altered.pdf 2. We have engaged an NGO who monitors advisory body for resolving employees and workers grievances through 'Ulula Grievances Mechanisms system'. Ulula has given a toll free number to call and register their grievances directly at any time for effective remediation. Ulula app is also available.	0	0	0	0	0	0
Investors (other than shareholders)		0	0	0	0	0	0
Customers		0	0	0	0	0	0
Value Chain Partners		0	0	0	0	0	0
Employees and workers		0	0	0	0	0	0

Shareholders	Investor Grievances are promptly redressed by our RTA, M/s. NSDL Database Management Limited by following 'SEBI Investor Charter' formulated by SEBI. In addition, the Company also effectively addresses the grievances, if any, received directly through its competent & experienced Personnel in the secretarial department. Further, SEBI has also provided for 'SCORES platform' to register grievances directly by the investors, which are also periodically monitored and addressed by the Company. The Stakeholders Relationship Committee also monitors all such issues periodically. The Investors can contact / lodge their grievance in the following e-mail id's: 1. investor.ndmlrta@nsdl.co.in 2. investors@kprmill.com	3	0	All complaints have been redressed	0	0	0
Other (please specify)	NA	0	0	0	0	0	0

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S.No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Sustainable Raw material procurement	Opportunity and Risk	**Opportunity:** As quality is our Watchword, be it the products we produce or service we provide, we always buy best quality Cotton Shankar – 6 from Gujarat to ensure consistent quality. Wherever required, we also buy sustainable Cotton such as BCI, Organic, CMIA according to the requirements. Sourcing sustainable cotton reduces environmental and social impacts besides delivering high quality products to our valued customers. **Risk:** Cotton being our key raw material, sourcing of high quality cotton at competitive price is always a major challenge. Speculative trading, unseasonal rains and global shortage are the causes of its price fluctuations.	We have a dedicated cotton team to monitor its availability and its price fluctuations. The availability of exclusive personnel at the cotton growing areas and their prudent & pragmatic cotton procurement strategies enable us to access quality cotton.	**Positive:** The products produced out of high quality cotton & sustainable cotton always fetch remunerative prices. **Negative:** Cotton prices have direct impact on the profit margins of the Company. Cotton being a single major cost of production, fluctuation in its prices tend to impact the bottom line.

S.No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Water Use and Management	Opportunity	**Opportunity:** We always consider that water being a vital resource, its conservation is essential for making the earth green for the well-being, progress and prosperity of human beings. Towards conserving environment the following measures at our Units are already in force: 1. Fully automated controlling systems 2. Flow meter 3. ETP & STP for recycling 4. ETP water is used only in processing unit. 5. STP water is used in our green development areas to recharge ground level water.	-	**Positive:** Though the initial installation cost of recycling water management is huge, in the long run benefits will definitely overweight the cost.
3	Energy Management	Opportunity	**Opportunity:** Ever since we commenced our manufacturing activities we concentrated on generating renewable energy that minimizes carbon pollution and has a much lower impact on our environment, through green resources such as Wind, Co-generation and now Solar which caters to most of our power requirements. Besides we have also established various power saving devices at our production facilities such as: 1. 5 star rated equipments 2. BLDC and IE3 motors 3. Separate Meters for monitoring 4. Automated cutoff system for boiler and compressor. 5. Audit for purchase of new equipments	-	**Positive** The energy saving measures result in consumption of economized power and fuel that would reduce the cost of production. 1. Controlling emission 2. Global warming 3. Carbon emission

S.No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Chemical Management	Opportunity and Risk	**Opportunity:** 1. We are following RSL & MRSL guidelines in procuring high quality and low cost chemicals in bulk quantities globally thereby achieving economies of scale. 2. Zero discharge of hazardous chemical. 3. Clean chain **Risk** We always adopt cautious and efficient handling of hazardous and toxic chemicals in our production.	Our workers are trained by industry experts to handle chemical safely as well as economically. Also, we have put in place safe chemical disposal mechanism in order to ensure environment sustainability.	**Positive:** Effective purchase and prudent practices contributes to increased profit margins, improving financial stability, and become more competitive in the market.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

S.No	Principles
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://kprmilllimited.com/policy/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SA 8000: 2014	OCS, BCI, DISNEY (FAMA), GMP	FSLM, ISO 45001: 2018	ICS, SQP	FSLM, ISO 45001: 2018	FEM, ISO 14001: 2015, ZDHC, BWE3	ISO 9001: 2015	BSCI, GRS, RCS	SEDEX, WRAP, GOTS, Oeko-Tex Standard 100
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Though not set any such specific commitment goals, we continue to adhere all the guiding principles.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	The concept of Sustainable business refers to the utilisation of the available resources in such a manner that the requirements of the future generations are also fully taken into account. To put it in other words the finite natural resources are utilised by the enterprise in a judicious manner and conserved for the future necessities of the enterprise, society and environment. Sustainable business involves the pursuit of activities and initiative to ensure that their economic activities not only address the current environmental concerns apart from making profits, but also focus on environment protection, preservation of natural resources, work towards social justice and equality. With respect to the social factor, how it considers its employees and other stakeholders and safeguard their interest. In the Governance module, the composition of Board, conduct of the Company leadership, Internal controls, shareholders' rights, audit process etc. are all considered. These sustainable practices are not new to KPR and have been practiced ever since it started setting up its main business. Be it environment friendly measures, promotion of employee welfare, empowering downtrodden, following good governance etc.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).									

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	KPR 's Corporate plans and procedures have inbuilt mechanisms to achieve the above factors so as to ensure that the corporate moves towards attaining sustainability. As KPR adopts transparency in its activities and follows good Corporate Governance practices it is easier to measure its overall fulfilment of the business obligations towards the stakeholders in the same sanctity as the financial statements of the business. The Business Responsibility (BR) Committee shall comprise of the Whole-time Director and the departmental head of the respective functions of the Company. The Company Secretary shall also be the member of the Committee who would advise on various legal mandates and would also act as the Secretary of the Committee. Name: Mr. P. SELVAKUMAR Designation: Whole Time Director DIN Number: 07228760

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above Policies and follow up action	Business Responsibility Committee									Annually								
Compliance with statutory requirements of relevance to the principles, And rectification of any non- compliances	Business Responsibility Committee									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. **No**

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators:

1.Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	The Directors of the Company are briefed on the various sustainability initiatives of the Company from time to time. The Directors are also updated on changes in the corporate and industry scenario including those pertaining to statutes/legislation & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.		
Key Management Personnel			
Employees other than BoD and KMPs	4	1. Leadership Development 2. Workplace Stress Management 3. Yoga and Meditation 4. Sports and Physical fitness	100%
Workers	4	1. Safety Officer monitor Programme 2. Fire Safety and Disaster Management Programme 3. Chemical Spillage handling Programme 4. Mockdrill	100%

2. Details of fines / penalties / punishment / award / compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format: **NIL**

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

	Non Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed: **Not Applicable**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Honesty, Integrity and Hard work always remains as factors of our success and growth. In addition to the 'Code of Conduct' adopted by the Company that are applicable to the Directors, Management and Employees, we have devised 'Anti-bribery and Corruption Policy' for every units of the Company which are in conformity with the legal and statutory frame work on anti-bribery and anti-corruption legislation. The Policy reflects the commitment of the Company and its management for maintaining highest ethical standards while undertaking open and fair business practices and culture and enforcing effective systems to detect, counter and prevent bribery and other corrupt business practices.

The policy is available on the Company's website at Microsoft Word - Policy for Anti Bribery and Anti Corruption - KPRML https://kprmilllimited.com/file/wp-content/uploads/2023/06/ANTI-BRIBERY-AND-ANTI-CORRUPTION-POLICY.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption: **NIL**

	FY 2022-2023	FY 2021-2022
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest: **NIL**

	FY 2022-2023		FY 2021-2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?

(Yes/No) - If Yes, provide details of the same.

Yes. The Directors and Senior Management are scrupulous by carefully avoiding conflicts of interest with the Company. In case there is likely to be a conflict of interest, Senior Management personnel should make full disclosure of all facts and circumstances thereof to the Managing Director and a prior written approval should be obtained. In case there is likely to be a conflict of interest in the case of Managing Director, he should make full disclosure of all facts and circumstances to the Audit Committee and the Independent Directors in the Committee should report on the same. The Chairman and any Director of the Board in like circumstances should make full disclosures to the Board.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-2023	FY 2021-2022	Details of improvements in environmental and social impacts
R&D	100%	100%	1. Purchased briquettes to reduce CO_2 emission 2. Installed sensor in dryer machine blower and BLDC fan to reduce power consumption
Capex	2.99%	4.63%	Reduced ETP waste

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

We have a dedicated cotton team to monitor its availability and its price fluctuations. The availability of exclusive personnel at the cotton growing areas and their prudent & pragmatic cotton procurement strategies enable us to access quality cotton.

b. If yes, what percentage of inputs were sourced sustainably?

Our major raw material is cotton for which we use the best quality cotton Shankar 6. As per buyer's requirement, sustainable cotton (~25%) is procured from vendors who are certified to be compliant with social and environmental standards. With regard to other inputs also we focus on procuring from such vendors.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- **a) 100% of plastics waste including packing material are sold for recycling.**
- **b) E-waste is sold only to authorised vendors of Pollution Control Board (Government Body).**
- **c) All hazardous wastes are strictly sold by entering into an disposal agreement with the authorised vendors of Pollution Control Board .**
- **d) All the cutting wastes are segregated colour wise and sent to the recycling unit.**

Other wastes are also carefully disposed without any adverse environmental impact

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board. They visit the factory and verify the same before according their approval.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? - **Not so far**

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

KPR's Employee initiatives are Industry-acclaimed, wherein work force are recruited from rural populace and are provided with various facilities such as Nutritious food, Hygienic and Comfortable Accommodation & Working conditions, Comprehensive Medical & Nursing facilities, Library, Entertainment, Sports, Swimming pool, Yoga, Meditation etc. Its trendsetter Higher Education & vocational training facilities with the tie-up of renowned Universities to the employees through excellent coaching of well - trained & experienced Teachers have benefitted over 32,000 Employees so far and on an average 3000 Employees are availing the facility every year. Several Employees and Aspirants continue to excel in the Government Examinations securing higher ranks and Gold Medals. In addition, KPR has also arranged Placement for Employees based on their higher qualifications. Lauding its trendsetting HR Practices, Honorable Vice-President of India Sri.Venkiah Naidu has honoured KPR with an award for 'Pioneering work done 'in Indian Textile Industry.

Essential Indicators

1.a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent employees											
Male	2,876	1,220	42.42	2,876	100	-	-	-	-	2,635	91.62
Female	586	490	83.62	586	100	490	83.62	-	-	502	85.66
Total	**3,462**	**1,710**	**49.39**	**3,462**	**100**	**490**	**83.62**	-	-	**3,137**	**90.61**
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
Permanent workers											
Male	545	545	100	545	100	-	-	-	-	545	100
Female	17,812	17,812	100	17,812	100	17,812	100	-	-	17,812	100
Total	**18,357**	**18,357**	**100**	**18,357**	**100**	**17,812**	**100**	-	-	**18,357**	**100**
Other than Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

2. Details of retirement benefits:

Benefits	FY 2022-2023			FY 2021-2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.33	99.93	Y	99.26	99.92	Y
Gratuity	100	100	NA	100	100	NA
ESI	49.39	100	Y	56.25	100	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Considering the nature of manufacturing process we have not employed any disabled people in our factory so the same is not applicable.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed for an equal opportunity to employees and values them irrespective of gender, marital status, sexuality, race, ethnic or national origin, colour, political or religious belief, disability or age. We believe that diversity and inclusivity at workplace is an instrument for economic growth, sustainable competitive advantage and societal progress. The Company's recruitment and selection policy and procedure, ensure that there is no discrimination either direct or indirect.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Female employees covered under ESI and they can avail maternity leave and benefits as per ESI rules. However more than 95% of such employees are unmarried.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers **Other than Permanent Workers** **Permanent Employees** **Other than Permanent Employees**	I. The Company has framed Whistle Blower Policy facilitating better Corporate Governance practices which ultimately benefit all the stakeholders. Industry acclaimed HR Policy covering different areas including grievance redressal mechanism for employees and workers are in place. Also, the Company has Standard operating procedure in place to resolve the grievances of its customers and ensure customer satisfaction. (Web portal: https://kprmilllimited.com/file/wp-content/uploads/2018/11/1-WBP-KPRML-1-GPM-Altered.pdf II. We have engaged an NGO who monitors advisory body for resolving employees and workers grievances through 'Ulula Grievances Mechanisms system'. Ulula has given a toll free number to call and register their grievances directly at any time for effective remediation. Ulula app is also available. III. The Company has placed suggestion boxes at prominent places of all units to enable the employees and workers to report their genuine concerns. IV. The Company has appointed Welfare Officer at all units to ensure the well-being of all working groups.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-2023			FY 2021-2022		
	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees / Workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	There is no such Association/Union as we have full-fledged Grievance Redressal Committee, Works Committee, Canteen Committee, Environment, Health and Safety Committee at all our units which meets every alternative months also and NGO monitored advisory body takes care of grievances, if any through 'Ulula Grievance Mechanism System'.					
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2022-2023					FY 2021-2022				
	Total (A)	On Health and Safety Measures		On Skill upgradation		Total (D)	On Health and Safety Measures		On Skill upgradation	
		Number (B)	%(B/A)	Number (C)	%(C/A)		Number (E)	%(E/D)	Number (F)	%(F/D)
Employees										
Male	2,876	-	-	2,876	100	2,739	-	-	2,739	100
Female	586	-	-	586	100	498	-	-	498	100
Total	**3,462**	-	-	**3,462**	**100**	**3,237**	-	-	**3,237**	**100**
Workers										
Male	545	545	100	545	100	553	553	100	553	100
Female	17,812	17,812	100	17,812	100	16,729	16,729	100	16,729	100
Total	**18,357**	**18,357**	**100**	**18,357**	**100**	**17,282**	**17,282**	**100**	**17,282**	**100**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2022-2023			FY 2021-2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,876	2,876	100	2,739	2,739	100
Female	586	586	100	498	498	100
Total	**3,462**	**3,462**	**100**	**3,237**	**3,237**	**100**
Workers						
Male	545	545	100	553	553	100
Female	17,812	17,812	100	16,729	16,729	100
Total	**18,357**	**18,357**	**100**	**17,282**	**17,282**	**100**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes. We have implemented unit wise occupational health and safety management system and also certified ISO 45001:2018 which endeavours to facilitate safer workplace, improved employee morale and other health and safety programs our business processes.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

KPR follow standardized hazard identification and risk assessment on a routine and non-routine basis.

1. **Identify Hazards** – Surveying the work place on a routine basis to access what is expected to cause harm

2. **Evaluating Risk –** evaluation when, where and how much the person is exposed to the potential hazard.

3. **Deciding the control measures** – Based on the evaluation we follow hierarchy of controls to be implemented

4. **Documenting the findings** – We document the detailed process in accessing the risk, evaluations made and conclusions drawn.

5. **Review of Assessment –** Reviewing the controls implemented on a regular timely basis to check if they are effective for daily changing environment.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. Workers from lower to higher hierarchy can at anytime report genuine concerns to management.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes. We have group insurance for both employees and workers.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-2023	FY 2021-2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

There are 'near miss' incidents found in all factories. The safety officer notices the near miss and take immediate corrective action in consultation with management to prevent them.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

We prioritize the safety of our employees above all. We have process in place to be aware of the hazards, implementing workplace safety programs, safety training to employees, periodic health check-ups, 24 hrs first aid and ambulance facility, Nursing and Comprehensive medical facilities, installing fire extinguishers wherever required, easy access to exits in case of emergencies.

13. Number of Complaints on the following made by employees and workers: **NIL**

Particulars	FY 2022-2023			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	**100%**
Working Conditions	**100%**

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant risks or incident had occurred.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):

Yes. We have unit wise mediclaim and accidental cover for our workers and employees. In the event of death of any Worker/Employee, the same is given to their family members.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We ensure that such dues are collected and remitted to the government by our value chain partners.

3. Provide the number of employees having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: **NIL**

Particulars	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023	FY 2021-2022	FY 2022-2023	FY 2021-2022
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No):

No, but we provide Career development programme to the employees who enrich their educational qualification utilizing our higher education facilities. It enables them to uplift their carrier growth by securing placement in various reputed organization spread over the nation.

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has mapped its internal as well as external stakeholders to deepen its insights into their needs and expectations and to develop sustainable strategies for the short, medium and long term. Key stakeholders identified by the Company are Shareholders/Investors, Government and Regulators, Employees, Customers and Suppliers.

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channel of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) other	Frequency of Engagement (Annual / Half Yearly / Quarterly / Others – Please specify)	Purpose and Scope of engagement including key topics and concerns raised during such engagement
Investors	No	Meetings, Website and Correspondence	Quarterly/ Annually	Discussions about top line and bottom line of the company performance, Dividend declarations etc
Employees	No	Personal/group interactions, mails and trainings.	Regularly	Discussions about productivity, Training, Growth and career Development.
Suppliers	No	Meetings	Whenever Required	Discussing the business related issues like problems in supply chain.
Customers	No	Newspaper, Survey, Advertisement and website	Whenever Required	Understanding of customer issues and their timely redressal and follow up activities.
Community	No	CSR initiatives	Whenever Required	We have made CSR donations for Education purpose
Government/ Regulators	No	Industry representation meetings	Whenever Required	Compliances of law and corporate governance.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with stakeholders on Economic, Environmental and Social topics has been delegated to the concerned departments who are responsible for engaging with stakeholders on continuous basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The consultation with the stakeholders always helps the company in devising company's policy on economic, environmental, and social topics.

3. Provide details of instances of engagement with, and actions taken to; address the concerns of vulnerable / marginalised stakeholder groups. **Nil**

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-2023			FY 2021-2022		
	Total (A)	No. of employee/ workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	3,462	3,462	100	3,237	3,237	100
Other than permanent	-	-	-	-	-	-
Total Employees	**3,462**	**3,462**	**100**	**3,237**	**3,237**	**100**
Workers						
Permanent	18,357	18,357	100	17,282	17,282	100
Other permanent	-	-	-	-	-	-
Total Workers	**18,357**	**18,357**	**100**	**17,282**	**17,282**	**100**

2. Details of minimum wages paid to employees and workers:

All employees and contractors have been paid more than or equal to minimum wages in accordance with the laws of the land where the Company operates.

3. Details of remuneration/salary/wages, in the following format

Particulars	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (in ₹)	Number	Median remuneration/ salary/wages of respective category (in ₹)
Board of Directors (BoD)	11	24,83,333.00	1	-
Key Managerial Personnel	2	2,31,642.00	-	-
Employees other than BoD and KMP	2,879	20,500.00	596	14,000
Workers	621	16,250.00	18,266	11,466

Note: All median salaries mentioned above are on monthly basis.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)-

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

I. We have established a Grievance redressal Committee which periodically reviews the employees concerns.

II. We have installed suggestion box in prominent work places which is taken care by concerned department and timely remedial measures are taken.

III. Toll free numbers are displayed everywhere in workplace, which enables the employees to redress their grievances.

IV. We have also set up a works committee which have framed policies favouring labour welfare.

V. We have set up notice board to display the upcoming events for Employees and Workers at all units.

6. Number of Complaints on the following made by employees and workers: **NIL**

Particulars	FY 2022-2023			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have specifically set up an Internal Complaints Committee which looks after the instances of harassment and discrimination at the work place. Till date zero Complaints were received from our workers.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) **Yes**

9. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	NA

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No such instances of complaints received.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

Not applicable as no such modifications has been introduced in the current reporting year.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company's Human rights policy recognizes the following priority issues:

i. Our premises is FSLM and SA8000:2014, BSCI, WRAP, ETI, ICS Complied, whereby we are duly audited and certified by the concerned authorities. The results are transparent and uploaded in their website.

ii. We have our own code of conduct. We are zero tolerant to the child forced or compulsory labour in operations and supply chains.

iii. We have human rights policy. We provide equal opportunity to all employees and also provide opportunities for all employees to express concerns and seek redressal.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners

Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Particulars	FY 2022-2023	FY 2021-2022
Total electricity consumption (A) (TJ)	693.65	642.06
Total fuel consumption (B) (TJ)	2.41	2.32
Energy consumption through other sources (C)	373.54	381.32
Total energy consumption (A+B+C) (TJ)	**1069.60**	**1025.70**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes. Please refer details given in the next para.**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes. The Arasur and Karumathampatti units are under Performance, Achieve and Trade (PAT) Scheme of the Government of India. The reports are submitted to Bureau of Energy Efficiency. We are conducting Factories Environmental Module (FEM) every year in all factories and the results are also verified by certified third parties external agencies such as INTER TEK, BV, SITRA, etc. The details are also available in HIGG INDEX Website.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-2023	FY 2021-2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,00,694.00	1,10,790.00
(ii) Groundwater	10,05,401.94	9,31,048.37
(iii) Third party water	4,05,599.18	4,26,027.97
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	15,11,695.12	14,67,866.34
Total volume of water consumption (in kilolitres)	15,11,695.12	14,67,866.34
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional)	-	-

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The Company's manufacturing Units are compliant with Zero Liquid Discharge.

KPR has installed an Effluent Treatment Plant (ETP) with capabilities to treat 3 million liters/day of waste water generated from our dyeing process, which enables the company to reuse 100% of the treated waste water for the process again. On-site Zero Liquid Discharge treatment system treats and recovers almost all waste water such that the only water lost is through evaporation or as moisture in the sludge from treatment plant operations.

Through these measures, KPR is committed to protecting the fragile eco system of the planet, which is our gift to our children and our future. Our ETP stands tall as a model recycling facility in this part of the world.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: Details in respect of Processing Unit

Parameter	Please specify unit	FY 2022-2023
NOx	Tonnes/Year	3.285
SOx	Tonnes/Year	2.555
Particulate matter (PM)	Tonnes/Year	4.745
Persistent organic pollutants (POP)	Tonnes/Year	-
Volatile organic compounds (VOC)	Tonnes/Year	BDL (DL-0.001)
Hazardous air pollutants (HAP)	Tonnes/Year	BDL (DL-0.001)
Others - Carbon Monoxide (CO)	Tonnes/Year	2.555
Note : BDL-Below Detectable Limit		DL- Detectable Limit

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes. The external agency is M/s. Greenlink Analytical and Research Laboratory (India) Private Ltd.**

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: Details in respect of Processing Unit

Parameter	Please specify unit	FY 2022-2023	FY 2021-2022
Total Scope 1 emissions (Break-up of the GHG into Co_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of Co_2 equivalent	88234.74 MT of Co_2e	79531.41 MT of Co_2e
Total Scope 2 emissions (Break-up of the GHG into Co_2,CH4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of Co_2 equivalent	11774.29 MT of Co_2e	4995.54 MT of Co_2e
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of Co_2 Equivalent per rupee of turnover	2.110	1.783
Total Scope 1 and Scope 2 emission intensity (optional)	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No.**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, we have already completed several projects relating to GHG emission and in order to enhance our efforts towards the same we have devised short term and long term plans, details of which are available in our web link

https://kprmilllimited.com/file/wp-content/uploads/2023/06/GHG-EMISSION-CONTROL-PLAN.pdf

https://kprmilllimited.com/file/wp-content/uploads/2023/06/GHG-EMISSION-CONTROL-PROCEDURE.pdf

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-2023	FY 2021-2022
Total Waste generated (in kgs)		
Plastic waste (A)	98,225	1,23,709
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G) Used oil, Oil filter sludge, chemical swiping, Oil cloth, Chemical can	83,425	74,251
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	17,97,434.40	14,39,767.28
Total (A+B + C + D + E + F + G + H)	19,79,084.40	16,37,727.28

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	Waste Recovered (in metric tonnes)
(i) Recycled	**All the cutting wastes are segregated by colour wise and sent to the recycling unit.**
(ii) Re-used	
(iii) Other recovery operations	
Total	

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of Waste	Waste Disposed (in metric tonnes)
(i) Incineration	Nil
(ii) Landfilling	
(iii) Other disposal operations	
Total	

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

KPR has a standardised waste management system which includes Collection, segregation of hazardous and non-hazardous wastes, Recycling, Treatment and disposal. We have also adopted GRS (Global Recycle Standard), which enabled us to recycle and reuse wherever possible.

With respect to Hazardous and Toxic chemical usage, we have ZDHC Management in place (Zero Discharge of Hazardous Chemicals), which enables us to reduce the amount of hazardous chemicals that are discharged into water.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: **Not Applicable**

S.No	Location of operations/offices No	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-	-	-	-
-	-	-	-

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
ISO 14001:2015	51_SO804E	20 JAN 2016	YES	YES	https://certcheck.ukas.com/certification/3a2d8681-7030-583b-8f5c-1ded54a34809
HIGG INDEX	S.O.804(E) dated 14.03.2017	25 APR 2023	YES	YES	https://kprmilllimited.com/certifications/

We are proud to report that KPR is ranked among the' India's Highest Top Scorer in HIGG INDEX VFEM'. The scores awarded by various Third Party Certifying Agencies, as indicated below, stands as a Testimony to our remarkable achievement and our great concern for eco-friendly environment. We remain strongly focussed on its continuous improvement, by constantly assessing and improving processes and systems, to achieve long-term sustainability goals.

KPR MILL LIMITED HIGG INDEX VFEM SCORE				
Year	**Processing Unit**	**Arasur Garment**	**Thekkalur Garment - 1**	**Thekkalur Garment - 2**
2020	**73.2**	**61.1**	**47.4**	**67.2**
2021	**84.6**	**71.6**	**64.7**	**69.1**
2022	**84.8**	**75**	**73.6**	**74.8**

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: **YES**

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A) (TJ)	373.54	381.32
Total fuel consumption (B) (TJ)	NIL	NIL
Energy consumption through other sources (C) (TJ)	NIL	NIL
Total energy consumed from renewable sources (A+B+C) (TJ)	373.54	381.32
From non-renewable sources		
Total electricity consumption (D)(TJ)	693.65	642.06
Total fuel consumption (E) (TJ)	2.41	2.32
Energy consumption through other sources (F) (TJ)	NIL	NIL
Total energy consumed from non-renewable sources (D+E+F) (TJ)	696.05	644.38

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Details are mentioned in point 2 of Essential Indicators in Principal 6.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
(ii) To Groundwater	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
(iii) To Seawater	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third- parties	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
(v) Others	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
Total water discharged (in kiloliters)	**Not applicable**	**Not applicable**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): **Not applicable**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area - Not applicable

(ii) Nature of operations - Not applicable

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)	Not applicable	Not applicable
(i) Surface water	Not applicable	Not applicable
(ii) Groundwater	Not applicable	Not applicable
(iii) Third party water	Not applicable	Not applicable
(iv) Seawater / desalinated water	Not applicable	Not applicable
(v) Others	Not applicable	Not applicable
Total volume of water withdrawal (in kilolitres)	Not applicable	Not applicable
Total volume of water consumption (in kilolitres)	Not applicable	Not applicable
Water intensity per rupee of turnover (Water consumed / turnover)	Not applicable	Not applicable
Water intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable

Water discharge by destination and level of treatment (in kilolitres)	FY 2022-23	FY 2021-22
(i) To Surface water	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
(ii) To Groundwater	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
(iii) To Seawater	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
(iv) Sent to third- parties	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
(v) Others	Not applicable	Not applicable
- No treatment		
- With treatment-please specify level of treatment		
Total water discharged (in kiloliters)	**Not applicable**	**Not applicable**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	**Metric tonnes of CO_2 equivalent**	Not applicable	Not applicable
Total Scope 3 emissions per rupee of turnover		Not applicable	Not applicable
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		Not applicable	Not applicable

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives :

Please refer our measures indicated under para 7 of Essential Indicators in Principle 6.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes

The Company has devised Business Continuity and Disaster Management plan for each units of the Company to be implemented in the event of a sudden natural calamity or emergency situations such as flood, fire or sabotage in the respective locations. The objective of the disaster plan is to educate and follow, how to control disaster, combat fire, rescue people, save life of those not only inside the factory but also neighbouring area, etc.

It also lays down the procedure for preparing and responding to a potential environmental, occupational, health and safety emergency or incident, accident including spills and releases.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NIL

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NIL

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations **- 11 chambers/ associations**

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/Global)
1	The Southern India Mills Association	National
2	Tamilnadu Spinning Mill Association	State
3	Tirupur Exporters Association	State
4	Indian Wind Power Association	National
5	Indian Cotton Federation	National
6	The Indian Chamber Of Commerce And Industry, Coimbatore	National
7	Tamilnadu Electricity Consumers Association	State
8	Cotton Made in Africa	Global
9	The Cotton Textiles Export Promotion Council	National
10	Better Cotton Initiative	Global
11	Confederation of Indian Textile Industry	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
-	-	-

3. Details of public policy positions advocated by the entity: **NIL**

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification no.	Date of Notification	Whether conducted by Independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant web link
SA 8000:2014	SIA G.S.R. 574(E)	8th August, 2014	Yes	No	-
WRAP			Yes	Yes	https://my.wrapcompliance.org/Pages/Facility-Dashboard.aspx?SF_ID=10369&SourceURL=https%3A%2F2Fmy.wrapcompliance.org%2FPages%2FMy-Dashboard.aspx
BSCI			Yes	No	-
ICS			Yes	No	-
FSLM/SLCP			Yes	Yes	https://slcpgateway.sustainabilitymap.org/showassessment/PRJ217285?token=eyJhbGciOiJIUzI1NiIsInR5cCI6IkpXVCJ9.eyJwcm9qZWN0X2lkIjoiUFJKMjE3Mjg1IiwiY29tcGFueSI6IkFINTA0NjI2IiwiaWF0IjoxNjg3MzU1NDIwLCJleHAiOjE2ODgyMTk0MjB9.5JqjalIEFImyfdPndebJrmxkpx4rYscGDkxYUnVfjiI

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **Not Applicable**

S.No	Name of project for which R&R is ongoing	State	District	No. of project Affected families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
-	-	-	-	-	-	-

3. Describe the mechanisms to receive and redress grievances of the community.

The Company proactively meets the community representatives. It has a designated team at each manufacturing location. Each need is noted, analysed and a feasible solution is implemented.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2022-2023	FY 2021-2022
Directly sourced from MSMEs/ small producers	1.55%	2.18%
Sourced directly from within the district and neighbouring districts	32.85%	33.64%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not Applicable as no CSR projects were undertaken in designated aspirational districts as identified by government bodies

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

The company does not have any preferential procurement policy at present.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable, no benefits derived and shared from the intellectual properties owned or acquired

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects

For details refer to Annexure to Director's Report 2022-23 (Annual Report on Corporate Social Responsibilities (CSR) Activities for Financial Year 2022-23)

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Our Organisation is a consumer centric and we believe our customers are our King. There is growing relevance of excellence in customer service to propel growth considering the intense competition. We have a proper and effective redressal mechanism for customers. The broad principles of our customer complaint resolution mechanism are as under.

- **Customers must be served with courtesy, respect and understanding at all times.**
- **Customers must be treated with fairness - both actual and perceived.**
- **There is a structured and well publicized mechanism for customers to ventilate grievances.**
- **Complaints are addressed within a reasonable time frame and to the satisfaction of the customers.**
- **Strategies are in place improve customer service on a continuous basis to minimize the scope for grievances.**
- **Employees are sensitized to the importance of customer acquisition and retention.**

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	as a percentage to total turnover
Environmental and social parameters relevant to the product	**100%** **(For all garments sold)**
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Particulars	FY 2022-2023			FY 2021-2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4.Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	**There were no instances of Product recall during the year**	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Risk management Policy is available on the Company's website at www.kprmilllimited.com

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

During the year, there were no instances of issues in the above mentioned areas.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)
The information on company's products can be accessed through company's website i.e., www.kprmilllimited.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
Our product tag contains the information on the safe and responsible usage of the products such as Wash care instructions, product features, Customer care details etc. We mention these instructions on all of our apparel products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
Not applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.
The company display only mandated product information on carton boxes.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
No

6. Provide the following information relating to data breaches:

(a) Number of instances of data breaches along-with impact

During the financial year 2022-23, no data breaches regarding customer privacy from outside parties etc. has happened.

(b) Percentage of data breaches involving personally identifiable information of customers: **0%**

INDEPENDENT AUDITORS' REPORT

To the Members of K.P.R. Mill Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of K.P.R. Mill Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and 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 SAs 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were 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 these matters.

Revenue recognition

See notes 3 and 27 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of goods. Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and there are no longer any unfulfilled performance obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Inappropriate assessment could lead to risk of revenue being recognized before transfer of control. In view of the above and since revenue is a key performance indicator of the Company, we have identified timing of revenue recognition from sale of goods as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the accounting policy for revenue recognition with relevant accounting standards; • Evaluating the design and implementation of the Company's key internal financial controls in relation to timing of revenue recognition and tested the operating effectiveness of such controls for selected samples; • Performing detailed testing by selecting samples of revenue transactions recorded during the year and around the year end date using statistical sampling. We assessed fulfilment of performance obligations during the year by verifying the underlying documents. These documents included contract specifying terms of sale, invoices, goods dispatch notes, customer acceptances and shipping documents; • Testing, on a sample basis using specified risk based criteria, journal entries affecting revenue recognised during the year to identify unusual items.

Valuation of Inventories

See notes 3 and 9 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company is an integrated textile manufacturer and the inventory primarily comprises of yarn, fabric and garments. Inventories are valued at lower of cost and net realisable value. The Company maintains its inventory levels based on forecast demand and expected future selling prices. There is a risk of inventories being measured at values which are not representative of the lower of costs and net realisable value ('NRV'). The Company exercises high degree of judgment in assessing the NRV of the inventories on account of estimation of future market and economic conditions. The carrying value of inventories is material in the context of total assets of the Company. We identified the valuation of inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the accounting policy for inventories with relevant accounting standards; • Evaluating the design and implementation of the Company's key internal financial controls over valuation of inventories and testing the operating effectiveness of such controls for selected samples; • Observing the physical verification of inventory on a sample basis. In this regard, we have considered the physical condition of inventory by way of obsolescence or wear and tear or efflux of time, wherever relevant and applicable, in determining the valuation of such inventory. • For NRV testing, selecting inventory items, on a sample basis at reporting date and compared their carrying value to their subsequent selling prices as indicated in sales invoices subsequent to the reporting date.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the reports such as Board's report, Management Discussion and Analysis and Corporate Governance Report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of Annual report, which are expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

The Company's Management and 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 Management and 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 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 in preparation of standalone financial statements 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.

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 the "Annexure A" 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 accounts.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer note 36 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 50 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 50 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 49 to the standalone financial statements, 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 dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid 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 Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 23214150BGXPFY6349

Place : Coimbatore
Date : 03 May 2023

INDEPENDENT AUDITORS' REPORT

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of K.P.R. Mill Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases 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 following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land located at Kittampalayam and Tirunelveli admeasuring 19 acres and 8 acres respectively	66.76	K.P.R. Spinning Mill Private Limited	NO	April 1, 2005	The title deeds are in the name of K.P.R. Spinning Mill Private 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 Honourable High Court(s) of judicature.
Freehold land located at Arasur, Bogampatti, Thenkasi, Tirunelveli admeasuring 40.65 acres, 18.20 acres, 57.63 acres and 6 acres respectively	64.47	K.P.R. Mill Private Limited	NO	April 1, 2005	The title deeds are in the name of K.P.R. Mill Private 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 Honourable High Court(s) of judicature.
Freehold land located at Tirunelveli admeasuring 2 acres	9.61	K.P.R. Knits	NO	April 1, 2005	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.

Immovable properties whose title deeds have been charged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.

INDEPENDENT AUDITORS' REPORT

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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 inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security, granted loans or advances in the nature of loans, secured or unsecured to firms, limited liability partnership or any other parties during the year. The Company has not provided security or granted loans or advances in the nature of loans, secured or unsecured to any company during the year. The Company has made investments and stood guarantee to companies during the year in respect of which the requisite information, as applicable, is provided below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to entities as below:

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular, where applicable. Also refer note 48 to the standalone financial statements. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Also refer note 48 to the standalone financial statements. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(₹ in Lakhs)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted during the year				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	-	-
Balance outstanding as at balance sheet date				
Subsidiaries*	1,77,045	-	223	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others*	329	-	-	-

**As per the Companies Act, 2013*

Also refer note 48 to the standalone financial statements.

INDEPENDENT AUDITORS' REPORT

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute, except as follows:

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associates or joint ventures (as defined under the Act) during the year ended 31 March 2023.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Act. The Company does not hold any investment in any associates or joint ventures (as defined under the Act) during the year ended 31 March 2023.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

Name of the statute	Nature of the dues	Amount* (₹ in lakhs)	Financial year to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	2.68	2016-2017	Commissioner of Income Tax (Appeals), Faceless Appeal Centre, New Delhi.
Income-tax Act, 1961	Income tax	7.23	2020-2021	Commissioner of Income Tax (Appeals), Faceless Appeal Centre, New Delhi.
Goods and Service Tax Act	GST	259.33	2017-2019	Commissioner of GST & Central Excise (Appeals), Coimbatore
Goods and Service Tax Act	GST	173.67	2014-2017	Commissioner of GST & Central Excise (Appeals), Coimbatore

*net of amount paid under protest

INDEPENDENT AUDITORS' REPORT

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an 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) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

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

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

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information comprising Board's report, Management Discussion and Analysis and Corporate Governance Report, accompanying the standalone 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.

Also refer to the "Information Other than the Financial Statements and Auditor's Report Thereon" paragraph of our main audit report which explains that the remaining sections of the Annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

K Sudhakar
Partner
Membership No.: 214150
ICAI UDIN:23214150BGXPFY6349

Place : Coimbatore
Date : 03 May 2023

INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditor's Report on the standalone financial statements of K.P.R. Mill Limited for the year ended 31 March 2023

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of K.P.R. Mill Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities 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 financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 financial statements include 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

INDEPENDENT AUDITORS' REPORT

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 Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No :101248W/W-100022

K Sudhakar
Partner
Membership No.: 214150
ICAI UDIN : 23214150BGXPFY6349

Place : Coimbatore
Date : 03 May 2023

BALANCE SHEET

(₹ in Lakhs)

Particulars	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	94,924	84,433
(b) Capital work-in-progress	4	2,126	491
(c) Intangible assets	4	96	80
(d) Financial assets			
(i) Investments	5	75,731	57,912
(ii) Loans	6	223	204
(iii) Other financial assets	7	3,413	2,350
(e) Other non - current assets	8	5,208	3,479
Total non - current assets		**1,81,721**	**1,48,949**
(2) Current assets			
(a) Inventories	9	1,23,247	85,190
(b) Financial assets			
(i) Investments	10	12,716	27,403
(ii) Trade receivables	11	49,209	39,263
(iii) Cash and cash equivalents	12	4,050	9,561
(iv) Bank balances other than cash and cash equivalents	13	226	479
(v) Other financial assets	14	252	4,442
(c) Other current assets	15	16,008	20,603
Total current assets		**2,05,708**	**1,86,941**
Total assets		**3,87,429**	**3,35,890**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	3,418	3,441
(b) Other equity	17	2,93,878	2,59,777
Total equity		**2,97,296**	**2,63,218**
Liabilities			
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	29	31
(ii) Other financial liabilities	19	311	-
(b) Deferred tax liabilities (net)	20	5,817	4,368
(c) Other non-current liabilities	21	1	3
Total non- current liabilities		**6,158**	**4,402**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	49,770	41,754
(ii) Trade payables			
(A)Total outstanding dues of micro and small enterprises; and	23 (A)	645	1,454
(B)Total outstanding dues of creditors other than micro enterprises and small enterprises	23 (B)	19,285	10,037
(iii) Other financial liabilities	24	209	43
(b) Other current liabilities	25	14,012	13,310
(c) Current tax liabilities (net)	26	54	1,672
Total current liabilities		**83,975**	**68,270**
Total liabilities		**90,133**	**72,672**
Total equity & liabilities		**3,87,429**	**3,35,890**

Significant accounting policies 3

The notes from 1 to 51 are an integral part of these standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/W-100022

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
CIN : L17111TZ2003PLC010518

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

P.Nataraj
Chief Executive Officer and Managing Director
DIN : 00229137

K Sudhakar
Partner
Membership No. : 214150

Coimbatore
03.05.2023

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
03.05.2023

STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

Particulars	Note	Year Ended 31.03.2023	Year Ended 31.03.2022
I. Revenue from operations	27	**4,73,955**	**4,07,367**
II. Other income	28	13,012	8,463
III. Total Income (I+II)		**4,86,967**	**4,15,830**
IV. Expenses			
Cost of materials consumed	29	3,03,973	2,27,875
Purchase of stock-in-trade		13,750	-
Changes in inventories of finished goods, stock -in- trade and work- in-progress	30	(19,471)	(8,323)
Employee benefits expense	31	46,200	43,289
Finance costs	32	2,670	1,339
Depreciation and amortisation expense	4	7,764	7,565
Other expenses	33	49,606	46,136
V. Total expenses		**4,04,492**	**3,17,881**
VI. Profit before tax (III-V)		**82,475**	**97,949**
VII. Tax expenses			
Current tax			
- Pertaining to current year		18,324	24,870
- Pertaining to prior year		(802)	(75)
Deferred tax		1,449	74
Total tax expense		**18,971**	**24,869**
VIII. Profit for the year (VI-VII)		**63,504**	**73,080**
Other comprehensive income			
Item that will be reclassified to profit or loss		-	-
Item that will not be reclassified to profit or loss		-	-
IX. Other comprehensive income for the year, net of tax		-	-
X. Total comprehensive income for the year (VIII+IX)		**63,504**	**73,080**
Earnings per equity share (EPS)			
Basic and diluted EPS (in ₹) of face value ₹ 1/- each	41	**18.57**	**21.24**

Significant accounting policies 3

The notes from 1 to 51 are an integral part of these standalone financial statements

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
CIN : L17111TZ2003PLC010518

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/W-100022

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

P.Nataraj
Chief Executive Officer and Managing Director
DIN : 00229137

K Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
03.05.2023

Coimbatore
03.05.2023

CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Note	Year Ended 31.03.2023	Year Ended 31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		**63,504**	**73,080**
Adjustments for:			
Income tax expenses recognised in the statement of profit and loss		18,971	24,869
Depreciation and amortisation expenses		7,764	7,565
Net gain on sale of property, plant and equipment		(2,074)	(296)
Finance costs		2,670	1,339
Interest income		(212)	(305)
Dividend income from non-current investments in subsidiaries		(4,684)	(26)
Gain on sale of current investments (Net)		(3,627)	(1,359)
Rental income from operating leases		(236)	(112)
Impairment loss on financial assets		182	121
Financial guarantee income		(169)	-
Impairment of non-current investments (including investment pending allotment)		-	1,594
Impairment on Loans		-	113
Operating profit before working capital changes		**82,089**	**1,06,583**
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(38,057)	(16,105)
Trade receivables		(10,128)	(13,303)
Other current assets		4,598	(4,963)
Other non current financial assets		(1,063)	(944)
Other non-current assets		(3,454)	-
Other financial assets		(54)	4
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		8,439	3,228
Other financial liabilities		(11)	3
Other current liabilities		702	2,085
Other non-current liabilities		(2)	(1)
Cash generated from operations		**43,059**	**76,587**
Net income tax (paid)		(19,517)	(25,684)
Net cash flow from/ (used in) operating activities	**(A)**	**23,542**	**50,903**
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment, including capital advances (net of capital subsidy)		(18,874)	(14,082)
Proceeds/ (purchase) from sale of current investments (net)		15,950	(2,700)
Decrease/ (increase) in margin deposit accounts		253	308
Proceeds from sale of property, plant and equipment		2,764	530
Proceeds from maturity of term deposits (having original maturity of more than 3 months)		4,000	-
Loans to related party (net of repayment)		-	233
Purchase of non-current investments:			
- Subsidiaries		(20,000)	(38,924)
(Purchase) / proceeds from sale of non-current investments		5,202	-
Interest received from:			
- Others		437	218
Dividend received from subsidiary		4,684	26
Rental income		236	112
Net cash flow used in investing activities	**(B)**	**(5,348)**	**(54,279)**

CASH FLOW STATEMENT

(₹in Lakhs)

Particulars	Note	Year Ended 31.03.2023	Year Ended 31.03.2022
CASH FLOW FROM FINANCING ACTIVITIES			
Payment towards buy-back of shares		(18,001)	-
Income tax on buy-back of shares		(4,076)	-
Proceeds from / (repayment of) non-current borrowings (Net)		(2)	(959)
Proceeds from/ (repayment of) current borrowings (net)		8,015	11,014
Finance costs paid		(2,292)	(1,105)
Dividends paid		(7,349)	(516)
Net cash flow (used in) / from financing activities	**(C)**	**(23,705)**	**8,434**
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	**(5,511)**	**5,058**
Add: Opening cash and cash equivalents		9,561	4,503
Closing cash and cash equivalents (refer note 12)		**4,050**	**9,561**
Closing cash and cash equivalents comprises			
(a) Balance with banks:			
(i) In Current accounts		2,305	2,752
(ii) In EEFC accounts		1,682	6,784
(b) Cash on hand		63	25
		4,050	**9,561**

Significant accounting policies 3

The notes from 1 to 51 are an integral part of these standalone financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/W-100022

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
CIN : L17111TZ2003PLC010518

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

P.Nataraj
Chief Executive Officer and Managing Director
DIN : 00229137

K Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
03.05.2023

Coimbatore
03.05.2023

CHANGES IN EQUITY

a. Equity share capital	Notes	(₹ in Lakhs)
Balance as at 01.04.2021		3,441
Changes in equity share capital during 2021-22		-
Balance as at 31.03.2022		**3,441**
Less : Buy-back of equity shares	41	**23**
Balance as at 31.03.2023		**3,418**

b. Other Equity (₹ in Lakhs)

Particulars	Reserves and Surplus				Other comprehensive income	Total Other Equity
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at 01.04.2021	**15,233**	**1,827**	**24,716**	**1,45,437**	**-**	**1,87,213**
Profit for the year	-	-	-	73,080	-	73,080
Final dividend relating to 2020-21 paid (₹ 0.75 per share on face value of ₹ 5/-)	-	-	-	(516)	-	(516)
Balance as at 31.03.2022	**15,233**	**1,827**	**24,716**	**2,18,001**	**-**	**2,59,777**
Profit for the year	-	-	-	63,504	-	63,504
Premium on buy-back of equity shares	(15,233)	-	-	(2,745)	-	(17,978)
Income tax on buy-back of equity shares	-	-	-	(4,076)	-	(4,076)
Transfer to Capital redemption reserve	-	23	-	(23)	-	-
Final dividend relating to 2021-22 paid (₹ 0.15 per share on face value of ₹ 1/-)	-	-	-	(513)	-	(513)
Interim dividend relating to 2022-23 paid (₹ 2 per share on face value of ₹ 1/-)	-	-	-	(6,836)	-	(6,836)
Balance as at 31.03.2023	**-**	**1,850**	**24,716**	**2,67,312**	**-**	**2,93,878**

Significant accounting policies 3

The notes from 1 to 51 are an integral part of these standalone financial statements

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
CIN : L17111TZ2003PLC010518

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
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Company Secretary

Coimbatore
03.05.2023

Coimbatore
03.05.2023

ACCOUNTING POLICIES

1 CORPORATE INFORMATION

K.P.R. Mill Limited ('the Company') is one of the largest vertically integrated apparel manufacturing companies in India with its registered office situated at Coimbatore. The Company produces Yarn, Knitted Fabric, Readymade Garments and Wind power. It has state-of-the-art production facilities in the State of Tamil Nadu, India. The Company's registered office is at No. 9, Gokul Buildings, A.K.S Nagar, Thadagam Road, Coimbatore - 641001, Tamil Nadu, India.

The Company's shares are listed in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

2 BASIS OF PREPARATION

A STATEMENT OF COMPLIANCE:

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, as amended from time to time.

These standalone financial statements for the year ended 31.03.2023 are approved for issue by the Company's Board of Directors on 03-05-2023.

Details of the Company’s accounting policies, including changes thereto, are included in note 3. The Company has consistently applied the accounting policies to all the periods present in these standalone financial statements.

B FUNCTIONAL AND PRESENTATION CURRENCY

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

C BASIS OF MEASUREMENT

These standalone financial statements have been prepared under the historical cost basis and on an accrual basis, except for the following items which are measured on an alternative basis on each reporting date:

i. Derivative financial instruments measured at fair value through profit and loss;

ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and

iii. Net defined (asset) / liability measured at fair value of plan assets less present value of obligations limited as explained in note 3 (K).

D USE OF JUDGEMENTS AND ESTIMATES

In preparing these standalone financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

Note 15 - classification, measurement and recognition of Government grants

Note 3(L) Leases - whether the arrangement contains a lease; and lease classification

Note 3(H) and 39: Financial instruments: Classification and measurement

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

(i) Impairment of non-financial assets:

In assessing impairment, management has estimated economic use of assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation of uncertainty relates to assumptions about future operating cash flows and determination of a suitable discount rate. (also refer Note 3)

(ii) Useful lives of depreciable assets:

Management reviews its estimate of useful lives of depreciable assets at each reporting date, based on expected utility of assets. Uncertainties in these estimates relate to technological obsolescence that may change utility of assets (also refer note 3).

(iii) Inventories:

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes (also refer note 3).

(iv) Defined benefit obligation (DBO):

The actuarial valuation of the DBO is based on a number of critical underlying management’s assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly

ACCOUNTING POLICIES

impact the DBO amount and the annual defined benefit expenses (also refer note 44).

(v) Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources (also refer note 36).

(vi) Impairment of financial assets - Refer Note 3

Measurement of expected credit loss allowance for trade receivables, loans and other financial assets: key assumptions in determining the weighted-average loss rate (also refer note 11)

E MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in 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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer Note 39). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

F CURRENT AND NON-CURRENT CLASSIFICATION

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

- it holds the asset primarily for the purpose of trading;

- it expects to realise the asset within twelve months after the reporting period; or

- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to settle the liability in its normal operating cycle;

- it holds the liability primarily for the purpose of trading;

- the liability is due to be settled within twelve months after the reporting period; or

- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) INVENTORIES

Inventories are valued at lower of cost and net realizable value. The cost of raw materials, components, stock-in-trade, consumable stores and spare parts are determined using first-in first-out / specific identification method and includes freight, taxes and duties, net of duty credits wherever applicable, and any other expenditure incurred in bringing them to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, stores and spares, packing and others held for use in the production of finished goods are not written down below except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

ACCOUNTING POLICIES

The comparison of cost and net realisable value is made on an item by item basis.

B) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

C) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

D) PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is stated at historical cost less any accumulated impairment losses. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

a. purchase price, including import duties and non-refundable taxes on purchase (goods and service tax), after deducting trade discounts and rebates.

b. any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.

c. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Component accounting

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

Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over the estimated useful lives and is generally recognised in the Statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight-line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Company for the current and the comparative period are as follows :

Asset	Management's estimated useful life	Useful life as per Schedule II
Factory Building	~ 30 Years	~ 30 Years
Non Factory Building	~ 60 Years	~ 60 Years
Plant & Equipments	~ 10-20 Years	~ 8-20 Years
Windmill	~ 12 Years	~ 22 Years
Electricals	~ 14 Years	~ 10 Years
Furnitures & fixtures	~ 10 Years	~ 10 Years
Computers & accessories	~ 3 Years	~ 3-6 Years
Vehicles	~ 8-10 Years	~ 8-10 Years

ACCOUNTING POLICIES

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period. Based on technical evaluation, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period from/upto which the asset is ready for use/disposed off.

Capital work-in-progress

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives and it is included in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful life of intangible assets consisting computer software is 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

E) REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company generates revenue primarily from sale of Yarn, Knitted Fabric and Readymade Garments. The Company also earns revenue from rendering of services.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

1.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers.

The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale. Our customers have the contractual right to return goods only when authorised by the Company.

1.2 Revenue from services:

Revenue from sale of services is recognised when related services are rendered as per the terms agreed with customers.

1.3 Export incentives

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

F) OTHER INCOME

Dividend income from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

Rental income under operating leases is recognized in the statement of profit and loss on a straight-line basis over the term of the lease except where another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Interest income is recognised using effective interest rate method. Interest income on overdue receivables is recognized only when there is a certainty of receipt. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to: the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

G) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the statement of profit and loss.

ACCOUNTING POLICIES

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on translation are recognised in the statement of profit and loss.

H) FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated.

All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVTOCI)– debt investment
- Fair value through other comprehensive income (FVTOCI) – equity investment; or
- Fair value through profit and loss (FVTPL)

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

Financial assets at amortised cost

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

(a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt investment at FVTOCI

A debt Investment will be measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

(b) its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Equity instruments at FVTOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ('OCI'). This election is made on an investment-by-investment basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

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 as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

ACCOUNTING POLICIES

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets : Subsequent measurement and gains and losses

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in standalone statement of profit and loss.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in standalone statement of profit and loss. Any gain or loss on derecognition is recognised in standalone statement of profit and loss.

Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to standalone statement of profit and loss.

Equity investments at FVOCI:

These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to standalone statement of profit and loss.

ACCOUNTING POLICIES

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in standalone statement of profit and loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

"The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in standalone statement of profit and loss."

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

I) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants and subsidies related to assets, including non-monetary grants, are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue / other income on a systematic basis.

Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset and the same is recognised in statement of profit and loss over the life of a depreciable asset as a reduced depreciation expense. Repayment of a grant related to an asset is recognised by increasing the carrying amount of the asset and the cumulative additional depreciation that would have been recognised in the statement of profit and loss in the absence of the grant is recognised immediately in the statement of profit and loss.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenue.

Grants that compensate the Company for expenses incurred are recognised in profit and loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

J) INVESTMENTS

Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount.

K) EMPLOYEE BENEFITS

(a) Short term employee benefits:

Short-term employee benefits are measured on an undiscounted

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basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plan

Provident Fund and Employee State Insurance

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified contributions towards Government administered provident fund and employee state insurance schemes. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(c) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Post employment benefit comprises of Gratuity which is accounted for as follows:

Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in standalone statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

L) LEASES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

i) As a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its

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incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revision in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities separately in balance sheet within "Financial liabilities".

Short term leases and low value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases are recognized as an expense in standalone statement of profit and loss on a straight-line basis over the lease term.

ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, then the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

M) BORROWING COSTS

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are considered as adjustment to interest costs) incurred in connection with the borrowings of funds. 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

N) SEGMENT REPORTING

The Company is engaged in manufacture and sale of Yarn, Knitted Fabric and Readymade Garments and thus the Company has only one reportable segment (i.e.) Textile business.

O) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted

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average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

P) INCOME TAXES

Income tax expense comprises current and deferred tax. It is recognised in standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects the uncertainty related to income taxes, if any. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax liabilities and current tax assets are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Such reductions are reversed when the probability of future taxable profit improves.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

iii) Recognition

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Q) IMPAIRMENT

Impairment of Financial instruments and contract assets

The Company recognises loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

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- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

Measurement of expected credit losses

Expected credit losses are a probability - weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of Non-Financial Assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

R) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Where the Company expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity

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settles the obligation. The reimbursement is treated as a separate asset.

Contingent liabilities:

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets :

Contingent asset is not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

S) ONEROUS CONTRACTS

A contract is said to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with the contract.

Recent pronouncements

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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

NOTES

4. Property, Plant & Equipment, Intangible Asset and Capital work-in-Progress

(₹ in Lakhs)

Particulars	Property, Plant & Equipment										Capital work-in progress	Intangible assets (Computer software)
	Leased Asset - Land	Freehold Land	Factory Building	Non-factory Building	Plant and Equipment	Windmill	Electricals	Furniture and Fixture	Computers and accessories	Vehicles	Total		
Gross carrying amount													
As at 01.04.2021	**550**	**8,574**	**23,340**	**10,568**	**76,321**	**12,845**	**5,186**	**2,821**	**537**	**1,262**	**1,42,004**	**1,742**	**260**
Additions	-	4,886	-	1,263	5,743	-	21	412	113	123	12,561	491	10
Disposals / adjustments	-	-	-	-	(489)	-	-	(60)	(2)	(14)	(565)	(1,742)	-
As at 31.03.2022	550	**13,460**	**23,340**	**11,831**	**81,575**	**12,845**	**5,207**	**3,173**	**648**	**1,371**	**1,54,000**	**491**	**270**
Additions	-	102	1,177	457	16,105	-	64	524	96	396	18,921	2,126	41
Disposals / adjustments	-	(23)	-	-	(1,385)	-	(28)	(83)	(13)	(169)	(1,701)	(491)	-
As at 31.03.2023	**550**	**13,539**	**24,517**	**12,288**	**96,295**	**12,845**	**5,243**	**3,614**	**731**	**1,598**	**1,71,220**	**2,126**	**311**
Accumulated Depreciation and amortisation													
As at 01.04.2021	10	-	4,513	991	42,089	9,556	**2,743**	1,501	369	552	62,324	-	165
Depreciation and amortisation expenses	6	-	873	208	4,569	1,104	343	196	86	155	7,540	-	25
Disposals / adjustments	-	-	-	-	(241)	-	-	(42)	(2)	(12)	(297)	-	-
As at 31.03.2022	**16**	-	**5,386**	**1,199**	**46,417**	**10,660**	**3,086**	**1,655**	**453**	**695**	**69,567**	-	**190**
Depreciation and amortisation expense	6	-	897	297	5,335	400	313	228	87	176	7,739	-	25
Disposals / adjustments	-	-	-	-	(910)	-	(16)	(22)	(11)	(51)	(1,010)	-	-
As at 31.03.2023	**22**	-	**6,283**	**1,496**	**50,842**	**11,060**	**3,383**	**1,861**	**529**	**820**	**76,296**	-	**215**
Net carrying amount													
As at 31.03.2022	**534**	**13,460**	**17,954**	**10,632**	**35,158**	**2,185**	**2,121**	**1,518**	**195**	**676**	**84,433**	**491**	**80**
As at 31.03.2023	**528**	**13,539**	**18,234**	**10,792**	**45,453**	**1,785**	**1,860**	**1,753**	**202**	**778**	**94,924**	**2,126**	**96**

Notes:

1. Property, plant and equipment includes non-factory building given on lease with a gross carrying amount of ₹ Nil as at 31.03.2023 (Pr.Yr. ₹ 11,831 lakhs) and a net carrying amount of ₹ Nil as at 31.03.2023 (Pr.Yr.₹ 10,632 lakhs).

2. Refer note 18 and 22 for assets given as securities for borrowings.

3. As per Ind - AS 20,"Accounting for Government Grants and Disclosure of Government Assistance", the Company has opted to present the grant related to assets as deduction from the carrying value of such specfic assets. For year ended 31.03.2023, such amount deducted from property,plant and Equipment is ₹ Nil (Pr.Yr. ₹ 34 lakhs)

NOTES

4.1 Title deeds of Immovable Properties not held in name of the Parent Company:

(a)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Relevant line item in the balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	67	67
(iv) Title deeds held in the name of	K.P.R. Spinning Mill Private Limited	K.P.R. Spinning Mill Private Limited
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Spinning Mill Private 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 Honourable High Court(s) of judicature.	The title deeds are in the name of K.P.R. Spinning Mill Private 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 Honourable High Court(s) of judicature.
(viii) Whether disputed	No	No

(b)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Relevant line item in the balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	64	64
(iv) Title deeds held in the name of	K.P.R. Mill Private Limited	K.P.R. Mill Private Limited
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Mill Private 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 Honourable High Court(s) of judicature.	The title deeds are in the name of K.P.R. Mill Private 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 Honourable High Court(s) of judicature.
(viii) Whether disputed	No	No

NOTES

(c)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Relevant line item in the balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	10	10
(iv) Title deeds held in the name of	K.P.R. Knits	K.P.R. Knits
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out - right purchase.	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out - right purchase.
(viii) Whether disputed	No	No

4.2 Capital work-in-progress (CWIP) ageing schedule:

As at 31.03.2023

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More Than 3 years**	**Total**
Projects in progress	2,126	-	-	-	**2,126**
Projects temporarily suspended	-	-	-	-	**-**

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

As at 31.03.2022

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More Than 3 years**	**Total**
Projects in progress	491	-	-	-	**491**
Projects temporarily suspended	-	-	-	-	**-**

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
	FINANCIAL ASSETS		
5	**INVESTMENTS**		
	(See accounting policy in note 3((H) and note 3(J))		
	A) Investments measured at cost:		
	Unquoted (all fully paid-up)		
	a) In Equity instruments		
	i) Indian subsidiaries		
	1,00,000 (Pr.Yr. 1,00,000) equity shares of ₹ 10 each in Quantum Knits Private Limited.	10	10
	50,000 (Pr.Yr. 50,000) equity shares of ₹ 10 each in Galaxy Knits Limited.	5	5
	15,10,000 (Pr.Yr. 15,10,000) equity shares of ₹ 10 each in Jahnvi Motor Private Limited.	151	151
	4,16,666 (Pr.Yr. 4,16,666) equity shares of ₹ 10 each at a premium of ₹ 20 each in Jahnvi Motor Private Limited.	125	125
	10,50,000 (Pr.Yr. 10,50,000) equity shares of ₹ 10 each at a premium of ₹140 per share in K.P.R. Sugar Mill Limited.	1,575	1,575
	10,00,000 (Pr.Yr. 10,00,000) equity shares of ₹ 10 each in K.P.R.Sugar Mill Limited.	100	100
	10,00,000 (Pr. Yr. 10,00,000) equity shares of ₹10 each in KPR Sugar and Apparels Limited.	100	100
	Deemed equity in Jahnvi Motor Private Limited, K.P.R.Sugar Mill Limited and KPR Sugar and Apparels Limited (refer note 5.3 below).	657	-
	ii) Foreign subsidiaries		
	41,000 (Pr.Yr. 41,000) equity shares of Singapore Dollar 1 each in KPR Mill Pte Limited, Singapore.	21	21
	1,68,855 (Pr.Yr. 1,68,855) equity shares of Birr 100 each in KPR Exports PLC. Ethiopia.	424	424
	Less : Provision for impairment of investment in KPR Exports PLC, Ethiopia (refer note 33, 39 and 48).	(424)	(424)
	b) Investment in Preference shares of subsidiaries		
	18,91,500 (Pr.Yr.37,83,000) 7% Optionally Convertible Non - Cumulative Redeemable Preference shares of ₹ 10 each at a premium of ₹ 140 per share in K.P.R.Sugar Mill Limited.	2,837	5,675
	70,00,000 (Pr.Yr.50,00,000) 7% Optionally Convertible Non - Cumulative Redeemable Preference shares of ₹ 100 each at a premium of ₹ 900 per share in KPR Sugar and Apparels Limited.	70,000	50,000
	B) Investment measured at fair value through profit and loss		
	Unquoted (all fully paid-up)		
	Investment in equity shares of other entity		
	1,50,000 (Pr.Yr. 1,50,000) equity shares of ₹ 100 each of Somanur Water Scheme Pvt Ltd.	150	150
	Total (A + B)	**75,731**	**57,912**
	Aggregate amount of unquoted investments	**76,155**	**58,336**
	Aggregate amount of impairment in value of investments	**(424)**	**(424)**
	Aggregate amount of quoted investments in market value thereof	**-**	**-**
5.1	During the year, K.P.R. Sugar Mill Limited has redeemed 18,91,500 7% Optionally Convertible Non - Cumulative Redeemable Preference Shares (issued at ₹ 150 with a face value of ₹ 10 per share) at a redemption price of ₹ 275 per share. The resultant gain of ₹ 2,364.38 lakhs on such redemption has been presented as other income. Refer note 28.		
5.2	Information about the Company's fair value measurement is included in note 39.		
5.3	The amount shown as deemed equity investments is in respect of financial guarantee given without any consideration. Also refer note 36.		
5.4	Also, refer note 40 for transactions with related parties.		
5.5	Also, refer note 46.		
6	**LOANS**		
	(See accounting policy in note 3(H))		
	Loans to related parties considered good - unsecured		
	KPR Mill Pte. Ltd, Singapore	223	204
	Loans to related parties - credit impaired		
	KPR Exports PLC, Ethiopia	118	118
	Less: Loss allowance (refer note 33, 39 and 48)	(118)	(118)
		223	**204**
	Non-current Loans	223	204
	Current Loans	-	-
	The Company provided loan to its subsidiary (KPR Mill Pte. Ltd, Singapore) which carries interest of 4% p.a. Repayment of loan is as per the terms of the agreement.		
	Information about the Company's exposure to credit risk and market risk are disclosed in note 39.		
	For terms and conditions relating to related party loans, refer note 40.		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
7	**OTHER FINANCIAL ASSETS**		
	(See accounting policy in note 3(H))		
	Security deposits	3,406	2,343
	Investment in wholly - owned subsidiaries pending allotment		
	KPR Exports PLC, Ethiopia	1,170	1,170
	KPR Mill Pte. Limited, Singapore	7	7
	Less: Loss allowance (refer note 33, 39 and 48)	(1,170)	(1,170)
		3,413	**2,350**
	Information about the Company's exposure to credit risk and market risk are disclosed in note 39		
	For terms and conditions relating to related party, refer note 40		
8	**OTHER NON - CURRENT ASSETS**		
	Capital advances	1,754	3,479
	Others (Corporate social responsibility (CSR) pre - spent)*	3,454	-
		5,208	**3,479**
	*Refer note 15 and 38.		
9	**INVENTORIES**		
	(See accounting policy in note 3(A))		
	Raw materials	73,318	54,812
	Work-in-progress *	5,196	4,698
	Finished goods	39,749	20,776
	Stores, spares, packing and others	4,984	4,904
		1,23,247	**85,190**
	* Includes Cotton ₹ 3,863 Lakhs (Pr. Yr. ₹ 3,605 Lakhs), Fabric ₹ 34 Lakhs (Pr. Yr. ₹ 30 Lakhs) and Garments ₹ 1,299 Lakhs (Pr. Yr. ₹ 1,063 Lakhs)		
	The mode of valuation of inventories has been stated in note 3(A).		
	Refer note 18 and 22 for assets given as security for borrowings.		
10	**FINANCIAL ASSETS**		
	CURRENT INVESTMENTS		
	(See accounting policy in note 3(H))		
	Investments in mutual funds (quoted)		
	Investments measured at fair value through profit and loss		
	Nippon India Mutual Fund, LIC Mutual Fund & IDBI Mutual Fund (also refer note 45)	12,716	27,403
	Aggregate amount of quoted investments and market value thereof	**12,716**	**27,403**
	Aggregate amount of unquoted investments	-	-
	Aggregate amount of impairment in value of investments	-	-
	The Company's exposure to credit risk and market risk related to investments has been disclosed in note 39.		
11	**TRADE RECEIVABLES**		
	(See accounting policy in note 3(H))		
	Trade receivables considered good - secured	-	-
	Trade receivables considered good - unsecured	49,209	39,263
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	293	114
	Total Trade receivables	**49,502**	**39,377**
	Less: Loss allowance	(293)	(114)
	Net trade receivables	**49,209**	**39,263**
	Movement of loss allowance in trade receivables		
	Opening balance	114	23
	Allowances made / (reversed) during the year	179	121
	Written off	-	(30)
	Closing balance	**293**	**114**

NOTES

Trade Receivables ageing schedule:

As at 31.03.2023 **(₹ in Lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables - considered good	45,668	3,531	10	-	-	**49,209**
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	293	**293**
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total Trade receivables	**45,668**	**3,531**	**10**	-	**293**	**49,502**
Less: Loss allowance						**(293)**
Net trade receivables	**45,668**	**3,531**	**10**	-	**293**	**49,209**

As at 31.03.2022 **(₹ in Lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables – considered good	**39,017**	**55**	**-**	**191**	**-**	**39,263**
(ii) Undisputed Trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**
(iii) Undisputed Trade receivables - credit impaired	**-**	**-**	**-**	**91**	**23**	**114**
(iv) Disputed Trade receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**
(v) Disputed Trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**
(vi) Disputed Trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**
Total Trade receivables	**39,017**	**55**	**-**	**282**	**23**	**39,377**
Less: Loss allowance						**(114)**
Net trade receivables	**39,017**	**55**	**-**	**282**	**23**	**39,263**

(i) For receivables secured against borrowings, refer note 18 and 22.

(ii) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 39.

(iii) For terms and conditions relating to related party receivables, refer note 40

(iv) Also refer note 33 and 48.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
12	**CASH AND CASH EQUIVALENTS**		
	(See accounting policy in note 3(B))		
	Balance with banks		
	i) In current accounts	2,305	2,752
	ii) In EEFC accounts	1,682	6,784
	Cash on hand	63	25
		4,050	**9,561**
13	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	(See accounting policy in note 3(B))		
	Balance with banks held as margin money deposit	225	476
	Unclaimed dividend accounts	1	3
		226	**479**
14	**OTHER FINANCIAL ASSETS**		
	(See accounting policy in note 3(H))		
	Interest accrued on bank deposits and other deposits	120	345
	Technology upgradation fund subsidy receivable	97	97
	Term deposit with Non-Banking Financial Companies	-	4,000
	Others	35	-
		252	**4,442**
	Information about the Company's exposure to credit risk and market risk are disclosed in note 39.		
15	**OTHER CURRENT ASSETS**		
	Advances other than capital advances:		
	Advance to suppliers	7,229	9,216
	Balances with government authorities	5,704	4,032
	Export incentive receivable	1,028	6,779
	Others (CSR pre - spent)*	1,546	-
	Others (primarily prepaid expenses)	501	576
		16,008	**20,603**
	*Refer note 8 and 38.		
16	**SHARE CAPITAL**		
	a) Authorised		
	45,00,00,000 (Pr.Yr. 45,00,00,000) equity shares of ₹ 1 (₹ 1) each with voting rights.	4,500	4,500
	10,00,000 (Pr.Yr.10,00,000) 7% Redeemable Cumulative Non-Convertible Preference shares of ₹ 100 each.	1,000	1,000
		5,500	**5,500**
	b) Issued, subscribed and fully paid up		
	34,18,14,000 (Pr.Yr. 34,40,50,000) equity shares of ₹ 1 (₹ 1) each fully paid-up with voting rights.	3,418	3,441
		3,418	**3,441**

16.1 **Term / rights to shares**

Equity shares

45,00,00,000 (Pr.Yr. 45,00,00,000) equity shares of ₹ 1 (₹ 1) each with voting rights. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

The Board declared and paid an interim dividend of ₹ 2 (face value of ₹ 1/- each) for the year 2022-23 (Pr.Yr. ₹ Nil). (face value of ₹1/- each).

The Board has recommended a final dividend of 200% (₹ 2/- per share of the face value of ₹ 1/- each) for the year 2022-23 (Pr.Yr. ₹ 0.15/- per share) subject to the approval of the shareholders in Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after settling the dues of preferential shareholders and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES

16.2 **Reconciliation of the shares outstanding at the beginning and at the end of the year**

Equity Shares with voting rights	As at 31.03.2023		As at 31.03.2022	
Particulars	**Number of Shares**	**(₹ in Lakhs)**	**Number of Shares***	**(₹ in Lakhs)**
At the beginning of the year	34,40,50,000	3,441	34,40,50,000	3,441
Issued during the year	-	-	-	-
Less: Buy-back of equity shares (refer note 41)	22,36,000	23	-	-
At the end of the year	**34,18,14,000**	**3,418**	**34,40,50,000**	**3,441**

* Also refer note 16.3 on sub-division of one equity share of ₹ 5/- each fully paid up into five equity shares of ₹1/- each fully paid up.

16.3 Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 09.09.2021, one equity share of ₹ 5/- each fully paid up was sub-divided into five equity shares of ₹ 1/- each fully paid up, with effect from the record date, i.e., 27.09.2021.

16.4 **Details of Shareholders holding more than 5% of Shares in the Company**

Equity Shares

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of shares	**% of total shares**	**Number of shares***	**% of total shares**
Sri K.P.Ramasamy	7,30,30,816	21.37	7,16,21,810	20.82
Sri KPD Sigamani	7,30,31,217	21.37	7,43,56,810	21.61
Sri P.Nataraj	7,30,31,217	21.37	7,43,56,810	21.61
L&T Mutual Fund Trustee Limited	-	-	1,69,99,064	4.94

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

* Also refer note 16.3 on sub-division of one equity share of ₹ 5/- each fully paid up into five equity shares of ₹ 1/- each fully paid up.

16.5 **For the period of five years immediately preceding the date at which the Balance Sheet is prepared:**

(i) The Company has not issued any shares without payment being received in cash. Also refer note 16.3.

(ii) The Company has not issued any bonus shares.

(iii) The aggregate number of equity shares bought back by the Company is 3,50,14,920 of ₹1/- each, fully paid up (Pr.Yr. 3,27,78,920 of ₹ 1/- each, fully paid up). Also refer note 16.3.

16.6 **Shareholding of promoters**

Promoter Name	As at 31.03.2023			As at 31.03.2022		
	Number of Shares	**%**	**% change during the year**	**Number of Shares***	**%**	**% change during the year**
Equity shares:						
Sri K.P.Ramasamy @	7,30,30,816	21.37	0.55	7,16,21,810	20.82	(0.79)
Sri KPD Sigamani^	7,30,31,217	21.37	(0.24)	7,43,56,810	21.61	0.00
Sri P.Nataraj^	7,30,31,217	21.37	(0.24)	7,43,56,810	21.61	0.00

* Also refer note 16.3 on sub-division of one equity share of ₹5/- each fully paid up into five equity shares of ₹ 1/- each fully paid up.

@ During the previous year, Sri K.P.Ramasamy gifted 27,35,000 shares to his immediate relatives. The total promoter and promoter group holding remains unchanged.

^ During the year Sri KPD.Sigamani and Sri P.Nataraj gifted 9,06,437 shares each to Sri K.P.Ramasamy. The total Promoter and Promoter group holding remains unchanged.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
17	**OTHER EQUITY**		
	Securities premium		
	Opening Balance	15,233	15,233
	Changes during the year	(15,233)	-
	Closing balance (A)	-	**15,233**
	Balance in securities premium represents amount received on issue of shares in excess of par value.The same may be utilised in accordance with the provisions of the Companies Act, 2013.		
	Capital Redumption Reserve		
	Opening balance	1,827	1,827
	Add: Capital redemption on buy-back	23	-
	Closing balance (B)	**1,850**	**1,827**
	Balance in capital redemption reserve represents an amount equal to the nominal value of share bought back. The same may be utilised in accordance with the provisions of the Companies Act, 2013.		
	General reserve		
	Opening Balance	24,716	24,716
	Closing balance (C)	**24,716**	**24,716**
	The General reserve represents an amount transferred from retained earnings from time to time for appropriation purpose which can be utilised for meeting future obligations. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.		
	Retained earnings		
	Opening balance	2,18,001	1,45,437
	Add: Profit for the year	63,504	73,080
	Less:		
	Interim dividend (₹ 2.00 per share) (Pr.Yr. ₹ Nil)	6,836	-
	Final dividend (₹ 0.15 per share) (Pr.Yr. ₹ 0.15/- per share)	513	516
	Premium on buy-back of equity shares	2,745	-
	Tax on buy-back of equity shares	4,076	-
	Transfer to Capital redemption reserve	23	-
	Closing balance (D)	**2,67,312**	**2,18,001**
	Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.		
	Total (A+B+C+D)	**2,93,878**	**2,59,777**
	NON - CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
18	**BORROWINGS**		
	(See accounting policy in note 3(H))		
	Term loan - measured at amortised cost		
	From others (secured)	34	38
	Less: amount included under current borrowings (refer note 22)	(5)	(7)
		29	**31**
	Information about the company's exposure to interest rate and liquidity risks is included in note 39.		
18.1	(i) The Company has availed a term loan from Daimler Financial Services India Pvt Ltd in respect of which balance as at 31.03.2023 was ₹ 34 lakhs (Pr.Yr. ₹ 38 lakhs). The loan is repayable in 36 monthly instalments commencing from December 2021. This term loan is secured by Vehicle purchased out of the loan.		
18.2	Interest rate relating to term loans from banks/others is 8.75% per annum (Pr.Yr. 8.75% to 10.45%).		
18.3	The Company has not defaulted in the repayment of principal and interest during the year.		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
19	**OTHER FINANCIAL LIABILITIES**		
	Premium on financial guarantee	311	-
		311	**-**
	Information about the Company's exposure to liquidity risks is included in note 39.		
	For terms and conditions relating to related party balances, refer note 40.		
	Also refer note 24.		
20	**DEFERRED TAX LIABILITIES (net)**		
	(See accounting policy in note 3(P))		
	Deferred tax liabilities	5,817	4,368
	Net deferred tax liabilities	**5,817**	**4,368**
	For movement in deferred tax liabilities, refer note 35.		
21	**OTHER NON - CURRENT LIABILITIES**		
	Security deposit from dealers - FASO	1	3
		1	**3**
	CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
22	**BORROWINGS**		
	(See accounting policy in note 3(H))		
	Loans repayable on demand from banks - secured		
	Working capital loans	575	810
	Packing credit loans	49,190	40,937
	Current maturities of non-current borrowings (refer note 18)	5	7
		49,770	**41,754**

Information about the company's exposure to currency, interest rate and liquidity risks is included in note 39.

22.1 i) Loans for working capital and packing credit are secured by pari-passu first charge on the current assets of the Company and pari-passu second charge on entire block of assets of the Company.

ii) The Company has not defaulted in its repayments of the loans and interest during the year.

iii) Interest rate relating to working capital loans are in the range of 7.30% to 7.85% per annum (Pr.Yr. 7.00% to 7.85%). Interest rates relating to INR packing credit loans are in the range of 4.40% to 7.43% per annum (Pr.Yr. 2.40% to 3.80%).

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
22.2	**Reconciliation of cashflows from financing activities**		
	Cash and cash equivalents	4,050	9,561
	Non-current borrowings	(29)	(31)
	Current borrowings	(49,770)	(41,754)
	Net debt*	**(45,749)**	**(32,224)**

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Non-current borrowing	Current borrowings	
Net debt as at 01.04.2022	**9,561**	**(31)**	**(41,754)**	**(32,224)**
Net cash flows	(5,511)	2	(8,016)	**(13,525)**
Net debt as at 31.03.2023	**4,050**	**(29)**	**(49,770)**	**(45,749)**
Net debt as at 01.04.2021	**4,503**	**(990)**	**(30,740)**	**(27,227)**
Net cash flows	5,058	959	(11,014)	**(4,997)**
Net debt as at 31.03.2022	**9,561**	**(31)**	**(41,754)**	**(32,224)**

* Net debt is calculated as sum of non-current borrowings and current borrowings less cash and cash equivalents.

22.3 Term loans were applied for the purpose they were obtained. Further, short-term loans availed have not been utilised for long-term purposes by Company.

22.4 Quarterly returns or statements of current assets filed by the Company for the sanctioned borrowings with banks or financial institutions are in agreement with the books of accounts.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
23	**TRADE PAYABLES**		
	(See accounting policy in note 3(H))		
	(A) Total outstanding dues of micro enterprises and small enterprises ('MSME'); and	645	1,454
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	19,285	10,037
		19,930	**11,491**

Trade payables ageing schedule:

As at 31.03.2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed dues					
MSME	645	-	-	-	**645**
Others	19,285	-	-	-	**19,285**
Disputed dues					
MSME	-	-	-	-	**-**
Others	-	-	-	-	**-**
Total	**19,930**	-	-	-	**19,930**

As at 31.03.2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed dues					
MSME	1,454	-	-	-	**1,454**
Others	10,037	-	-	-	**10,037**
Disputed dues					
MSME	-	-	-	-	**-**
Others	-	-	-	-	**-**
Total	**11,491**	-	-	-	**11,491**

(i) All the trade payables are current and non-interest bearing.
(ii) Refer note 37 for details of dues to micro enterprises and small enterprises.
(iii) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 39.
(iv) For terms and conditions relating to related party payables, refer note 40.

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
24	**OTHER FINANCIAL LIABILITIES**		
	(See accounting policy in note 3(H))		
	Premium on financial guarantee (refer note 19)	177	-
	Unclaimed dividend	1	3
	Other	31	40
		209	**43**

The Company's exposure to currency and liquidity risks related to other financial liabilities is disclosed in note 39.
For terms and conditions relating to related party balances, refer note 40.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
25	**OTHER CURRENT LIABILITIES**		
	Advance payment from customers	7070	5,185
	Statutory dues payable	1430	1,327
	Employee benefits payable	5512	6,798
		14,012	**13,310**
	Notes :		
	(I) Revenue recognised during the year that was included in the contract liability balance at the beginning of the year amounts to ₹ 5,185 lakhs (Pr.Yr ₹ 3,752 lakhs).		
	(ii) For terms and conditions relating to related party, refer note 40.		
26	**CURRENT TAX LIABILITIES (NET)**		
	(See accounting policy in note 3(P))		
	Provision for tax (net of advance tax)	54	1,672
		54	**1,672**
27	**REVENUE FROM OPERATIONS**		
	(See accounting policy in note 3(E))		
	Sale of products	4,49,409	3,89,495
	Sale of services	7,672	5,374
	Other operating revenues	16,874	12,498
	Revenue from operations	**4,73,955**	**4,07,367**
	Disaggregation of revenue from contracts with customers		
	In the following disclosure, revenue from contract with customers has been disaggregated based on the nature and type of goods sold.		
27.1	**Sale of products**		
	Garment	2,00,312	1,66,911
	Yarn	1,94,744	1,81,859
	Fabric	38,327	27,895
	Cotton waste	17,679	11,408
	Accessories and others	1,131	2,144
		4,52,193	**3,90,217**
	Less: Discount allowed	2,784	722
		4,49,409	**3,89,495**
27.2	**Sale of services**		
	Processing and fabrication income	7,672	5,374
		7,672	**5,374**
27.3	**Other operating revenues**		
	Export incentives	13,144	9,577
	Others (primarily scrap sales)	3,730	2,921
		16,874	**12,498**
	Refer note 40 for sales made to related parties.		

NOTES

(₹ in Lakhs)

S.No	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
28	**OTHER INCOME**		
	(See accounting policy in note 3(F))		
	Interest income on financial assets measured at amortised cost:		
	- Balance with banks held as margin money deposit	88	233
	- Others	124	72
	Dividend income from non-current investments in subsidiaries	4,684	26
	Gain on sale of investments (net)	3,627	1,359
	Investment promotion subsidy	1,101	3,478
	Net gain on sale of property, plant and equipment	2,074	296
	Net gain on account of foreign exchange fluctuations	19	-
	Rental income (refer note 43)	459	2,947
	Miscellaneous income	836	52
		13,012	**8,463**
	Refer note 40 for transactions with related parties.		
29	**COST OF MATERIALS CONSUMED**		
	a) Inventory of materials at the beginning of the year		
	Cotton	44,591	40,441
	Dyes and chemicals	557	478
	Yarn, fabric and polyester	9,664	7,041
		54,812	**47,960**
	b) Add: Purchases		
	Cotton	2,31,458	1,65,804
	Dyes and chemicals	10,346	8,806
	Yarn, fabric, polyester and garments	60,212	42,187
	Trims, packing and others	20,463	17,930
		3,22,479	**2,34,727**
	c) Less : Inventory of materials at the end of the year		
	Cotton	60,988	44,591
	Dyes and chemicals	509	557
	Yarn, fabric and polyester	11,821	9,664
		73,318	**54,812**
	Cost of materials consumed (a + b - c)	**3,03,973**	**2,27,875**
	Refer note 40 for transactions with related parties.		
30	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK- IN-TRADE AND WORK-IN-PROGRESS**		
	a) Inventories at the beginning of the year		
	Finished goods	20,776	13,701
	Work-in-progress	4,698	3,450
		25,474	**17,151**
	b) Inventories at the end of the year		
	Finished goods	39,749	20,776
	Work-in-progress	5,196	4,698
		44,945	**25,474**
	Net decrease / (increase)	**(19,471)**	**(8,323)**

NOTES

(₹ in Lakhs)

S.No	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
31	**EMPLOYEE BENEFITS EXPENSE**		
	(See accounting policy in note 3(K))		
	Salaries, wages and bonus	36,675	33,991
	Contribution to provident and other funds	3,373	3,051
	Staff welfare expenses	6,152	6,247
		46,200	**43,289**
	Refer note 40 for transactions with related parties.		
32	**FINANCE COSTS**		
	(See accounting policy in note 3(M))		
	Interest expense on financial liabilities measured at amortised cost:		
	Borrowings from banks/others:		
	- Term loans	3	40
	- Working capital loans and packing credit loans	1,665	721
	Interest on shortfall in payment of income tax	377	239
	Other borrowing costs	625	339
		2,670	**1,339**
33	**OTHER EXPENSES**		
	Power and fuel	21,287	17,262
	Consumption of stores, spares and packing materials	4,685	5,062
	Repairs and maintenance		
	Building	1,843	950
	Machinery	8,771	7,796
	Others	847	684
	Insurance	604	564
	Legal and professional charges	251	261
	Rent (refer note 40 and 43)	3,114	3,092
	Rates and taxes	219	154
	Payment to auditors (refer note 34)	21	16
	Travelling and conveyance	1,069	871
	Expenditure on Corporate Social Responsibility (CSR) (refer note 38)	1,308	1,027
	Donations	28	23
	Net loss on foreign currency transactions	-	16
	Impairment loss on financial assets (refer note 11, 39, 48)	182	121
	Impairment loss on non-current investment (refer note 6, 39 and 48)	-	1,707
	Miscelleneous expenses	786	543
	Freight and forwarding	2,431	2,279
	Sales commission	1,434	3,288
	Other selling expenses	726	420
		49,606	**46,136**
	Refer note 40 for transactions with related parties.		

NOTES

(₹ in Lakhs)

S.No	Particulars	2022-23	2021-22
34	**Payment to auditors**		
	Statutory audit fees	20	15
	Reimbursement of expenses	1	1
	Total	**21**	**16**
35	**Income Tax**		
35.1	**Income tax recognised in the statement of profit and loss**		
	Current tax		
	Current income tax charge	18,324	24,870
	Tax expense relating to prior years	(802)	(75)
	Total (A)	**17,522**	**24,795**
	Deferred tax		
	(Benefits) / charge attributable to origination and reversal of temporary differences	1,449	74
	Total (B)	**1,449**	**74**
	Total (A + B)	**18,971**	**24,869**
	There are no items of income tax recognised in other comprehensive income.		

35.2 Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	Effective tax rate		Amount	
	2022-23	2021-22	2022-23	2021-22
Profit before tax			82,475	97,949
Tax using the Company's domestic tax rate	25.17%	25.17%	20,757	24,652
Effect of deductions under Chapter VI-A of the Income-tax Act, 1961	(1.89%)	(0.26%)	(1,556)	(252)
Effect of non-deductible expenses and others	0.69%	0.56%	572	544
	23.97%	25.47%	19,773	24,944
Effect of tax expense relating to earlier years	(0.97%)	(0.08%)	(802)	(75)
Income tax recognised in the statement of profit and loss	**23.00%**	**25.39%**	**18,971**	**24,869**

35.3 Movement in deferred tax liabilities :

(₹ in Lakhs)

Particulars	Balance as at 01.04.2021	Recognised in P&L during 2021-22	Recognised in OCI during 2021-22	Balance as at 31.03.2022	Recognised in P&L during 2022-23	Recognised in OCI during 2022-23	Balance as at 31.03.2023
Property, plant and equipment	4,294	74	-	4,368	1,449	-	5,817
Total	**4,294**	**74**	**-**	**4,368**	**1,449**	**-**	**5,817**

NOTES

36 Contingent Liabilities and Commitments (to the extent not provided for)

I. Contingent Liabilities

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Claims against the Company not acknowledged as debts		
(i) Income tax matters	10	3
(ii) Goods and service tax matters	460	-
(b) Bank guarantees in favour of parties		
(i) Tamil Nadu Generation and Distribution Corporation [TANGEDCO]	164	164
(ii) Tamil Nadu Pollution Control Board	5	5
(iii) Tata Power Trading Company Limited	100	100
(iv) New Tirupur Area Water Development Corporation Limited	58	58
(v) Central Government Samarath Scheme	2	2
(c) Letter of Credit Facility in favour of Suppliers		
(i) Foreign letter of credit	2,205	6,919
(ii) Inland Letter of Credit	967	103
(d) Discounted sales invoices	4,182	9,316

(e) Provident Fund:

Pursuant to the Supreme Court judgement dated February 28, 2019 on the inclusion of special allowances for contribution to provident fund, the Company has been legally advised that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of the reliable measurement of the provision for earlier periods, the Company has not recorded a provision for the prior years.

Notes:

(i) Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

II. Commitments

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Capital Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for.	3,127	4,323
(b) Other Commitments		
(i) The Company has given Corporate guarantees to banks/ financial Institutions / Others on behalf of M/s Jahnvi Motor Private Limited, M/s K.P.R.Sugar Mill Limited and M/s KPR Sugar and Apparels Limited.	1,77,045	1,79,045
(ii) Export obligations against the import licenses taken for import of capital goods under the Export Promotion on Capital Goods Scheme and Advance Authorisation scheme for import of raw materials. The duty implication involved is ₹ 3,769 Lakhs (Pr.Yr. ₹ 2,206 Lakhs)	22,613	13,233

Note: Disclosure under Section 186 (4) of the Companies Act, 2013:

NOTES

(₹ in Lakhs)

Name of the Party	31.03.2023	31.03.2022
M/s.K.P.R. Sugar Mill Limited M/s.Jahnvi Motor Private Limited M/s KPR Sugar and Apparels Limited	51,845 2,700 1,22,500	58,845 2,700 1,17,500
Total	**1,77,045**	**1,79,045**

The recipients utilise the guarantee for availing term loan and working capital facility from banks/ financial institutions/ others.
Also refer note 5 and 40.

37 Disclosure with respect to Micro, Small and Medium Enterprises Development act, 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006") is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
1.The Principal amount remaining unpaid to any supplier at the end of each accounting year	645	1,454
2.Interest due remaining unpaid to any supplier at the end of each accounting year	-	-
3.The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4.The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
5.The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6.The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

38 Corporate Social Responsibility Expenditure

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 1,291 Lakhs (Pr.Yr. ₹ 913 Lakhs). Amount spent during the year on CSR activities (included in Note 33 of the Statement of Profit and Loss) as under:

(₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2023	31.03.2022
Promotion of education	1,297	911
Donation to Chief Minister's Relief Fund - Covid-19	-	109
Chess Olympiad sponsorship	5	-
Rural development	6	-
Women empowerment	-	6
Total	**1,308**	**1,027**

NOTES

Details of corporate social responsibility expenditure: (₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2023	31.03.2022
(i) shortfall at the end of the year	-	-
(ii) total of previous years shortfall	-	-
(iii) reason for shortfall	NA	NA
(iv) details of related party transactions	NA	NA
(v) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

Disclosure under section 135(5) of the Companies Act, 2013 (₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2023	31.03.2022
(i) Opening balance (excess) / shortfall	-	-
(ii) Amount required to be spent during the year	1,291	913
(iii) Amount spent during the year (also refer note 8, 15 and 33)	(6,308)	1,027
(iv) Closing balance (excess)* / shortfall	**(5,017)**	**-**

* Out of the excess closing balance in the table above, balance of ₹ 5,000 lakhs represents CSR pre-spent during the year to be adjusted against the Company's future CSR obligation in accordance with the provisions of Companies Act, 2013.

39 Financial Instruments

Accounting Classification and Fair Values:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31.03.2023 (₹ in Lakhs)

Particulars	Carrying amount			Total carrying amount	Fair value hierarchy
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities		
Financial assets measured at fair value					
Non-current Investments (excluding investments in subsidiaries)	150	-	-	150	Level 2
Current Investments	12,716	-	-	12,716	Level 1
Financial assets not measured at fair value					
Loans #	-	223	-	223	-
Trade receivables #	-	49,209	-	49,209	-
Cash and cash equivalents #	-	4,050	-	4,050	-
Bank balances other than Cash and cash equivalents #	-	226	-	226	-
Other financial assets # (excluding investments in subsidiaries)	-	3,658	-	3,658	-
Financial liabilities not measured at fair value					
Borrowings #	-	-	49,799	49,799	-
Trade payables #	-	-	19,930	19,930	-
Other financial liabilities #	-	-	520	520	-

NOTES

31.03.2022 (₹ in Lakhs)

Particulars	Carrying amount			Total carrying amount	Fair value hierarchy
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities		
Financial assets measured at fair value					
Non-current Investments (excluding investments in subsidiaries)	150	-	-	150	Level 2
Current Investments	27,403	-	-	27,403	Level 1
Financial assets not measured at fair value					
Loans #	-	204	-	204	-
Trade receivables #	-	39,263	-	39,263	-
Cash and cash equivalents #	-	9,561	-	9,561	-
Bank balances other than Cash and cash equivalents #	-	479	-	479	-
Other financial assets # (excluding investments in subsidiaries)	-	6,785	-	6,785	-
Financial liabilities not measured at fair value					
Borrowings #	-	-	41,785	41,785	-
Trade payables #	-	-	11,491	11,491	-
Other financial liabilities #	-	-	43	43	-

For financial assets and liabilities not measured at fair value, the Company has not disclosed the fair values of financial instruments, since their carrying amounts are reasonable approximations of their fair values.

Note: There have been no transfers between Level 1, Level 2 and Level 3 during the current and previous year.

Refer note 2E to the standalone financial statements.

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of borrowings and equity.

The capital structure of the Company consists of net debt (borrowings as detailed in note 18 and note 22 which is off set by cash and bank balances as defined below) and Total Equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's Net Debt to Total Equity ratio as at 31.03.2023 was as follows

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
(i) Debt *	49,799	41,785
(ii) Less: Cash and Bank Balances *	4,276	10,040
(iii) Net Debt (i - ii)	**45,523**	**31,745**
(iv) Total Equity	2,97,296	2,63,218
(v) Net Debt to Equity Ratio (iii / iv)	**15.31%**	**12.06%**

* Debt is defined as non-current borrowings, current borrowings and current maturities of non-current borrowings as described in note 18 and note 22. Cash and Bank balances include cash and cash equivalents and Bank balances other than Cash and cash equivalents as described in note 12 and note 13.

NOTES

Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Market risk (See A below)
- Credit risk (See B below)
- Liquidity risk (See C below)

Risk Management Framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of holding of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

The Company's sales and purchases activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into plain vanilla forward contracts to manage its exposure to foreign currency risk.

Details of hedged and unhedged foreign currency exposures

(a) Outstanding forward exchange contracts for hedging purposes as on 31.03.2023

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
USD	INR	9,153 (1,17,344)	Sell Sell
USD	INR	- (5,268)	Buy Buy
EURO	INR	5,502 (7,438)	Sell Sell
GBP	INR	6,229 (6,705)	Sell Sell

Note: Figures in brackets relates to the previous year.

(b) The year-end unhedged foreign currency exposures are given below

Foreign currency denominated financial assets and liabilities (including firm commitments, if any) which expose the Company to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in Indian Rupees.

NOTES

(₹ in Lakhs)

	USD	Euro	GBP	JPY	CHF	Total
As at 31.03.2023						
Loans	223	-	-	-	-	223
Trade receivables	54,645	-	608	-	-	55,253
Cash and cash equivalents	1,404	129	148	-	-	1,681
Trade payables	(2,168)	-	-	-	-	(2,168)
	54,104	**129**	**756**	-	-	**54,989**

(₹ in Lakhs)

	USD	Euro	GBP	JPY	CHF	Total
As at 31.03.2022						
Loans	204	-	-	-	-	204
Trade receivables	1,155	1,620	1,807	-	-	4,582
Cash and cash equivalents	-	-	-	-	-	-
Trade payables	(785)	-	(24)	(279)	(453)	(1,541)
	574	**1,620**	**1,783**	**(279)**	**(453)**	**3,245**

Note:

Trade receivables and Trade payables includes firm commitments.

Sensitivity analysis:

Sensitivity analysis is carried out for un-hedged foreign exchange risk as at 31.03.2023. For every 1% strengthening / weakening of Indian Rupees against all relevant uncovered foreign currency transactions, profit before tax and equity would be impacted as follows:

Increase/ (decrease) in profit and equity	Strengthening		Weakening	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
USD	(541)	(6)	541	6
Euro	(1)	(16)	1	16
GBP	(8)	(18)	8	18
JPY	-	3	-	(3)
CHF	-	5	-	(5)
	(550)	**(32)**	**550**	**32**

(ii) 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's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate exposure

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Non-current borrowings	29	31
Current borrowings	49,770	41,754
Total	**49,799**	**41,785**

NOTES

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at March 31, 2023. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately ₹ 498 lakhs (Pr.Yr: ₹ 418 Lakhs). Similarly, for every 1% decrease in average interest rates there would be an equal and opposite impact on the profit before tax. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

The Company does not expect any change in interest rates on fixed rate borrowings and accordingly have not presented any sensitivities on such borrowings.

(iii) Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. As at 31.03.2023, the investments in mutual funds amounts to ₹ 12,716 lakhs (Pr.Yr: ₹ 27,403 Lakhs).

As regards Company's investments in unquoted equity instruments, the management contends that such investments do not expose the Company to price risks. In general, these securities are not held for trading purposes.

Sensitivity analysis:

For every 1% increase in price, profit before tax would be impacted by gain of approximately ₹ 127 lakhs (Pr.Yr: ₹ 274 Lakhs). Similarly, for every 1% decrease in price there would be an equal and opposite impact on the profit before tax.

B Credit risk management

Credit risk is the risk that the counterparty to a financial instrument will not meet its contractual obligations, leading to a financial loss. Credit risk primarily arises from the Company's trade receivables, loans, investments, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables: **(₹ in Lakhs)**

Particulars	31.03.2023	31.03.2022
Trade receivables	49,209	39,263

The Company mitigates credit risk by strict receivable management procedures and policies. The Company has a dedicated independent team to review credit and monitor collection of receivables. In addition, the Company mitigates credit risk substantially through availment of credit insurance for both domestic and export buyers.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, the management believes that unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Company are not expected to be able to pay their outstanding dues, mainly due to economic circumstances.The concentration of credit risk is limited due to the customer base being large and unrelated. Further, the Company constantly evaluates the quality of trade receivables and provides impairment loss on financial assets (trade receivables) based on expected credit loss model.

For movement of loss allowance in trade receivables, refer note 11.

Loans **(₹ in Lakhs)**

Particulars	31.03.2023	31.03.2022
Loans to related parties	223	204

The Company extended loans to its wholly-owned subsidiaries which are engaged in potential ventures. Also refer note 6, 33 and 48.

NOTES

Investments:

Investments of surplus funds are made only with approval of Board of Directors. This primarily include investments in equity instruments of an unlisted entity and mutual funds. The Company does not expect significant credit risks arising from these investments.

Cash and cash equivalents and Bank balances other than Cash and cash equivalents:

The Company held cash and cash equivalents and margin money deposits with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Other financial assets:

Other financial assets primarily consists of Investment in wholly-owned subsidiary pending allotment, Interest accrued on bank deposits and other deposits and term deposit with Non-Banking Financial Companies. The Company does not expect any loss from non-performance by these counter-parties.

C Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non-current financial liabilities are disclosed in note 18 and note 19.

40 Related Party Disclosures

Disclosures under "Ind AS" 24 - Related Party Disclosure, as identified and disclosed by the Management and relied upon by the Auditors

40.1 Name of related parties and nature of relationships

Key Management Personnel	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj Sri C.R.Anandakrishnan Sri E.K.Sakthivel
Relatives of Key Management Personnel	Smt D.Geetha (Daughter of Sri.KPD Sigamani) Sri T.N.Arun (Son of Sri P.Nataraj)
Enterprises owned by Key Management Personnel/Directors or their relatives	M/s K.P.R. Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s KPR Info Solutions Private Limited
Subsidiary Companies	M/s Quantum Knits Private Limited M/s K.P.R. Sugar Mill Limited M/s Jahnvi Motor Private Limited M/s Galaxy Knits Limited M/s KPR Exports PLC, Ethiopia M/s KPR Mill Pte. Ltd, Singapore M/s KPR Sugar and Apparels Limited

NOTES

40.2 Transactions during the year and the balance outstanding at the balance sheet date (₹ in Lakhs)

Nature of Transaction	Enterprises owned by key management personnel / Directors or their relatives	Key Management Persons	Relatives to Key Management Persons	Subsidiary Company	Total as on 31.03.2023
Transactions during the year					
Purchase of goods	- -	- -	- -	14,244 (11)	14,244 (11)
Purchase of property, plant and equipment	- -	- -	- -	- -	- -
Sale of products	- -	- -	- -	50,396 (19,658)	50,396 (19,658)
Sale of property, plant and equipment	- -	- -	- -	67 (3)	67 (3)
Repairs and maintenance	- -	- -	- -	32 -	32 -
Processing and fabrication Income	- -	- -	- -	4,355 -	4,355 -
Miscellaneous income	- -	- -	- -	169 -	169 -
Processing and fabrication Expenses	- -	- -	- -	847 (37)	847 (37)
Interest income on financial assets measured at amortised cost	- -	- -	- -	- (6)	- (6)
Lease rentals paid	- -	4 (1)	- -	3,000 (3,000)	3,004 (3,001)
Lease rentals received	- -	- -	- -	24 (3)	24 (3)
Dividend income	- -	- -	- -	4,684 (26)	4,684 (26)
Remuneration / salary	- -	1,758 (1,758)	13 (13)	- -	1,771 (1,771)
Proceeds from redemption of preference shares	- -	- -	- -	5,202 -	5,202 -
Non-current investments	- -	- -	- -	20,000 (38,924)	20,000 (38,924)
Balances outstanding as at the balance sheet date					
Non-current investments	- -	- -	- -	75,581 (57,762)	75,581 (57,762)
Investment in wholly-owned subsidiaries pending allotment	- -	- -	- -	7 (7)	7 (7)
Loans	- -	- -	- -	223 (204)	223 (204)
Advance to suppliers	- -	- -	- -	1 (1,373)	1 (1,373)
Trade receivables	- -	- -	- -	7,561 -	7,561 -
Interest accrued	- -	- -	- -	24 (24)	24 (24)
Employee benefits payable	- -	955 (915)	- -	- -	955 (915)
Advance from customers	- -	- -	- -	6,837 (4,653)	6,837 (4,653)

(Previous year figures are shown in brackets)

NOTES

40.3 Details of transactions with related parties

a. Purchase of Goods

(₹ in Lakhs)

Name	2022-23	2021-22
M/s.K.P.R. Sugar Mill Limited	86	-
M/s KPR Sugar and Apparels Limited	14,158	-
M/s Quantum Knits Pvt Limited	-	11
Total	**14,244**	**11**

b. Sale of products

(₹ in Lakhs)

Name	2022-23	2021-22
M/s K.P.R.Sugar Mill Limited	26,816	20,005
M/s KPR Mill Pte. Ltd, Singapore	-	(350)
M/s Quantum Knits Pvt Limited	5,634	-
M/s KPR Sugar and Apparels Limited	17,946	3
Total	**50,396**	**19,658**

c. Sale of property, plant and equipment

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	64	3
M/s Jahnvi Motor Private Limited	3	-
Total	**67**	**3**

d. Repairs and maintenance

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s Jahnvi Motor Private Limited	32	-
Total	**32**	-

e. Processing and fabrication income

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	4,355	-
Total	**4,355**	-

f. Miscellaneous income

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	53	-
M/s KPR Sugar and Apparels Limited	113	-
M/s Jahnvi Motor Private Limited	3	-
Total	**169**	-

NOTES

g. Processing and fabrication expenses (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	847	37
Total	**847**	**37**

h. Interest income on financial assets measured at amortised cost (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Mill Pte. Ltd, Singapore	-	6
Total	**-**	**6**

i. Lease rentals paid (₹ in Lakhs)

Name	2022 - 23	2021-22
Sri K.P.Ramasamy	1.20	0.19
Sri KPD Sigamani	1.20	0.18
Sri P.Nataraj	1.20	0.18
M/s K.P.R.Sugar Mill Limited	3,000	3,000
Total	**3,003.60**	**3,000.55**

j. Lease rentals received (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s.K.P.R.Sugar Mill Limited	1	1
M/s Quantum Knits Pvt Limited	1	1
M/s KPR Sugar and Apparels Limited	22	1
Total	**24**	**3**

k. Dividend income (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s.K.P.R.Sugar Mill Limited	2,691	26
M/s Quantum Knits Pvt Limited	1,800	-
M/s Jahnvi Motor Private Limited	193	-
Total	**4,684**	**26**

NOTES

l. Remuneration / Salary (₹ in Lakhs)

Name	2022 - 23	2021-22
Sri K.P.Ramasamy	572	572
Sri KPD Sigamani	572	572
Sri P.Nataraj	572	572
Sri C.R.Anandakrishnan	24	24
Sri E.K.Sakthivel	18	18
Smt D.Geetha	6	6
Sri T.N.Arun	7	7
Total	**1,771**	**1,771**

Note: Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

m. Proceeds from redemption of preference shares (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s.K.P.R.Sugar Mill Limited	5,202	-
Total	**5,202**	**-**

n. Non-current investments (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	20,000	38,924
Total	**20,000**	**38,924**

40.4 Balances outstanding as at the balance sheet date:

a. Non-current investments (₹ in Lakhs)

Name	31.03.2023	31.03.2022
Equity Shares		
M/s.K.P.R. Sugar Mill Limited	1,675	1,675
M/s.Jahnvi Motor Private Limited	276	276
M/s.Quantum Knits Private Limited	10	10
M/s.Galaxy Knits Limited	5	5
M/s.KPR Exports PLC, Ethiopia (also refer note 48)	-	-
M/s KPR Mill Pte. Ltd, Singapore	21	21
M/s KPR Sugar and Apparels Limited	100	100
Deemed equity in Jahnvi Motor Private Limited, K.P.R.Sugar Mill Limited and KPR Sugar and Apparels Limited	657	-
Preference shares		
M/s.K.P.R. Sugar Mill Limited	2,837	5,675
M/s.KPR Sugar and Apparels Limited	70,000	50,000
Total	**75,581**	**57,762**

NOTES

b. Investment in wholly owned subsidiary pending allotment

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s KPR Mill Pte. Ltd, Singapore	7	7
Total	**7**	**7**

Also refer note 48.

c. Loans

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s KPR Mill Pte. Ltd, Singapore	223	204
Total	**223**	**204**

Refer note 36 for disclosure under Section 186 (4) of the Companies Act, 2013.

The recipients utilise the loan for principal business activities.

Also refer note 48.

d. Advance to suppliers

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s Jahnvi Motor Private limited	1	-
M/s KPR Sugar and Apparels Limited	-	1,373
Total	**1**	**1,373**

e. Trade receivables

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s KPR Sugar and Apparels Limited	4,147	-
M/s Quantum Knits Private limited	3,414	-
Total	**7,561**	**-**

f. Interest accrued

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s KPR Mill Pte Limited	24	24
Total	**24**	**24**

g. Advance from customers

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s Quantum Knits Private Limited	-	2,056
M/s K.P.R.Sugar Mill Limited	6,837	2,598
Total	**6,837**	**4,653**

NOTES

h. Employee benefits payable (₹ in Lakhs)

Name	31.03.2023	31.03.2022
Sri K.P.Ramasamy	330	315
Sri KPD Sigamani	307	295
Sri P.Nataraj	315	303
Sri C.R.Anandakrishnan	2	2
Sri E.K.Sakthivel	1	-
Smt D.Geetha	0.40	-
Total	**955.40**	**915**

40.5 Terms and conditions of transactions with related parties

Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

40.6 Transfer pricing

The Company has transactions with related parties. For the financial year ended 31.03.2022, the Company has obtained the Accountant's report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act,1961 and has filed the same with the tax authorities. For the year ended 31.03.2023, the Company maintains documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

41 Earnings per share (EPS)

Particulars	31.03.2023	31.03.2022
Profit for the year attributable to equity shareholders (₹ in Lakhs)	63,504	73,080
Weighted average number of equity shares (refer note (a))	34,19,73,277	34,40,50,000
Face value per share (₹)	1.00	1.00
Earnings per share (₹) - Basic and Diluted	18.57	21.24

Notes:

a. The calculation of weighted average number of equity shares for the purpose of basic and diluted earnings per share is as follows:

Particulars	31.03.2023	31.03.2022
Opening balance	34,40,50,000	34,40,50,000
Effect of shares bought back during the year	(20,76,723)	-
Weighted average number of equity shares	**34,19,73,277**	**34,40,50,000**

After obtaining the approval from the Board of Directors on February 07, 2022, the buy-back of 22,36,000 equity Shares of ₹ 1/-each (representing 0.65% of the total number of paid up equity shares of the Company) from the shareholders of the Company on proportionate basis by way of tender offer route at a price of ₹ 805/- per share for an aggregate amount of ₹ 17,999.80 lakhs (9.53% of the paid up capital and free reserves) was initiated in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ('SEBI Buy-back Regulations'). The extinguishment of equity shares was completed on April 26, 2022.

b. The Company does not have any potential equity shares. Accordingly basic and diluted earnings per share would remain the same.

NOTES

42 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged in only one business i.e. manufacturing and sale of textiles. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these standalone financial statements are reflective of the information required by the Ind AS 108 for textiles.

42.1 Revenue from sale of products and services by geographic location of customers:

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
India	2,85,579	2,42,442
Overseas	1,71,502	1,52,427
Total	**4,57,081**	**3,94,869**

The Company's operations are entirely carried out in India and as such all its property, plant and equipment are located in India.

No single customer contributed 10% or more to the Company's revenue for both the financial years 2022-23 and 2021-22.

43 Operating Lease Disclosure

43.1 As Lessee:

The Company has taken factory premises, office spaces, plant and equipment and vehicles on cancellable operating leases. The leases are for varied periods which are classified as short-term leases under Ind AS 116. The Company has incurred ₹ 3,114 lakhs (Pr.Yr: ₹ 3,092 Lakhs) for the year ended 31.03.2023 towards expenses relating to short-term leases. The total cash outflow for leases is ₹ 3,114 lakhs (Pr.Yr: ₹ 3,092 Lakhs) for the year ended 31.03.2023, including cash outflow of short-term leases. Also refer note 33.

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Minimum lease payments not later than one year	1,589	2,016
Later than one year but not later than five years	25	-
More than five years	-	-

43.2 As lessor:

The Company has given certain non-factory building on cancellable operating leases and has earned rental income of ₹ 459 lakhs (Pr.Yr: ₹ 2,947 Lakhs) for the year ended 31.03.2023. Since the aforesaid leases are short-term in nature, there are no lease payments receivable after one year as at 31.03.2023. The expected amount of minimum lease payments to be received within one year is ₹ 459 lakhs (Pr.Yr: ₹ 2,947 Lakhs). Also refer note 28.

44 Disclosure of employee benefits

44.1 Defined contribution plans

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Provident fund	3,184	2,934
Employee state insurance	813	794

NOTES

44.2 Defined benefit plan - gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined (asset) / liability and its components.

A	**Reconciliation of present value of defined benefit obligation**		
	Present value of obligation as at the beginning of the year	925	902
	Current service cost	113	38
	Interest cost	77	1
	Benefits paid	-	(16)
	Actuarial (gains) / losses on obligations		
	- changes in financial assumptions	-	-
	Balance at the end of the year	**1,115**	**925**
B	**Reconciliation of fair value of plan assets:**		
	Balance at the beginning of the year	925	900
	Interest income	161	2
	Contributions paid into the plan	27	24
	Fair value of plan asset as at the end of the year	**1,113**	**925**
	Plan assets comprises of :		
	% of Investment with insurer	100	100
C	**Net Asset/(Liability) recognized in the Balance Sheet**		
	Present value of obligation as at end of the year	1115	925
	Fair value of Plan Asset as at end of the year	1113	925
	Funded Status [Surplus/(Deficit)]	(2)	-
D	**Expense recognized in the statement of profit and loss**		
	Current Service Cost	113	38
	Interest Cost	77	1
	Expected return on Plan Assets	(161)	(2)
	Actuarial (gains) / losses on obligations and plan assets	-	-
		29	**37**
E	**Remeasurement recognised in other comprehensive income:**		
	Actuarial / (gains) losses on defined benefit obligation	-	-
	Actuarial / (gains) losses on plan assets	-	-

NOTES

F	**Actuarial Assumptions**		
	Discount Rate (per annum)	7.52%	7.00%
	Rate of increase in compensation levels (per annum)	7.50%	7.00%
	Rate of return on plan assets (per annum)	7.52%	7.21%
	Attrition rate (per annum)	4.00%	4.00%
	Expected average remaining working lives of employees (years)	26.66	27.09
	Demographic Assumptions - Based on Indian Assured Lives Mortality (2012-14)		

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

44.3 Disclosure of Employee Benefits (Continued)

Asset-liability matching strategies

The company has funded the liability with the insurance company. The entire investible assets are managed by the fund managers of the insurance company and the asset values as informed by the insurance company has been taken for valuation purpose. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rates (in particular, the significant fall in interest rates, which should result in a increase in liability without a corresponding increase in the asset).

Expected contributions to the plan for the next annual reporting period

The expected benefits are based on the same assumptions as are used to measure Company’s defined benefit plan obligations as at 31.03.2023. The Company is expected to contribute ₹ 232 lakhs (Pr.Yr: ₹ 34 Lakhs) to defined benefit plan obligations funds for the year ending 31.03.2023.

Weighted average duration of the defined benefit obligation **Disclosure related to indication of effect of the defined benefit plan on the entity's undiscounted future cash flows Payout in the next**	16.61 years	17.50 years
1 year	43	34
1-2 years	47	37
2-3 years	49	36
3-4 years	50	40
4-5 years	57	43
5 years and beyond	3,543	3,032

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Lakhs)

Particulars	31.03.2023		31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(132)	159	(118)	144
Salary growth (1% movement)	154	(129)	139	(116)
Attrition rate (1% movement)	(11)	12	(13)	15

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES

45 Details of current investments in mutual funds (quoted)

(₹ in Lakhs)

Particulars	2022-23		2021-22	
	Units	Amount	Units	Amount
Nippon India Mutual Fund	1,09,223	6,015	1,90,692	9,931
LIC Mutual Fund	1,65,910	6,701	2,44,837	9,368
IDBI Mutual Fund	-	-	3,56,579	8,104
	2,75,133	**12,716**	**7,92,108**	**27,403**

Also refer note 10.

46 Disclosure as per Schedule V of Regulation 34 of the listing regulations - Investments

(₹ in Lakhs)

Name of the Company	31.03.2023	31.03.2022
M/s.Quantum Knits Private Limited	10	10
M/s.K.P.R. Sugar Mill Limited	4,513	7,350
M/s.Jahnvi Motor Private Limited	276	276
M/s.Galaxy Knits Limited	5	5
M/s KPR Exports PLC, Ethiopia (Refer note 48)	-	-
M/s KPR Mill Pte Limited, Singapore	28	28
M/s KPR Sugar and Apparels Limited	70,100	50,100
	74,932	**57,769**

Also refer note 5.

47 Disclosure as per Schedule V of Regulation 34 of the listing regulations - Loans

(₹ in Lakhs)

Name of the Company	As at 31.03.2023	Maximum outstanding during the year 2022-23	As at 31.03.2022	Maximum outstanding during the year 2021-22
M/s KPR Exports PLC, Ethiopia (also refer note 48)	-	-	-	118
M/s KPR Mill Pte Limited, Singapore	223	223	204	437
	223	**223**	**204**	**555**

Also refer note 6.

48 Impairment assessment of KPR Exports PLC, Ethiopia

During the year ended 31.03.2022, the Company had performed an impairment assessment of investments made (including investments pending allotment), loans given, and trade receivables due from M/s KPR Exports PLC, Ethiopia, triggered due to changes in business environment as a result of ongoing civil unrest in Ethiopia and had recognized a provision for impairment towards carrying value of investments (including investments pending allotment), loans and trade receivables of INR 1,798 lakhs as at 31.03.2022. Such provision had been presented as part of 'Other expenses' in the statement of profit and loss for the year ended 31.03.2022. Also refer note 5,6,7 and 33 to the standalone financial statements.

49 Events after reporting period :

The Board of Directors have recommended a final dividend of 200% (₹ 2 per share of the face value of ₹ 1/- each) for the year 2022-23 subject to the approval of the shareholders in Annual General Meeting.

NOTES

50 Other statutory information

a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b) The Company does not have any transactions with companies struck off.

c) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

d) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

e) No funds 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 to or on behalf of the Ultimate Beneficiaries.

f) No funds 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 from or on behalf of the Ultimate Beneficiaries.

g) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

h) The Company has not have been declared as wilful defaulters by any bank or financial institution or government or any government authority.

i) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

j) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

k) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

51 Ratios as per the Schedule III requirements :

a) Current ratio = Total current assets divided by Total current liabilities

Particulars	31.03.2023	31.03.2022
Total current assets - ₹ in Lakhs	2,05,708	1,86,941
Total current liabilities - ₹ in Lakhs	83,975	68,270
Ratio	2.45	2.74
% Change from previous year	**-10.54%**	

b) Debt Equity Ratio = Total debt divided by Total equity wherein Total Debt refers to sum of current and non-current borrowings

Particulars	31.03.2023	31.03.2022
Total debt - ₹ in Lakhs	49,799	41,785
Total equity - ₹ in Lakhs	2,97,296	2,63,218
Ratio	0.17	0.16
% Change from previous year	**5.52%**	

NOTES

c) Debt Service Coverage Ratio = Earnings available for debt service divided by the Total interest and principal repayments

Particulars	31.03.2023	31.03.2022
Profit after tax - ₹ in Lakhs	63,504	73,080
Add: Non - cash operating expenses and finance cost		
- Depreciation and amortisation expenses - ₹ in Lakhs	7,764	7,565
- Finance costs - ₹ in Lakhs	2,670	1,339
Earnings available for debt service - ₹ in Lakhs	**73,938**	**81,984**
- Finance costs relating to term loans - ₹ in Lakhs	3	40
- Principal repayments relating to term loans - ₹ in Lakhs	2	1,151
Total interest and principal repayments relating to term loans - ₹ in Lakhs	**5**	**1,191**
Ratio	**14,787.60**	**68.84**
% Change from previous year	**21382.28%**	

Reason for change more than 25%: The ratio has increased from 68.84 for the year ended 31.03.2022 to 14,787.60 for the year ended 31.03.2023 on account of significant decrease in total interest and principal repayments relating to term loans.

d) Return on Equity Ratio = Profit after tax divided by Average total equity

Particulars	31.03.2023	31.03.2022
Profit after tax - ₹in Lakhs	63,504	73,080
Average total equity (Refer note below) - ₹ in Lakhs	2,80,257	2,26,936
Ratio	22.66%	32.20%
% Change from previous year	**-29.64%**	

Note: Average total equity = (Total equity as at the beginning of respective year + Total equity as at the end of respective year) divided by 2

Reason for change more than 25%: The ratio has decreased from 32.20% for the year ended 31.03.2022 to 22.66 % for the year ended 31.03.2023 on account of decrease in profit after tax for the year.

e) Inventory turnover ratio = Sales divided by Average inventory

Particulars	31.03.2023	31.03.2022
Sales (refer note 1 below) - ₹ in Lakhs	4,73,955	4,07,367
Average inventory (refer note 2 below) - ₹ in Lakhs	1,04,219	77,138
Ratio	**4.55**	**5.28**
% Change from previous year	**-13.89%**	

Note 1: Sales represents revenue from operations.

Note 2: Average inventory = (Total inventories as at the beginning of respective year + Total inventories as at the end of respective year) divided by 2.

f) Trade receivables turnover ratio = Sales divided by Average trade receivables

Particulars	31.03.2023	31.03.2022
Sales - ₹ in Lakhs (Refer note 1 below)	4,60,811	3,97,790
Average trade receivables - ₹ in Lakhs (Refer note 2 below)	44,236	32,672
Ratio	**10.42**	**12.18**
% Change from previous year	**-14.44%**	

Note 1: Sales for the purpose of the table above represents revenue from operations excluding export incentives.

Note 2: Average trade receivables = (Total trade receivables as at the beginning of respective year + Total trade receivables as at the end of respective year) divided by 2

NOTES

g) Trade payables turnover ratio = Purchases divided by Average trade payables

Particulars	31.03.2023	31.03.2022
Purchases (refer note 1 below) - ₹ in Lakhs	3,36,229	2,34,727
Average trade payables (refer note 2 below)- ₹ in Lakhs	15,711	10,335
Ratio	**21.40**	**22.71**
% Change from previous year	**-5.77%**	

Note 1: Purchases represents Purchases forming part of cost of materials consumed.

Note 2: Average trade payables = (Total trade payables as at the beginning of respective year + Total trade payables as at the end of respective year) divided by 2.

h) Net capital turnover ratio = Revenue from operations divided by Working capital wherein Working capital = Total current assets less Total current liabilities

Particulars	31.03.2023	31.03.2022
Revenue from operations - ₹ in Lakhs	4,73,955	4,07,367
Working capital - ₹ in Lakhs	1,21,733	1,18,671
Ratio	**3.89**	**3.43**
% Change from previous year	**13.42%**	

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	31.03.2023	31.03.2022
Net profit after tax - ₹ in Lakhs	63,504	73,080
Revenue from operations - ₹ in Lakhs	4,73,955	4,07,367
Ratio	**13.40%**	**17.94%**
% Change from previous year	**-25.31%**	

Reason for change more than 25%: The ratio has decreased from 17.94% for the year ended 31.03.2022 to 13.40 % for the year ended 31.03.2023 on account of decrease in net profit after tax for the year.

j) Return on capital employed= Earnings before interest and taxes (EBIT) divided by Capital employed

Particulars	31.03.2023	31.03.2022
Earnings before interest and taxes (refer note 1 below) - ₹ in Lakhs	85,145	99,288
Capital employed (refer note 2 below) - ₹ in Lakhs	3,52,912	3,09,371
Ratio	**24.13%**	**32.09%**
% Change from previous year	**-24.82%**	

Note 1: EBIT= Profit before taxes + Finance costs

Note 2: Capital employed = Total equity + Total debt (current borrowings and non-current borrowings) + Deferred tax liabilities

NOTES

k) Return on investment ('ROI')

i) ROI on mutual fund = Income generated from invested funds divided by average invested funds in mutual funds

Particulars	31.03.2023	31.03.2022
Income generated from invested funds - ₹ in Lakhs	1,263	1,359
Invested funds in mutual funds (refer note below) - ₹ in Lakhs	20,060	25,374
Ratio	**6.30%**	**5.36%**
% Change from previous year	**17.56%**	

Note: Invested funds in mutual funds = (Investment in mutual fund as at the beginning of respective year + Investment in mutual fund as at the end of respective year) divided by 2

ii) ROI on treasury funds = Income generated from invested funds divided by average invested funds in treasury funds

Particulars	31.03.2023	31.03.2022
Income generated from treasury funds - ₹ in Lakhs	88	1,359
Invested funds in treasury funds (refer note below) - ₹ in Lakhs	2,113	4,629
Ratio	**4.16%**	**29.36%**
% Change from previous year	**-85.81%**	

Note: Invested funds in treasury funds = (Investment in margin money deposit, term deposit with Non-Banking Financial Companies and in deposits with original maturity of less than three months as at the beginning of respective year + Investment in margin money deposit, term deposit with Non-Banking Financial Companies and in deposits with original maturity of less than three months as at the end of respective year) divided by 2.

Reason for change more than 25%: Decrease in ROI on treasury funds from 29.36% for the year ended 31.03.2022 to 4.16% in for the year ended 31.03.2023 is on account of decrease in income generated from treasury funds.

The notes from 1 to 51 are an integral part of these standalone financial statements.

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
CIN : L17111TZ2003PLC010518

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number : 101248W/W-100022

K.P.Ramasamy
Chairman
DIN : 00003736

P.Nataraj
Chief Executive Officer and Managing Director
DIN : 00229137

K Sudhakar
Partner
Membership No. : 214150

KPD Sigamani
Managing Director
DIN : 00003744

P.Kandaswamy
Company Secretary

PL Murugappan
Chief Financial Officer

Coimbatore
03.05.2023

Coimbatore
03.05.2023

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of K.P.R. Mill Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of K.P.R. Mill Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in the "Other Matters" section below, 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters.

Revenue recognition	
See note 3 and note 27 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group's revenue is derived primarily from sale of goods. Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and there are no longer any unfulfilled performance obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Inappropriate assessment could lead to risk of revenue being recognized before transfer of control. In view of the above and since revenue is a key performance indicator of the Group, we have identified timing of revenue recognition from sale of goods as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the accounting policy for revenue recognition with relevant accounting standards; • Evaluating the design and implementation of key internal financial controls in relation to timing of revenue recognition and tested the operating effectiveness of such controls for selected samples; • Performing detailed testing by selecting samples of revenue transactions recorded during the year and around the year end date using statistical sampling. We assessed fulfilment of performance obligations during the year by verifying the underlying documents. These documents included contract specifying terms of sale, invoices, goods dispatch notes, customer acceptances and shipping documents; • Testing, on a sample basis using specified risk based criteria, journal entries affecting revenue recognised during the year to identify unusual items.

Valuation of Inventories	
See note 3 and note 10 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group's inventory primarily comprises of yarn, fabric, garments and sugar. Inventories are valued at lower of cost and net realisable value. The Group maintains its inventory levels based on forecast demand and expected future selling prices. There is a risk of inventories being measured at values which are not representative of the lower of costs and net realisable value ('NRV'). The Group exercises high degree of judgment in assessing the NRV of the inventories on account of estimation of future market and economic conditions. The carrying value of inventories is material in the context of total assets of the Group. We identified the valuation of inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the accounting policy for inventories with relevant accounting standards; • Evaluating the design and implementation of key internal financial controls over valuation of inventories and testing the operating effectiveness of such controls for selected samples; • Observing the physical verification of inventory on a sample basis. In this regard, we have considered the physical condition of inventory by way of obsolescence or wear and tear or efflux of time, wherever relevant and applicable, in determining the valuation of such inventory. • For NRV testing, selecting inventory items, on a sample basis at reporting date and compared their carrying value to their subsequent selling prices as indicated in sales invoices subsequent to the reporting date.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the Board's report, Management Discussion and Analysis and Corporate Governance Report, but does not include the financial statements and auditor's reports thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of Annual report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management's 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 term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 each company 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 the 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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company 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 Responsibilities 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 whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 in preparation of consolidated financial statements 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.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,74,504 lakhs as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 2,15,172 lakhs and net cash flows (before consolidation adjustments) amounting to ₹ 4,238 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, 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 and the reports of the other auditors.

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 Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2023 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 financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer note 36 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act has represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the note 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), 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 by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act has represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the note 51 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

d. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

The final dividend paid by the Holding Company during the year, which was declared in the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 50 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

e. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 23214150BGXPFZ2697

Place: Coimbatore
Date: 03 May 2023

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements of K.P.R. Mill Limited for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 23214150BGXPFZ2697

Place: Coimbatore
Date: 03 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of K.P.R. Mill Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of K.P.R. Mill Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

ANNEXURE TO THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN:23214150BGXPFZ2697

Place : Coimbatore
Date : 03 May 2023

CONSOLIDATED BALANCE SHEET

(₹ in Lakhs)

Particulars	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	2,30,475	1,93,884
(b) Capital work-in-progress	4	8,665	11,532
(c) Goodwill	42	70	70
(d) Intangible assets	4	96	80
(e) Financial assets			
(i) Investments	5	150	150
(ii) Other financial assets	6	3,560	2,470
(f) Deferred tax assets (net)	7	-	1,007
(g) Other tax assets (net)	8	584	173
(h) Other non - current assets	9	18,349	30,047
Total non - current assets		**2,61,949**	**2,39,413**
(2) Current assets			
(a) Inventories	10	1,89,846	1,28,880
(b) Financial assets			
(i) Investments	11	12,716	30,921
(ii) Trade receivables	12	62,544	48,024
(iii) Cash and cash equivalents	13	10,858	12,131
(iv) Bank balances other than Cash and cash equivalents	14	408	658
(v) Other financial assets	15	547	4,532
(c) Other current assets	16	20,895	22,243
Total current assets		**2,97,814**	**2,47,389**
Total assets		**5,59,763**	**4,86,802**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	3,418	3,441
(b) Other equity	18	3,67,251	3,15,244
Total equity		**3,70,669**	**3,18,685**
Liabilities			
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	44,845	62,607
(b) Deferred tax liabilities (net)	20	9,696	4,377
(c) Other non-current liabilities	21	2,037	3,188
Total non-current liabilities		**56,578**	**70,172**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	89,964	55,923
(ii) Trade payables			
(A)Total outstanding dues of micro enterprises and small enterprises; and	23 (A)	853	1,576
(B)Total outstanding dues of creditors other than micro enterprises and small enterprises	23 (B)	32,752	25,716
(iii) Other financial liabilities	24	37	47
(b) Other current liabilities	25	8,833	10,543
(c) Current tax liabilities (net)	26	77	4,140
Total current liabilities		**1,32,516**	**97,945**
Total liabilities		**1,89,094**	**1,68,117**
Total equity and liabilities		**5,59,763**	**4,86,802**

Significant accounting policies — 3

The notes from 1 to 52 are an integral part of these consolidated financial statements

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
CIN : L17111TZ2003PLC010518

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/W-100022

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

P.Nataraj
Chief Executive Officer and Managing Director
DIN : 00229137

K Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
03.05.2023

Coimbatore
03.05.2023

CONSOLIDATED STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

Particulars	Note	Year Ended 31.03.2023	Year Ended 31.03.2022
I. Revenue from operations	27	**6,18,588**	**4,82,248**
II. Other income	28	6,232	8,722
III. Total Income (I+II)		**6,24,820**	**4,90,970**
IV. Expenses			
Cost of materials consumed	29	3,89,656	2,94,065
Purchase of stock-in-trade		22,060	4,117
Changes in inventories of finished goods, stock -in- trade and work- in-progress	30	(36,428)	(29,608)
Employee benefits expense	31	54,864	44,545
Finance costs	32	7,886	2,329
Depreciation and amortisation expense	4	17,369	14,112
Other expenses	33	60,997	47,258
V. Total expenses		**5,16,404**	**3,76,818**
VI. Profit before tax (III-V)		**1,08,416**	**1,14,152**
VII.Tax expenses			
Current tax			
- Pertaining to current year		25,273	29,706
- Pertaining to prior year		(982)	(53)
Deferred tax		2,715	315
Total tax expense		**27,006**	**29,968**
VIII. Profit for the year (VI-VII)		**81,410**	**84,184**
Other comprehensive income			
Item that will not be reclassified to profit or loss		-	-
Item that will be reclassified to profit or loss		-	-
IX. Other comprehensive income for the year, net of tax		-	-
X.Total comprehensive income for the year (VIII+IX)		**81,410**	**84,184**
Earnings per equity share (EPS)			
Basic & diluted EPS (in ₹) of face value ₹ 1/- each	41	**23.81**	**24.47**

Significant accounting policies 3

The notes from 1 to 52 are an integral part of these consolidated financial statements

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
CIN : L17111TZ2003PLC010518

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/W-100022

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

P.Nataraj
Chief Executive Officer and Managing Director
DIN : 00229137

K Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
03.05.2023

Coimbatore
03.05.2023

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Note	Year Ended	
		31.03.2023	31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		**81,410**	**84,184**
Adjustments for:			
Income tax expenses recognised in the statement of profit and loss		27,006	29,968
Depreciation and amortisation		17,369	14,112
Net loss / (gain) on sale of property, plant and equipment		(2,077)	(301)
Finance costs		7,886	2,329
Interest income		(217)	(318)
Net (gain)/ loss on sale of current investments		(1,399)	(1,477)
Rental income from operating leases		(236)	(56)
Recovery of bad debts		-	(45)
Impairment loss on financial assets		182	229
Operating Profit before working capital changes		**1,29,924**	**1,28,625**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(60,966)	(37,554)
Trade receivables		(14,702)	(16,110)
Other current assets		1,349	(5,744)
Other non-current financial assets		(1,090)	(870)
Other non-current assets		(3,377)	(10,218)
Other financial assets		(263)	6
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		6,313	17,334
Other current liabilities		(1,710)	2,044
Other financial liabilities		(10)	(16)
Other non-current liabilities		(2)	(1)
Cash generated from operations		55,466	77,496
Net income tax (paid)		(25,599)	(28,073)
Net cash generated from operating activities	**(A)**	**29,867**	**49,423**
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipments, including capital advances (net of capital subsidy)		(37,902)	(89,237)
Proceeds from / (purchase of) current investments (net)		19,604	(6,100)
(Increase) /decrease in margin deposit accounts		250	273
Proceeds from sale of property, plant and equipment		2,840	571
Investment in term deposits (having original maturity of more than 3 months)		4,000	-
Interest received		465	231
Rental income received from operating leases		236	56
Net cash flow from/ (used in) investing activities	**(B)**	**(10,507)**	**(94,206)**

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Note	Year Ended	
		31.03.2023	31.03.2022
CASH FLOW FROM FINANCING ACTIVITIES			
Payment towards buy-back of shares		(18,001)	-
Income tax on buy-back of shares		(4,076)	-
(Repayment of)/ proceeds from long-term borrowings (net)		(17,808)	44,654
Proceeds from other current borrowings		-	-
Proceeds from/(Repayment of) working capital borrowings (net)		34,027	8,082
Finance costs paid		(7,426)	(2,101)
Dividends paid		(7,349)	(516)
Net cash flow from (used in) from financing activities	**(C)**	**(20,633)**	**50,119**
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	(1,273)	5,336
Add: Opening cash and cash equivalents		12,131	6,795
Closing cash and cash equivalents (Refer note 13)		**10,858**	**12,131**
Closing cash and cash equivalents comprises			
(a) Cash on hand		151	58
(b) Balance with Banks:			
i) In Current accounts		3,120	5,289
ii) In EEFC accounts		7,587	6,784
		10,858	**12,131**

Significant accounting policies **3**

The notes from 1 to 52 are an integral part of these consolidated financial statements

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CIN : L17111TZ2003PLC010518

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Company Secretary

Coimbatore
03.05.2023

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CHANGES IN EQUITY

a. Equity share capital **Notes** **(₹ in Lakhs)**

	Notes	(₹ in Lakhs)
Balance as at 01.04.2021		3,441
Changes in Equity Share Capital during 2021-22		-
Balance as at 31.03.2022		3,441
Less : Buy-back of equity shares	41	23
Balance as at 31.03.2023		**3,418**

b. Other Equity **(₹ in Lakhs)**

Particulars	Reserves and Surplus					Other compreh-ensive income	Total Other Equity
	Securities Premium	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at 01.04.2021	**19,096**	**293**	**1,827**	**24,845**	**1,85,515**	-	**2,31,576**
Profit for the year	-	-	-	-	84,184	-	84,184
Final dividend relating to 2020-21 paid (₹ 0.75 per share on face value of ₹ 5/-)	-	-	-	-	(516)	-	(516)
Balance as at 31.03.2022	**19,096**	**293**	**1,827**	**24,845**	**2,69,183**	-	**3,15,244**
Profit for the year	-	-	-	-	81,410	-	81,410
Premium on buy-back of equity shares	(15,233)	-	-	-	(2,745)	-	(17,978)
Income tax on buy-back of equity shares	-	-	-	-	(4,076)	-	(4,076)
Transfer to Capital redemption reserve	-	-	212	-	(212)	-	-
Final dividend relating to 2021-22 paid (₹ 0.15 per share on face value of ₹ 1/-)	-	-	-	-	(513)	-	(513)
Interim dividend relating to 2022-23 paid (₹ 2 per share on face value of ₹ 1/-)	-	-	-	-	(6,836)	-	(6,836)
Balance as at 31.03.2023	**3,863**	**293**	**2,039**	**24,845**	**3,36,211**	-	**3,67,251**

Significant accounting policies 3

The notes from 1 to 52 are an integral part of these consolidated financial statements

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
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Company Secretary

PL Murugappan
Chief Financial Officer

Coimbatore
03.05.2023

Coimbatore
03.05.2023

ACCOUNTING POLICIES

1 CORPORATE INFORMATION

K.P.R. Mill Limited is one of the largest vertically integrated apparel manufacturing companies in India with its registered office situated at Coimbatore. The Company produces Yarn, Knitted Fabric, Readymade Garments and Wind power. It has state-of-the-art production facilities in the State of Tamil Nadu, India. The Company's registered office is at No. 9, Gokul Buildings, A.K.S Nagar, Thadagam Road, Coimbatore - 641001, Tamil Nadu, India. It has seven wholly owned subsidiary companies as follows:

a) Quantum Knits Private Limited deals in Readymade Garments.

b) K.P.R.Sugar Mill Limited produces sugar along with Green energy viz ., Co-Gen Power. Its plant is Located at Vijayapur District, Karnataka State. The Company also has Garment manufacturing facility at Arasur, Coimbatore and commenced its operations from November 2013.

c) Jahnvi Motor Private Limited is the authorised dealers of AUDI cars in Coimbatore and Madurai Region.

d) Galaxy Knits Limited has not commenced any major business activity.

e) KPR Exports PLC has Garment manufacturing facility at Ethiopia, and commenced its operation from January 2019.

f) KPR Mill Pte. Limited, is engaged in the business of trading operations of garments from Singapore , and commenced its operation from January 2020.

g) KPR Sugar and Apparels Limited, was incorporated on October 1, 2020 to produce Sugar and manufacture Garments.

The Consolidated Financial Statements relate to K.P.R. Mill Limited ('the Company') and its wholly owned subsidiary companies Quantum Knits Private Limited, K.P.R.Sugar Mill Limited, Galaxy Knits Limited, Jahnvi Motor Private Limited, KPR Exports PLC, Ethiopia, KPR Mill Pte. Limited, Singapore and KPR Sugar and Apparels Limited. The Company and its subsidiaries are hereinafter collectively referred to as "the Group".

The Company's shares are listed in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

2 BASIS OF PREPARATION

A STATEMENT OF COMPLIANCE

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act, as amended from time to time.

These consolidated financial statements for the year ended 31.03.2023 are approved for issue by the Company's Board of directors on 03.05.2023.

Details of the Group's accounting policies,including changes thereto, are included in note 3. The Group has consistently applied the accounting policies to all the periods present in these consolidated financial statements.

B BASIS OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are entity controlled by the group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Consolidation procedure followed is as under:

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined on a like-to-like basis. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interests ('NCI') and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated statement of profit and loss.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Goodwill on consolidation

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as "Goodwill on Consolidation" in the consolidated financial statements. The said goodwill is not amortized, however it is tested for impairment at each balance sheet date, and impairment loss if any, is provided for.

ACCOUNTING POLICIES

C FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All financial information has been rounded-off to the nearest lakhs, unless otherwise indicated.

D BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost basis and on an accrual basis, except for the following items which are measured on an alternative basis on each reporting date:

I. Derivative financial instruments measured at fair value through profit or loss;

ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and

iii. Net defined (asset) / liability measured at fair value of plan assets less present value of obligations as explained in note 3 (J).

E USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 16 - classification, measurement and recognition of Government grants

Note 7 - recognition and measurement of deferred tax assets

Note 3(M) and 45 - Leases - whether the arrangement contains a lease; and lease classification

Note 3(H) and 39: Financial instruments: Classification and measurement

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

(i) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues. (also refer note 7)

(ii) Impairment of non-financial assets

In assessing impairment, management has estimated economic use of assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation of uncertainty relates to assumptions about future operating cash flows and determination of a suitable discount rate. (also refer note 3)

(iii) Useful lives of depreciable assets

Management reviews its estimate of useful lives of depreciable assets at each reporting date, based on expected utility of assets. Uncertainties in these estimates relate to technological obsolescence that may change utility of assets (also refer note 3).

(iv) Inventories:

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes (also refer note 3)

(v) Defined benefit obligation (DBO):

The actuarial valuation of the DBO is based on a number of critical underlying management's assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (also refer note 46)

(vi) Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources (also refer note 36).

(vii) Impairment of financial assets - Refer note 3

F MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

ACCOUNTING POLICIES

Level 2: inputs other than quoted prices included in 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).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer Note 39). The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

G CURRENT AND NON-CURRENT CLASSIFICATION

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

- it holds the asset primarily for the purpose of trading;

- it expects to realise the asset within twelve months after the reporting period; or

- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to settle the liability in its normal operating cycle;

- it holds the liability primarily for the purpose of trading;

- the liability is due to be settled within twelve months after the reporting period; or

- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) INVENTORIES

Inventories are valued at lower of cost and net realizable value. The cost of raw materials, components, stock-in-trade, consumable stores and spare parts are determined using first-in first-out / specific identification method and includes freight, taxes and duties, net of duty credits wherever applicable, and any other expenditure incurred in bringing them to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, stores and spares, packing and others held for use in the production of finished goods are not written down below except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

The comparison of cost and net realisable value is made on an item by item basis.

B) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

C) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

D) PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future

ACCOUNTING POLICIES

economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Freehold land is stated at historical cost less any accumulated impairment losses. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

a. purchase price, including import duties and non-refundable taxes on purchase (goods and service tax), after deducting trade discounts and rebates.

b. any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.

c. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Component accounting

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

Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method over the estimated useful lives and is generally recognised in Statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight-line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Group for the current and the comparative period are as follows :

Asset	Management's estimated useful life	Useful life as per Schedule II
Factory Building	~ 30 Years	~ 30 Years
Non Factory Building	~ 60 Years	~ 60 Years
Plant and equipments	~ 10-20 Years	~8-20 Years
Windmill	~ 12 Years	~ 22 Years
Electricals	~ 14 Years	~ 10 Years
Furnitures and fixtures	~ 10 Years	~ 10 Years
Computers and accessories	~ 3 Years	~ 3-6 Years
Vehicles	~ 8-10 Years	~ 8-10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period. Based on technical evaluation and consequent advice, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period from/upto which the asset is ready for use/disposed off.

Capital work-in-progress

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives and it is included in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful life of intangible assets consisting computer software is 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or

ACCOUNTING POLICIES

losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

E) REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group generates revenue primarily from sale of Yarn, Knitted Fabric, Readymade Garments, Sugar, Ethanol and Power. The Group also earns revenue from rendering of services.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

1.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. Invoices are usually payable within 180 days depending upon the individual contract with the customers.

The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale. Our customers have the contractual right to return goods only when authorised by the Group.

1.2 Revenue from services:

Revenue from sale of services is recognised when related services are rendered as per the terms agreed with customers.

1.3 Export incentives

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

F) OTHER INCOME

Dividend income from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

Rental income under operating leases is recognized in the statement of profit and loss on a straight-line basis over the term of the lease except where another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Interest income is recognised using effective interest rate method. Interest income on overdue receivables is recognized only when there is a certainty of receipt.The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to: the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

G) FOREIGN CURRENCY

i) Foreign Currency Transactions And Translations

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on translation are recognised in the statement of profit and loss.

ii) Foreign operation

The assets and liabilities of foreign operations (subsidiaries) and fair value adjustments arising on acquisition, are translated into INR, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency differences are recognised in OCI and accumulated in the equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in translation reserve related to that foreign operation reclassifed to statement of profit and loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or joint venture while retaining significant influence or joint control, the

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relevant proportion of the cumulative amount is reclassified to statement of profit and or loss.

H) FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated.

All other financial assets and financial liabilities are intially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVTOCI) – debt investment;
- Fair value through other comprehensive income (FVTOCI) – equity investment; or
- Fair value through profit and loss (FVTPL)

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

Financial assets at amortised cost

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

(a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments at FVTOCI

A debt investment will be measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

(b) its contractual terms of the give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Equity instruments at FVTOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ('OCI'). This election is made on an investment-by-investment basis.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;

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- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable interest rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated statement of profit and loss.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in cosolidated statement of profit and loss. Any gain or loss on derecognition is recognised in consolidated statement of profit and loss.

Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit and loss.

Equity investments at FVOCI:

These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to consolidated statement of profit and loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains

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and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in consolidated statement of profit and loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

On a derecognition of a financial liability, the difference between the extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) and the new financial liability with modified terms is recognised in statement profit and loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

I) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants and subsidies related to assets, including non-monetary grants, are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant they are then recognised in statement of profit and loss as other operating revenue / other income on a systematic basis.

Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset and the same is recognised in statement of profit and loss over the life of a depreciable asset as a reduced depreciation expense. Repayment of a grant related to an asset is recognised by increasing the carrying amount of the asset and the cumulative additional depreciation that would have been recognised in the statement of profit and loss in the absence of the grant is recognised immediately in the statement of profit and loss.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenue.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

J) EMPLOYEE BENEFITS

(a) Short term employee benefits:

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Defined contribution plan

Provident Fund & Employee State Insurance

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.The Group makes specified contributions towards Government adminstered provident fund employee state insurance schemes. Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee.

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Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(c) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Post employment benefit comprise of Gratuity which are accounted for as follows:

Gratuity Fund

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in consolidated statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

K) BORROWING COSTS

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are considered as adjustment to interest costs) incurred in connection with the borrowings of funds. 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.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

L) SEGMENT REPORTING

The Group has classified its operations primarily into three reportable segments viz., Textile, Sugar and Others based on 'Management Approach' as defined in Ind-AS 108. These segments offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the reportable segments, the respective Company's Board of Directors reviews internal management reports on atleast a quarterly basis.The reported operating segments:

a. engage in business activities from which the Group earns revenues and incur expenses,

b. have their operating results regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and

c. have discrete financial information available.

M) LEASE

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116.

i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

-variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and

-the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities separately in balance sheet within "Financial liabilities".

Short term leases and low value assets:

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises lease payments associated with these leases are recognized as an expense in consolidated statement of profit and loss on a straight-line basis over the lease term.

ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, then the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

N) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

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O) INCOME TAXES

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects the uncertainty, related to income taxes, if any. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax liabilities and current tax assets are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Such reductions are reversed when the probability of future taxable profits improves.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

iii) Recognition

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

P) IMPAIRMENT

Impairment of Financial Instruments

The Group recognises loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. The Group assumes that credit risk on a financial asset has increased significantly if it is past due.

The Group considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is past due.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write- off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Impairment of Non-Financial Assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

Q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions:

Provision is recognised, when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Where the Group expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

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Contingent liabilities:

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets:

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

R) ONEROUS CONTRACTS

A contract is said to be onerous when the expected economic benefits to be derived by the group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with the contract.

3A Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose consolidated financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

NOTES

4. Property Plant and equipment, Intangible assets and Capital Work-in-Progress

(₹ in Lakhs)

Particulars	Property, plant and equipment										Capital work-in progress	Intangible assets (Computer software)
	Leased Asset - Land	Freehold Land	Factory Building	Non-factory Building	Plant and Equipment	Windmill	Electricals	Furniture and Fixture	Computers and accessories	Vehicles	Total		
Gross carrying amount												
As at 01.04.2021	**550**	**9,800**	**38,661**	**19,098**	**1,11,526**	**12,845**	**10,167**	**3,788**	**854**	**1,743**	**2,09,032**	**2,862**	**260**
Additions	-	5,567	15,886	1,263	58,699	-	445	491	229	305	82,885	21,699	10
Disposals / adjustments	-	-	-	-	(520)	-	(1)	(60)	(4)	(54)	(639)	(2,862)	-
As at 31.03.2022	**550**	**15,367**	**54,547**	**20,361**	**1,69,705**	**12,845**	**10,611**	**4,219**	**1,079**	**1,994**	**2,91,278**	**21,699**	**270**
Additions	-	374	11,682	13,765	24,580	-	1,777	1,698	323	496	54,695	8,665	41
Disposals / adjustments	-	(23)	-	-	(1,473)	-	(28)	(85)	(13)	(223)	(1,845)	(21,699)	-
As at 31.03.2023	**550**	**15,718**	**66,229**	**34,126**	**1,92,812**	**12,845**	**12,360**	**5,832**	**1,389**	**2,267**	**3,44,128**	**8,665**	**311**
Accumulated Depreciation and amortisation													
As at 01.04.2021	**10**	-	**6,725**	**1,678**	**58,747**	**9,556**	**3,539**	**2,009**	**639**	**738**	**83,641**	-	**165**
Depreciation and amortisation expense	6	-	1,431	345	9,690	1,104	830	348	118	215	14,087	-	25
Disposals / adjustments	-	-	-	-	(269)	-	-	(42)	(3)	(20)	(334)	-	-
As at 31.03.2022	**16**	-	**8,156**	**2,023**	**68,168**	**10,660**	**4,369**	**2,315**	**754**	**933**	**97,394**	-	**190**
Depreciation and amortisation expense	6	-	2,163	605	12,596	400	742	395	193	244	17,344	-	25
Disposals / adjustments	-	-	-	-	(960)	-	(16)	(24)	(11)	(74)	(1,085)	-	-
As at 31.03.2023	**22**	-	**10,319**	**2,628**	**79,804**	**11,060**	**5,095**	**2,686**	**936**	**1,103**	**1,13,653**	-	**215**
Net carrying amount													
As at 31.03.2022	**534**	**15,367**	**46,391**	**18,338**	**1,01,537**	**2,185**	**6,242**	**1,904**	**325**	**1,061**	**1,93,884**	**21,699**	**80**
As at 31.03.2023	**528**	**15,718**	**55,910**	**31,498**	**1,13,008**	**1,785**	**7,265**	**3,146**	**453**	**1,164**	**2,30,475**	**8,665**	**96**

Notes:

1. Property, plant and equipment include non-factory building given on lease with a gross carrying amount of ₹ 16,527 Lakhs as at 31.03.2023 (Pr.Yr. ₹ 18,143 Lakhs) and a net carrying amount of ₹ 12,760 Lakhs as at 31.03.2023 (Pr.Yr. ₹ 16,378 lakhs).

2. Refer note 19 and 22 for assets given as securities for borrowings.

3. As per Ind - AS 20,"Accounting for Government Grants and Disclosure of Government Assistance", the company has opted to present the grant related to assets as deduction from the carrying value of such specfic assets. For year ended 31.03.2023, such amount deducted from Property, plant and equipment is ₹ Nil (Pr.Yr. ₹ 34 Lakhs)

NOTES

4.1 Title deeds of Immovable Properties not held in name of the Parent Company:

(a)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Relevant line item in the balance sheet	Property, plant and equipment	Property, plant and equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	67	67
(iv) Title deeds held in the name of	K.P.R. Spinning Mill Private Limited	K.P.R. Spinning Mill Private Limited
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Spinning Mill Private 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 Honourable High Court(s) of judicature.	The title deeds are in the name of K.P.R. Spinning Mill Private 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 Honourable High Court(s) of judicature.
(viii) Whether disputed	No	No

(b)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Relevant line item in the balance sheet	Property, plant and equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	64	64
(iv) Title deeds held in the name of	K.P.R. Mill Private Limited	K.P.R. Mill Private Limited
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Mill Private 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 Honourable High Court(s) of judicature.	The title deeds are in the name of K.P.R. Mill Private 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 Honourable High Court(s) of judicature.
(viii) Whether disputed	No	No

NOTES

(c)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Relevant line item in the balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	10	10
(iv) Title deeds held in the name of	K.P.R. Knits	K.P.R. Knits
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.
(viii) Whether disputed	No	No

4.2 Capital work-in-progress (CWIP) ageing schedule:

As at 31.03.2023

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More Than 3 years**	**Total**
Projects in progress	8,665	-	-	-	**8,665**
Projects temporarily suspended		-	-	-	-

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

As at 31.03.2022

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More Than 3 years**	**Total**
Projects in progress	21,699	-	-	-	**21,699**
Projects temporarily suspended	-	-	-	-	

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
	FINANCIAL ASSETS		
5	**INVESTMENTS**		
	(See accounting policy in note 3(H))		
	Investment measured at fair value through profit and loss		
	Unquoted (all fully paid-up)		
	Investment in equity shares of other entity		
	1,50,000 (Pr.Yr. 1,50,000) equity shares of ₹ 100 each of Somanur Water Scheme Pvt Ltd.	150	150
	Aggregate amount of unquoted investments	**150**	**150**
	Aggregate amount of impairment in value of investments	-	-
	Aggregate amount of quoted investments in market value thereof	-	-
	Information about the Group's fair value measurement is included in note 39.		
6	**OTHER FINANCIAL ASSETS**		
	(See accounting policy in note 3(H))		
	Security deposits	3,560	2,470
		3,560	**2,470**
	Information about the Group's exposure to credit risk and market risk are disclosed in note 39.		
7	**DEFERRED TAX ASSET (NET)**		
	MAT credit entitlement	-	3,612
	Less: Deferred tax liabilities	-	2,605
	Net deferred tax assets	**-**	**1,007**
	For movement in deferred tax assets (refer note 35)		
8	**OTHER TAX ASSETS (NET)**		
	Advance tax (net of provision for tax)	584	173
		584	**173**
9	**OTHER NON - CURRENT ASSETS**		
	Capital advances	4,805	19,880
	Others (Corporate Social Responsibility (CSR) pre-spent)*	3,551	-
	Balances with government authorities	9,993	10,167
		18,349	**30,047**
	* Refer note 16 and 33.		
10	**INVENTORIES**		
	(See accounting policy in note 3(A))		
	Raw materials	78,069	54,812
	Work-in-progress*	5,685	4,931
	Finished goods	96,333	61,306
	Stock-in-trade	1,949	1,302
	Stores, spares, packing and others	7,810	6,529
		1,89,846	**1,28,880**

** Includes Cotton ₹ 3,863 Lakhs (Pr. Yr. ₹ 3,605 Lakhs), Fabric ₹ 34 Lakhs (Pr. Yr. ₹30 Lakhs), Sugar ₹ Nil (Pr. Yr. ₹ 233 lakhs) and Garments ₹ 1,788 Lakhs (Pr. Yr. ₹ 1,063 Lakhs).*

The mode of valuation of inventories has been stated in note 3(A).

Refer note 19 and 22 for assets given as security for borrowings.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
	FINANCIAL ASSETS		
11	**CURRENT INVESTMENTS**		
	(See accounting policy in note 3(H))		
	Investments in mutual funds (quoted)		
	Investments measured at fair value through profit and loss		
	Nippon India Mutual Fund, LIC Mutual fund & IDBI Mutual Fund (also refer note 47)	12,716	30,921
	Aggregate amount of quoted investments and market value thereof	**12,716**	**30,921**
	Aggregate amount of unquoted investments	-	-
	Aggregate amount of impairment in value of investments	-	-
	The Group's exposure to credit risk and price risk related to investments has been disclosed in note 39.		
12	**TRADE RECEIVABLES**		
	(See accounting policy in note 3(H))		
	Trade receivables considered good - secured	-	-
	Trade Receivables considered good - unsecured	62,544	48,024
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	202	23
	Total Trade receivables	**62,746**	**48,047**
	Less: Loss allowance	(202)	(23)
	Net trade receivables	**62,544**	**48,024**
	Movement of loss allowance in trade receivables		
	Opening balance	23	43
	Allowances made / (reversed) during the year	179	-
	Written off	-	(20)
	Closing balance	**202**	**23**

Trade receivables ageing schedule:
As at 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables - considered good	62,256	138	11	108	31	**62,544**
(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	-	-	-	-	23	**23**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	179	**179**
Total Trade receivables	**62,256**	**138**	**11**	**108**	**233**	**62,746**
Less: Loss allowance	-	-	-	-	-	**(202)**
Net trade receivables	**62,256**	**138**	**11**	**108**	**233**	**62,544**

NOTES

As at 31.03.2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables - considered good	47,660	128	13	223	-	**48,024**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	23	**23**
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total Trade receivables	**47,660**	**128**	**13**	**223**	**23**	**48,047**
Less: Loss allowance	-	-	-	-	-	**(23)**
Net trade receivables	**47,660**	**128**	**13**	**223**	**23**	**48,024**

(i) For receivables secured against borrowings, refer note 19 and note 22.

(ii)The Group's exposure to credit risks, currency risks and loss allowances related to trade receivables are disclosed in note 39.

(iii) For terms and conditions relating to related party receivables, refer note 40.

(iv) Also refer note 33.

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
13	**CASH AND CASH EQUIVALENTS**		
	(See accounting policy in note 3(B))		
	Balance with banks		
	i) In current accounts	3,120	5,289
	ii) In EEFC accounts	7,587	6,784
	Cash on hand	151	58
		10,858	**12,131**
14	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	(See accounting policy in note 3(B))		
	Balance with banks held as margin money deposits	407	655
	Unclaimed dividend accounts	1	3
		408	**658**
15	**OTHER FINANCIAL ASSETS**		
	(See accounting policy in note 3(H))		
	Interest accrued on bank deposits and other deposits	98	346
	Technology upgradation fund subsidy receivable	97	97
	Interest subvention receivable	261	-
	Term deposit with Non-Banking Financial Companies	-	4,000
	Others	91	89
		547	**4,532**
	Information about the Group's exposure to credit risk and market risk are disclosed in note 39.		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
16	**OTHER CURRENT ASSETS**		
	Advances other than capital advances:		
	Advance to suppliers	9,920	9,528
	Balances with government authorities	6,240	4,125
	Export incentive receivable	2,159	7,854
	Others (CSR pre-spent)*	1,874	-
	Others (primarily prepaid expenses)	702	736
		20,895	**22,243**
	* Refer note 9 and 38.		
17	**EQUITY SHARE CAPITAL**		
	a) Authorised		
	45,00,00,000 (Pr.Yr. 45,00,00,000) equity shares of ₹ 1 (₹ 1) each with voting rights.	4,500	4,500
	10,00,000 (Pr.Yr.10,00,000) 7% Redeemable Cumulative Non-Convertible Preference shares of ₹ 100 each.	1,000	1,000
		5,500	**5,500**
	b) Issued, subscribed and fully paid up		
	34,18,14,000 (Pr.Yr. 34,40,50,000) equity shares of ₹ 1 (₹ 1) each fully paid-up with voting rights.	3,418	3,441
		3,418	**3,441**

17.1 Term / rights to shares

Equity shares

The Company has issued only one class of equity shares having a face value of ₹1 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board declared and paid an interim dividend of ₹ 2 (face value of ₹ 1/- each) for the year 2022-23 (Pr.Yr. ₹ Nil) (face value of ₹ 1/-each).

The Board has recommended a final dividend of 200% (₹ 2/- per share of the face value of ₹ 1/- each) for the year 2022-23 (Pr.Yr. ₹ 0.15/- per share) subject to the approval of the shareholders in Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after settling the dues of preferential and other creditors as priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.2 Reconciliation of the Shares outstanding at the beginning and at the end of the year

Equity Shares with voting rights	As at 31.03.2023		As at 31.03.2022	
Particulars	**Number of Shares**	**(₹ in Lakhs)**	**Number of Shares ***	**(₹ in Lakhs)**
At the beginning of the year	34,40,50,000	3,441	34,40,50,000	3,441
Issued during the year	-	-	-	-
Less: Buy-back of equity shares (refer note 41)	22,36,000	23	-	-
At the end of the year	**34,18,14,000**	**3,418**	**34,40,50,000**	**3,441**

* Also refer note 17.3 on sub-division of one equity share of ₹ 5/- each fully paid up into five equity shares of ₹ 1/- each fully paid up.

17.3 Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 09.09.2021, one equity share of ₹ 5/- each fully paid up was sub-divided into five equity shares of ₹ 1/- each fully paid up, with effect from the record date, i.e., 27.09.2021.

NOTES

17.4 Details of Shareholders holding more than 5% of Shares in the Company

Equity Shares

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of Shares	% of Total Shares	Number of Shares *	% of Total Shares
Sri K.P.Ramasamy	7,30,30,816	21.37	7,16,21,810	20.82
Sri KPD Sigamani	7,30,31,217	21.37	7,43,56,810	21.61
Sri P.Nataraj	7,30,31,217	21.37	7,43,56,810	21.61
L&T Mutual Fund Trustee Limited	-	-	1,69,99,064	4.94

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

* Also refer note 17.3 on sub-division of one equity share of ₹ 5/- each fully paid up into five equity shares of ₹ 1/- each fully paid up.

17.5 For the period of five years immediately preceding the date at which the Balance Sheet is prepared:

(i) The Company has not issued any shares without payment being received in cash. Also refer note 17.3.

(ii) The Company has not issued any bonus shares.

(iii) The aggregate number of equity shares bought back by the Company is 3,50,14,920 of ₹ 1/- each, fully paid up.(Pr.Yr.3,27,78,920 of ₹ 1/- each fully paid up). Also refer note17.3.

17.6 Shareholding of Promoters

Promoter Name	As at 31.03.2023			As at 31.03.2022		
	Number of Shares	% of Total Shares	% change during the year	Number of Shares*	% of Total Shares	% change during the year
Equity shares:						
Sri K.P.Ramasamy @	7,30,30,816	21.37	0.55	7,16,21,810	20.82	(0.79)
Sri KPD Sigamani ^	7,30,31,217	21.37	(0.24)	7,43,56,810	21.61	-
Sri P.Nataraj ^	7,30,31,217	21.37	(0.24)	7,43,56,810	21.61	-

* Also refer note 17.3 on sub-division of one equity share of ₹ 5/- each fully paid up into five equity shares of ₹1/- each fully paid up.

@ During the previous year, Sri K.P.Ramasamy gifted 27,35,000 shares to his immediate relatives. The total Promoter and Promoter group holding remains unchanged.

^ During the year, Sri KPD.Sigamani and Sri P.Nataraj gifted 9,06,437 shares each to Sri K.P.Ramasamy. The total Promoter and Promoter group holding remains unchanged.

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
18	**OTHER EQUITY**		
	Capital reserve		
	Opening balance	293	293
	Closing balance (A)	**293**	**293**
	Securities premium		
	Opening balance	19,096	19,096
	Changes during the year	(15,233)	-
	Closing balance (B)	**3,863**	**19,096**
	Balance in securities premium represents amount received on issue of shares in excess of par value. The same may be utilised in accordance with the provisions of the Companies Act, 2013.		
	Capital redemption reserve		
	Opening balance	1,827	1,827
	Add: Addition during the year (refer note below)	189	-
	Capital redemption on buy-back (refer note 41)	23	-
	Closing balance (C)	**2,039**	**1,827**
	Balance in capital redemption reserve represents an amount equal to the nominal value of share bought back and redemption of preference share capital. The same may be utilised by the Company for issuing fully paid bonus shares.		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
	During the year, K.P.R. Sugar Mill Limited has redeemed 18,91,500 7% Optionally Convertible Non - Cumulative Redeemable Preference Shares (issued at ₹ 150 with a face value of ₹ 10 per share) at a redemption price of ₹ 275 per share.		
	General reserve		
	Opening balance	24,845	24,845
	Closing balance (D)	**24,845**	**24,845**
	The General reserve represents an amount transferred from retained earnings from time to time for appropriation purpose which can be utilised for meeting future obligations. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.		
	Retained earnings		
	Opening balance	**2,69,183**	**1,85,515**
	Add: Profit for the year	81,410	84,184
	Less:		
	Final dividend paid (₹ 0.15 per share) (Pr.Yr. ₹ 0.15/- per share)	513	516
	Interim dividend paid (₹ 2 per share) (Pr.Yr. Nil)	6,836	-
	Premium on buy-back of equity shares	2,745	-
	Tax on buy-back of equity shares	4,076	-
	Transfer to Capital redemption reserve	212	-
	Closing balance (E)	**3,36,211**	**2,69,183**
	Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.		
	Total (A+B+C+D+E)	**3,67,251**	**3,15,244**
	NON - CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
19	**BORROWINGS**		
	(See accounting policy in note 3(H))		
	Term loans - measured at amortised cost		
	Secured		
	From banks	59,113	70,653
	From others	34	38
	Less: amount included under current borrowings (refer note 22)	(15,070)	(8,806)
		44,077	61,885
	From others (unsecured) - Interest free sales tax loan - NPV	768	722
		44,845	**62,607**
	Information about the Group's exposure to interest rate and liquidity risks is included in note 39.		
19.1	Term loans from banks are secured by pari-passu first charge on fixed assets and second charge on current assets of the Group.		
19.2	i) The Holding Company has availed a term loan from Daimler Financial Services India Pvt Ltd in respect of which balance as at 31.03.2023 was ₹ 34 lakhs (Pr.Yr. ₹ 38 lakhs). The loan is repayable in 36 monthly instalments commencing from December 2021. This term loan is secured by Vehicle purchased out of the loan.		
	ii) K.P.R. Sugar Mill Limited has availed a term loan from Bank of Baroda in respect of which balance as at 31.03.2023 was ₹ 4,054 lakhs (Pr.Yr. ₹ 5,528 Lakhs). The loan is repayable in 24 quarterly installments commencing from March 2020. This term loan is secured by second charge on fixed asset.		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
	iii) K.P.R Sugar Mill Limited has availed a term loan from ICICI Bank in respect of which balance as at 31.03.2023 was Nil (Pr.Yr. ₹ 2,000 lakhs). The loan is repayable in 10 quarterly instalments commencing from December 2020. This term loan is secured by second charge on fixed assets.		
	iv) K.P.R Sugar Mill Limited has availed a term loan from HDFC Bank in respect of which balance as at 31.03.2023 was ₹ 4,699 Lakhs (Pr.Yr. Nil). The loan is repayable in 16 quarterly instalments commencing from April 2024. This term loan is secured by first charge on the fixed assets created out the loan.		
	v) KPR Sugar and Apparels Limited has availed a term loan from ICICI Bank Limited in respect of which balance as at 31.03.2023 was ₹13,125 Lakhs (Pr.Yr. ₹ 17,500 Lakhs). The loan is repayable in 16 quarterly installments commencing from April 2022. This term loan is secured by first charge of hypothecation of all movable assets of Ethanol Division. First pari-passu charge by equitable mortgage and hypothecation of immovable fixed assets of Ethanol Division.		
	vi) KPR Sugar and Apparels Limited has availed a term loan from ICICI Bank Limited in respect of which balance as at 31.03.2023 was ₹4,844 Lakhs (Pr.Yr. ₹ 13,234 Lakhs). The loan is repayable in 20 quarterly installments commencing from June 2023. This term loan is secured by first charge of hypothecation of all movable assets of Garment Division. First pari-passu charge by equitable mortgage and hypothecation of immovable fixed assets of Garment Division.		
	vii) KPR Sugar and Apparels Limited has availed a term loan from Bank of Baroda Limited in respect of which balance as at 31.03.2023 was ₹32,391 Lakhs (Pr.Yr. ₹ 32,391 Lakhs). The loan is repayable in 24 quarterly installments commencing from May 2023. This term loan is secured by first charge of hypothecation of all movable assets of Sugar Division. First pari-passu charge by equitable mortgage and hypothecation of immovable fixed assets of Sugar Division.		
19.3	Interest rate relating to term loans from banks is in the range of 6.23% to 8.50% (Pr.Yr. 6.50% to 8.75%).		
19.4	The Group has not defaulted in the repayment of principal and interest during the year.		
20	**DEFERRED TAX LIABILITIES (net)**		
	(See accounting policy in note 3(O))		
	Deferred tax liabilities	9,696	4,377
	Less: MAT credit entitlement	-	-
	Net deferred tax liabilities	**9,696**	**4,377**
	For movement in deferred tax liabilities, refer note 35.		
21	**OTHER NON - CURRENT LIABILITIES**		
	Payables on purchase of Property, plant and equipment	1,932	3,035
	Deferred revenue arising from government grants	104	150
	Security deposit from dealers - FASO	1	3
		2,037	**3,188**
	CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
22	**BORROWINGS**		
	(See accounting policy in note 3(H))		
	Loans repayable on demand from banks - secured		
	Working capital loans	12,825	4,959
	Packing credit loans	60,647	40,946
	Loans repayable on demand from others - secured	1,422	1,212
	Current maturities of non-current borrowings (refer note 19)	15,070	8,806
		89,964	**55,923**
	Information about the group's exposure to currency, interest rate and liquidity risks is included in note 39.		
22.1	i) Loans for working capital and packing credit are secured by pari-passu first charge on the current assets of the Group and pari-passu second charge on entire block of assets of the Group.		
	ii) The Group has not defaulted in its repayments of the loans and interest during the year.		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
	iii) Interest rate relating to working capital loans are in the range of 5.65% to 11.35% per annum (Pr.Yr. 5.65% to 10.10%). Interest rates relating to INR packing credit are in the range of 4.40% to 7.43% per annum (Pr.Yr. 2.40% to 3.80%). Interest rates relating to short term loans are in the range of 6.85% to 8.85% per annum (Pr.Yr. Nil)		
22.2	**Reconciliation of cash flows from financing activities**		
	Cash and cash equivalents	10,858	12,131
	Non-current borrowings	(44,845)	(62,607)
	Current borrowings	(89,964)	(55,923)
	Net debt*	**(1,23,951)**	**(1,06,399)**

	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	Non-current borrowings	Current borrowings	Total
Net debt as at 01.04.2022	12,131	(62,607)	(55,923)	(1,06,399)
Net cash flows	(1,273)	17,762	(34,041)	(17,552)
Net debt as at 31.03.2023	**10,858**	**(44,845)**	**(89,964)**	**(1,23,951)**
Net debt as at 01.04.2021	6,795	(17,908)	(47,832)	(58,945)
Net cash flows	5,336	(44,699)	(8,091)	(47,454)
Net debt as at 31.03.2022	**12,131**	**(62,607)**	**(55,923)**	**(1,06,399)**

* Net debt is calculated as sum of non-current borrowings and current borrowings less cash and cash equivalents.

22.3 Term loans were applied for the purpose they were obtained. Further, short-term loans availed have not been utilised for long-term purposes by the Group.

22.4 Quarterly returns or statements of current assets filed by the Group for the sanctioned borrowings with banks or financial institutions are in agreement with the books of accounts.

23 TRADE PAYABLES

(₹ in Lakhs)

		As at 31.03.2023	As at 31.03.2022
23	(See accounting policy in note 3(H))		
	(A) Total outstanding dues of micro enterprises and small enterprises ('MSME'); and	853	1,576
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	32,752	25,716
		33,605	**27,292**

Trade payables ageing schedule:

As at 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed dues					
MSME	853	-	-	-	**853**
Others	32,752	-	-	-	**32,752**
Disputed dues					
MSME	-	-	-	-	**-**
Others	-	-	-	-	**-**
	33,605	-	-	-	**33,605**

NOTES

As at 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed dues					
MSME	1,576	-	-	-	**1,576**
Others	25,716	-	-	-	**25,716**
Disputed dues					
MSME	-	-	-	-	**-**
Others	-	-	-	-	**-**
	27,292	**-**	**-**	**-**	**27,292**

(i) All the trade payables are current and non-interest bearing.
(ii) Refer note 37 for details of dues to Micro and small enterprises.
(iii) The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 39.
(iv) For terms and conditions relating to related party payables, refer note 40

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2023	As at 31.03.2022
24	**OTHER FINANCIAL LIABILITIES**		
	(See accounting policy in note 3(H))		
	Unclaimed dividend	1	3
	Others	36	44
		37	**47**
	Information about the Group's exposure to currency, interest rate and liquidity risks is included in note 39		
25	**OTHER CURRENT LIABILITIES**		
	Advance payment from customers	781	1,666
	Statutory dues payables	1,739	1,789
	Employee Benefits payable	6,313	7,088
		8,833	**10,543**
	Note:		
	(i) Revenue recognised during the year that was included in the contract liability balance at the beginning of the year amounts to ₹1,666 lakhs. (Pr.Yr ₹ 900 lakhs)		
	(ii) For terms and conditions relating to related party, refer note 40.		
26	**CURRENT TAX LIABILITIES (net)**		
	(See accounting policy in note 3(O))		
	Provision for tax (net of advance tax)	77	4,140
		77	**4,140**
27	**REVENUE FROM OPERATIONS**		
	(See accounting policy in note 3(E))		
	Sale of products	5,91,731	4,61,610
	Sale of services	4,287	5,868
	Other operating revenues	22,570	14,770
	Revenue from operations	**6,18,588**	**4,82,248**
	Disaggregation of revenue from contracts with customers		
	In the following disclosure, Revenue from contract with customers have been disaggregated based on the nature and type of goods sold.		
27.1	**Sale of Products**		
	Garment	2,30,855	1,69,299
	Yarn	1,87,436	1,81,859
	Fabric	28,176	28,209
	Sugar	66,628	39,643
	Molasses	2,077	-

NOTES

(₹ in Lakhs)

S.No	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
	Co-Gen power	9,465	3,537
	Ethanol	39,419	21,006
	Automobile	10,158	5,552
	Cotton waste	17,679	11,408
	Accessories and others	2,056	2,176
		5,93,949	**4,62,689**
	Less: Discount Allowed	2,218	1,079
		5,91,731	**4,61,610**
27.2	**Sale of Services**		
	Processing and fabrication income	3,428	5,370
	Automobile service income	859	498
		4,287	**5,868**
27.3	**Other Operating Revenues**		
	Export incentives	17,128	10,799
	Others (Primarily scrap sales)	5,442	3,971
		22,570	**14,770**
	Refer note 40 for sales made to related parties.		
28	**OTHER INCOME**		
	(See accounting policy in note 3(F))		
	Interest income on financial assets measured at amortised cost;		
	- Balance with banks held as margin money deposit	92	252
	- Others	125	66
	Gain on sale of current investments (net)	1,399	1,477
	Investment promotion subsidy	1,101	3,478
	Net gain on sale of property, plant and equipment	2,077	301
	Recovery of bad debts	-	45
	Net gain on account of foreign exchange fluctuations	37	-
	Rental income (refer note 45)	495	3,005
	Miscellaneous income	906	98
		6,232	**8,722**
	Refer note 40 for transactions with related parties		
29	**COST OF MATERIALS CONSUMED**		
	a) Inventory of materials at the beginning of the year		
	Cotton	44,591	40,441
	Dyes and chemicals	557	478
	Yarn, fabric and polyester	9,664	7,372
		54,812	**48,291**
	b) Add: Purchases		
	Cotton	2,31,458	1,65,804
	Dyes and chemicals	10,346	8,806
	Yarn, fabric, polyester and garments	53,695	42,174
	Trims, packing and others	24,012	17,947
	Sugar cane and coal	93,402	65,855
		4,12,913	**3,00,586**
	c) Less : Inventory of materials at the end of the year		
	Cotton	60,988	44,591
	Dyes and chemicals	509	557
	Yarn, fabric and polyester	16,572	9,664
		78,069	**54,812**
	Cost of materials consumed (a + b - c)	**3,89,656**	**2,94,065**

NOTES

(₹ in Lakhs)

S.No	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
30	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK- IN- TRADE AND WORK-IN-PROGRESS**		
	a) Inventories at the beginning of the year		
	Finished goods	61,306	33,570
	Work-in-progress	4,931	3,450
	Stock-in-trade	1,302	911
		67,539	**37,931**
	b) Inventories at the end of the year		
	Finished goods	96,333	61,306
	Work-in-progress	5,685	4,931
	Stock-in-trade	1,949	1,302
		1,03,967	**67,539**
	Net Decrease / (Increase)	**(36,428)**	**(29,608)**
31	**EMPLOYEE BENEFITS EXPENSE**		
	(See accounting policy in note 3(J))		
	Salaries, wages and bonus	43,257	34,942
	Contribution to provident and other funds	4,012	3,141
	Staff welfare expenses	7,595	6,462
		54,864	**44,545**
	Refer note 40 for transactions with related parties.		
32	**FINANCE COSTS**		
	(See accounting policy in note 3(K))		
	Interest expense on financial liabilities measured at amortised cost		
	Borrowings from banks/others:		
	Term loans	4,136	782
	Working capital loans and packing credit loans	2,435	863
	Interest on shortfall in payment of income tax	446	241
	Interest on interest free sales tax loan	45	45
	Other borrowing costs	824	398
		7,886	**2,329**
33	**OTHER EXPENSES**		
	Power and fuel	22,398	17,500
	Consumption of stores and packing materials	8,771	7,098
	Repairs and Maintenance		
	Building	2,187	1,052
	Machinery	10,635	8,933
	Others	1,149	851
	Insurance	862	712
	Legal and professional charges	870	292
	Rent (refer note 45)	256	192
	Rates and taxes	530	266
	Payment to auditor (refer note 34)	33	28
	Travelling and conveyance	1,413	922
	Expenditure on Corporate Social Responsibility (CSR) (refer note 38)	1,582	1,196
	Donations	1,535	43
	Net loss on foreign currency transactions	-	4
	Impairment loss on financial assets (refer note 12 and 39)	182	229
	Miscelleneous expenses	1,502	682
	Freight and forwarding	4,664	3,345
	Sales commission	1,567	3,419
	Other selling expenses	861	494
		60,997	**47,258**
	Refer note 40 for transactions with related parties.		

NOTES

(₹ in Lakhs)

S.No	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
34	**Payment to auditors (including payment to subsidiaries' auditors)**		
	Statutory audit fees	32	27
	Reimbursement of expenses	1	1
	Total	**33**	**28**
35	**Income tax**		
35.1	**Income tax recognised in the statement of profit and loss**		
	Current Tax		
	Current income tax charge	25,273	29,706
	Tax expense relating to prior years	(982)	(53)
	Total (A)	**24,291**	**29,653**
	Deferred Tax		
	(Benefits) / charge attributable to origination and reversal of temporary difference	2,715	315
	MAT credit entitlement	-	-
	Total (B)	**2,715**	**315**
	Total (A + B)	**27,006**	**29,968**

There are no items of income tax recognised in other comprehensive income.

35.2 Reconciliation with effective tax rate

Particulars	Effective tax rate 2022-23	Effective tax rate 2021-22	Amount 2022-23	Amount 2021-22
Profit Before Tax			1,08,416	1,14,152
Tax using the Group's domestic tax rate	26.57%	26.56%	28,801	30,317
Effect of deductions under Chapter VI-A of the Income-tax Act, 1961	-2.89%	-1.26%	(3,135)	(1,439)
Effect of non-deductible expenses and others	2.14%	1.00%	2,322	1,143
	25.82%	26.30%	27,988	30,021
Effect of tax expense relating to earlier years	-0.91%	-0.05%	(982)	(53)
MAT Credit Entitlement	0.00%	0.00%	-	-
Income tax recognised in the statement of profit and loss	**24.91%**	**26.25%**	**27,006**	**29,968**

Note:

The Group recognizes MAT credit availed in earlier years as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group reviews the MAT credit entitlement asset at each reporting date and writes down the asset to the extent it is no longer probable that it will pay normal tax during the specified period.

Pursuant to the amendment in Income-tax Act, 1961 effective 20.09.2019, which provides for an option to domestic companies to pay income tax at reduced rates, the Company exercised the option permitted under section 115BAA of the Income Tax Act,1961.

35.3 Movement in deferred tax liabilities :

Particulars	Balance as at 01.04.2021	Recognised in P&L during 2021-22	Utilisation of MAT credit entitlement	Balance as at 31.03.2022	Recognised in P&L during 2022-23	Utilisation of MAT credit entitlement	Balance as at 31.03.2023
Property, plant and equipment	4,303	74	-	4,377	2,715	2,604	9,696
Total	**4,303**	**74**	-	**4,377**	**2,715**	**2,604**	**9,696**

35.4 Movement in deferred tax Assets:

Particulars	Balance as at 01.04.2021	Recognised in P&L during 2021-22	Utilisation of MAT credit entitlement	Balance as at 31.03.2022	Recognised in P&L during 2022-23	Utilisation of MAT credit entitlement	Balance as at 31.03.2023
Property, plant and equipment	2,363	242	-	2,605	2,605	-	-
MAT credit entitlement	(3,731)	119	-	(3,612)	-	3,612	-
Total	**(1,368)**	**361**	**-**	**(1,007)**	**2,605**	**3,612**	-

NOTES

36 Contingent Liabilities and Commitments (to the extent not provided for)

I. Contingent Liabilities

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Claims against the Group not acknowledged as debts		
(i) Income tax matters	1,150	1,143
(ii) Goods and service tax matters	460	-
(b) Bank guarantees in favour of parties outstanding		
(i) Tamil Nadu Generation and Distribution Corporation [TANGEDCO]	164	164
(ii) Tamil Nadu Pollution Control Board	5	5
(iii) Tata Power Trading Company Limited	100	100
(iv) New Tirupur Area Water Development Corporation Limited	58	58
(v) Indian Oil Corporation Limited	617	218
(vi) Bharat Petroleum Corporation Limited	528	9
(vii) Hindustan Petroleum Corporation Limited	474	140
(viii) Central Government Samarth Scheme	2	2
(c) Letter of credit facility in favour of suppliers		
(i) Foreign letter of credit	5,432	6,919
(ii) Inland letter of credit	967	103
(d) Discounted sales invoices	7,948	9,316
(e) Provident fund:		
Pursuant to the Supreme Court judgement dated 28.02.2019 on the inclusion of special allowances for contribution to provident fund, the Group has been legally advised that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of the reliable measurement of the provision for earlier periods, the Group has not recorded a provision for the prior years.		

Notes:

(i) Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

(ii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

II. Commitments

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Capital Commitments (i) Estimated amount of contracts remaining to be executed on capital account and not provided for.	13,235	13,866
(b) Other Commitments (i) Export obligations against the import licenses taken for import of capital goods under the Export Promotion on Capital Goods Scheme and Advance Authorisation scheme for import of raw material. The duty implication involved is ₹ 5,184 Lakhs (Pr.Yr. ₹ 3,533 Lakhs)	31,104	21,200

37 Disclosure with respect to Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006") is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

NOTES

(₹ in Lakhs)

S.No	Particulars	31.03.2023	31.03.2022
1	The Principal amount remaining unpaid to any supplier at the end of each accounting year	853	1,576
2	Interest due remaining unpaid to any supplier at the end of each accounting year	-	-
3	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
5	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

38 Corporate Social Responsibility Expenditure

The gross amount required to be spent by the Group during the year towards Corporate Social Responsibility (CSR) as per the provisions of section 135 of the Companies Act, 2013 amounts to ₹ 1,532 Lakhs (Pr.Yr. ₹ 1,082 Lakhs). Amount spent during the year on CSR activities (included in note 33 of the Statement of Profit and Loss) as under:

(₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2023	31.03.2022
Promotion of education	1,558	1,081
Donation to Chief Minister's Relief Fund - Covid-19	-	109
Women empowerment	-	6
Chess Olympiad sponsorship	5	-
Sanitation and health care	8	-
Rural development	11	-
Total	**1,582**	**1,196**

Details of corporate social responsibility expenditure:

(₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2023	31.03.2022
(i) shortfall at the end of the year	-	-
(ii) total of previous years shortfall	-	-
(iii) reason for shortfall	NA	NA
(iv) details of related party transactions	NA	NA
(v) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

NOTES

Disclosure under section 135(5) of the Companies Act, 2013

(₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2023	31.03.2022
(i) Opening balance (excess) / shortfall	-	-
(ii) Amount required to be spent during the year	1,532	1,082
(iii) Amount spent during the year (also refer note 9, 16 and 33)	(7,007)	1,196
(iv) Closing balance (excess)* / shortfall	(5,475)	-

* Out of the excess closing balance in the table above, balance of INR 5,425 lakhs represents CSR pre-spent during the year to be adjusted against the Company's future CSR obligation in accordance with the provisions of Companies Act, 2013.

39 Financial Instruments

Accounting Classification and Fair Values:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31.03.2023

(₹ in Lakhs)

Particulars	Carrying amount			Total carrying amount	Fair value hierarchy
	Mandatorily at FVTPL - Others	Other financial assets -amortised cost	Other financial liabilities		
Financial assets measured at fair value					
Non-current investments	150	-	-	150	Level 2
Current investments	12,716	-	-	12,716	Level 1
Financial assets not measured at fair value					
Trade receivables #	-	62,544	-	62,544	-
Cash and cash equivalents #	-	10,858	-	10,858	-
Bank balances other than Cash and cash equivalents #	-	408	-	408	-
Other financial assets #	-	4,107	-	4,107	-
Financial liabilities not measured at fair value					
Borrowings #	-	-	1,34,809	1,34,809	-
Trade payables #	-	-	33,605	33,605	-
Other financial liabilities #	-	-	37	37	-

31.03.2022

(₹ in Lakhs)

Particulars	Carrying amount			Total carrying amount	Fair value hierarchy
	Mandatorily at FVTPL - Others	Other financial assets -amortised cost	Other financial liabilities		
Financial assets measured at fair value					
Non-current investments	150	-	-	150	Level 2
Current investments	30,921	-	-	30,921	Level 1
Financial assets not measured at fair value					
Trade receivables #	-	48,024	-	48,024	-
Cash and cash equivalents #	-	12,131	-	12,131	-
Bank balances other than Cash and cash equivalents #	-	658	-	658	-
Other financial assets #	-	7,002	-	7,002	-
Financial liabilities not measured at fair value					
Borrowings #	-	-	1,18,530	1,18,530	-
Trade payables #	-	-	27,292	27,292	-
Other financial liabilities #	-	-	47	47	-

NOTES

For financial assets and liabilities not measured at fair value, the Group has not disclosed the fair values of financial instruments, since their carrying amounts are reasonable approximations of their fair values.

Note: There have been no transfers between Level 1, Level 2 and Level 3 during the current and previous year.

Refer note 2E to the consolidated financial statements.

Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of borrowings and equity.

The capital structure of the Group consists of net debt (borrowings as detailed in note 19 and note 22 which is of f set by cash and bank balances as defined below) and Total Equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group's net debt to equity ratio as at 31.03. 2023 was as follows:

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
(i) Debt *	1,34,809	1,18,530
(ii) Less : Cash and Bank Balances *	11,266	12,789
(iii) Net Debt (i - ii)	**1,23,543**	**1,05,741**
(iv) Total Equity	3,70,669	3,18,685
(v) Net Debt to Equity Ratio (iii / iv)	**33.33%**	**33.18%**

* Debt is defined as non-current borrowings, current borrowings and current maturities of non-current borrowings as described in note 19 and note 22. Cash and Bank balances include cash and cash equivalents and bank balances other than cash and cash equivalents as described in note 13 and note 14.

Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- Market risk (See A below)

- Credit risk (See B below)

- Liquidity risk (See C below)

Risk Management Framework

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The respective Company's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The respective Company's board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A. Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of holding of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

The Group's sales and purchases activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Group enters into plain vanilla forward contracts to manage its exposure to foreign currency risk.

Details of hedged and unhedged foreign currency exposures

(a) Outstanding forward exchange contracts for hedging purposes as on 31.03.2023

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
USD	INR	13,620 (1,22,906)	Sell Sell
USD	INR	- (5,268)	Buy Buy
EURO	INR	8,210 (7,438)	Sell Sell
GBP	INR	9,334 (6,705)	Sell Sell

Note: Figures in brackets relates to the previous year

(b) The year-end unhedged foreign currency exposures are given below

Foreign currency denominated financial assets and liabilities (including firm commitments, if any) which expose the Group to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in Indian Rupees.

(₹ in Lakhs)

	USD	Euro	GBP	JPY	CHF	Total
As at 31.03.2023						
Trade receivables	58,446	3,801	3,121	-	-	65,368
Cash and cash equivalents	1,573	2,261	3,477	-	-	7,311
Trade payables	(5,416)	-				(5,416)
	54,603	**6,063**	**6,597**	**-**	**-**	**67,263**

(₹ in Lakhs)

	USD	Euro	GBP	JPY	CHF	Total
As at 31.03.2022						
Trade receivables	2,890	1,620	1,807	-	-	6,317
Cash and cash equivalents	-	-	-	-	-	-
Trade payables	(2,135)	-	(24)	(279)	(453)	(2,891)
	755	**1,620**	**1,783**	**(279)**	**(453)**	**3,426**

NOTES

Note: Trade receivables and Trade payables includes firm commitments.

Sensitivity Analysis :

Sensitivity analysis is carried out for un-hedged foreign exchange risk as at 31.03.2023. For every 1% strengthening / weakening of Indian Rupees against all relevant uncovered foreign currency transactions, profit before tax and equity would be impacted as follows:

Increase/ (decrease) in profit and equity	Strengthening		Weakening	
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
USD	(546)	(8)	546	8
Euro	(61)	(16)	61	16
GBP	(66)	(18)	66	18
JPY	-	3	-	(3)
CHF	-	5	-	(5)
	(673)	**(34)**	**673**	**34**

(ii) 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Interest rate exposure

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Non-current borrowings	44,845	62,607
Current borrowings	89,964	55,923
Total	**1,34,809**	**1,18,530**

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at 31.03.2023. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately ₹ 1,348 lakhs (Pr.Yr: ₹ 1,185 lakhs). Similarly, for every 1% decrease in average interest rates, there would be an equal and opposite impact on the profit before tax. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

(iii) Price risk

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. As at March 31, 2023, the investments in mutual funds amounts to ₹ 12,716 lakhs (Pr.Yr. ₹ 30,921 lakhs).

As regards Group's investments in unquoted equity investments, the management contends that such investments do not expose the Group to price risks. In general, these securities are not held for trading purposes.

Sensitivity analysis:

For every 1% increase in price, profit before tax would be impacted by gain of approximately ₹ 127 lakhs (Pr.Yr. ₹ 309 lakhs). Similarly, for every 1% decrease in price there would be an equal and opposite impact on the profit before tax.

B. Credit risk management

Credit risk is the risk that the counterparty to a financial instrument will not meet its contractual obligations, leading to a financial loss. Credit risk primarily arises from the Group's trade receivables, investments, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets.

The carrying amounts of financial assets represent the maximum credit risk exposure.

NOTES

Trade receivables:

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Trade receivables	62,544	48,024

The Group mitigates credit risk by strict receivable management procedures and policies. The Group has a dedicated independent team to review credit and monitor collection of receivables. In addition, the Group mitigates credit risk substantially through availment of credit insurance for both domestic and export buyers.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, the management believes that unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Group are not expected to be able to pay their outstanding dues, mainly due to economic circumstances.

The concentration of credit risk is limited due to the customer base being large and unrelated. Further, the Group constantly evaluates the quality of trade receivable and provides impairment loss on financial assets (trade receivables) based on expected credit loss model.

For movement of loss allowance in trade receivables, refer note 12.

Investments :

Investments of surplus funds are made only with approval of Board of Directors. This primarily include investments in equity instruments of an unlisted entity and mutual funds. The Group does not expect significant credit risks arising from these investments.

Cash and cash equivalents and Bank balances other than Cash and cash equivalents:

The Group held cash and cash equivalents and margin money deposits with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Other financial assets :

Other financial assets primarily consists of Interest accrued on bank deposits and other deposits and term deposit with Non Banking Finance companies. The Group does not expect any loss from non-performance by these counter-parties.

C Liquidity risk management

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

All current financial liabilities are repayable within one year. The contractual maturities of non current financial liabilities are disclosed in note 19.

40. Related Party Disclosures

Disclosures under "Ind AS" 24 - Related Party Disclosure, as identified and disclosed by the management and relied upon by the Auditors:

NOTES

40.1 Name of related parties and nature of relationships

Key Management Personnel	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj Sri C.R.Anandakrishnan Sri E.K.Sakthivel
Relatives of Key Management Personnel	Smt D.Geetha (Daughter of Sri.KPD Sigamani) Sri T.N.Arun (Son of Sri P.Nataraj)
Enterprises owned by Key Management Personnel/Directors or their relatives	M/s K.P.R.Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s KPR Info Solutions Private Limited

40.2 Transactions during the year and the balance outstanding at the balance sheet date

(₹ in Lakhs)

Nature of Transaction	Enterprises owned by Key Managerial Personnel / Directors or their relatives	Key Managerial Personnel	Relatives to Key Managerial Personnel	Total as on 31.03.2023
Transactions during the year				
Lease Rentals Paid	- -	4 (1)	- -	4 (1)
Remuneration / Salary	- -	1,758 (1,758)	13 (13)	1,771 (1,771)
Balance outstanding as at the balance sheet date				
Employee benefits payable	- -	955 (915)	- -	955 (915)

(Previous year figures are shown in brackets)

40.3 Details of transactions with related parties

a. Lease Rent Paid

(₹ in Lakhs)

Name	2022 - 23	2021 - 22
Sri K.P.Ramasamy	1.2	0.19
Sri KPD Sigamani	1.2	0.18
Sri P.Nataraj	1.2	0.18
Total	**3.6**	**0.55**

NOTES

b. Remuneration / Salary **(₹ in Lakhs)**

Name	2022 - 23	2021-22
Sri K.P.Ramasamy	572	572
Sri KPD Sigamani	572	572
Sri P.Nataraj	572	572
Sri C.R.Anandakrishnan	24	24
Sri E.K.Sakthivel	18	18
Smt D.Geetha	6	6
Sri T.N.Arun	7	7
Total	**1,771**	**1,771**

Note: Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

Balances outstanding as at the balance sheet date:

c. Employee benefits payable **(₹ in Lakhs)**

Name	2022 - 23	2021-22
Sri K.P.Ramasamy	330	315
Sri KPD Sigamani	307	295
Sri P.Nataraj	315	303
Sri C.R.Anandakrishnan	2	2
Sri E.K.Sakthivel	1	-
Smt. D. Geetha	0.40	-
Total	**955.40**	**915**

40.4 Transactions eliminated in consolidation procedures (intra-group transactions) and consequently not forming part of consolidated financial statements

(I) Transactions between the Parent Company and other Group entities:

a. Purchase of Goods **(₹ in Lakhs)**

Name	2022 - 23	2021 - 22
M/s K.P.R.Sugar Mill Limited	86	-
M/s KPR Sugar and apparels Limited	14,158	-
M/s Quantum Knits Private Limited	-	11
Total	**14,244**	**11**

b. Sale of Products **(₹ in Lakhs)**

Name	2022 - 23	2021 - 22
M/s K.P.R.Sugar Mill Limited	26,816	20,005
M/s KPR Exports PLC, Ethiopia	-	-
M/s KPR Mill Pte. Ltd, Singapore	-	(350)
M/s Quantum Knits Private Limited	5,634	-
M/s KPR Sugar and Apparels Limited	17,946	3
Total	**50,396**	**19,658**

NOTES

c. Sale of property, plant and equipment

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s Jahnvi Motor Private Limited	3	-
M/s KPR Sugar and Apparels Limited	64	3
Total	**67**	**3**

d. Repairs and maintenance

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s Jahnvi Motor Private Limited	32	-
Total	**32**	-

e. Processing and fabrication income

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	4,355	-
Total	**4,355**	-

f. Miscellaneous income

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	53	-
M/s K.P.R.Sugar and Apparels Limited	113	-
M/s Jahnvi Motor Private Limited	3	-
Total	**169**	**-**

g. Processing and fabrication expenses

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	847	37
Total	**847**	**37**

h. Interest income on financial assets measured at amortised cost

(₹ in Lakhs)

Name	2022 - 23	2021 - 22
M/s KPR Mill Pte. Ltd, Singapore	-	6
Total	-	**6**

i. Lease rentals paid

(₹ in Lakhs)

Name	2022 - 23	2021 - 22
M/s K.P.R.Sugar Mill Limited	3,000	3,000
Total	**3,000**	**3,000**

NOTES

j. Lease rentals received

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	1	1
M/s Quantum Knits Private Limited	1	1
M/s KPR Sugar and Apparels Limited	22	1
Total	**24**	**3**

k. Dividend income

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	2,691	26
M/s Jahnvi Motor Private Limited	193	-
M/s Quantum Knits Private Limited	1,800	-
	4,684	**26**

l. Proceeds from redemption of preference shares

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	5,202	-
Total	**5,202**	**-**

m. Non-current investments

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	20,000	38,924
Total	**20,000**	**38,924**

n. Other Financial Liabilities

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R. Sugar Mill Limited	69	-
M/s KPR Sugar and Apparels Limited	416	-
M/s Jhanvi Motors Private Limited	2	-
Total	**487**	-

(II) Transactions between the other Group entities:

In the books of M/s.K.P.R.Sugar Mill Limited

a. Revenue from operations

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	659	825
Total	**659**	**825**

b. Purchase of goods

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	30	-
Total	**30**	-

NOTES

c. Interest income on financial assets measured at amortised cost (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	294	-
Total	**294**	**-**

d. Sale of property, plant and equipment (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s KPR Sugar and Apparels Limited	23	-
Total	**23**	**-**

e. Other expenses (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R. Mill Limited	53	-
Total	**53**	-

f. Redemption of preference shares (including premium) (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R. Mill Limited	5,202	-
Total	**5,202**	-

In the books of M/s KPR Sugar and Apparels Limited

g. Revenue from operations (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	30	-
Total	**30**	-

h. Purchase of goods (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	659	825
Total	**659**	**825**

i. Interest paid (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	294	-
Total	**294**	-

j. Purchase of property, plant and equipment (₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R.Sugar Mill Limited	23	-
Total	**23**	-

NOTES

k. Other expenses

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R. Mill Limited	113	-
Total	**113**	-

In the books of M/s Jahnvi Motor Private Limited

l. Other expenses

(₹ in Lakhs)

Name	2022 - 23	2021-22
M/s K.P.R. Mill Limited	3	-
Total	**3**	-

(III) Balances outstanding as at the balance sheet date:

In the books of the Holding company

a. Non-current investments

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
Equity shares		
M/s K.P.R. Sugar Mill Limited	1,675	1,675
M/s Jahnvi Motor Private Limited	276	276
M/s Quantum Knits Private Limited	10	10
M/s Galaxy Knits Limited	5	5
M/s KPR Exports PLC, Ethiopia	-	-
M/s KPR Mill Pte. Ltd, Singapore	21	21
M/s KPR Sugar and Apparels Limited	100	100
Deemed equity in Jahnvi Motor Private Limited, K.P.R.Sugar Mill Limited and KPR Sugar and Apparels Limited	657	-
Preference shares		
M/s K.P.R.Sugar Mill Limited	2,837	5,675
M/s KPR Sugar and Apparels Limited	70,000	50,000
Total	**75,581**	**57,762**

b. Investment in wholly-owned subsidiary pending allotment

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s KPR Mill Pte. Ltd, Singapore	7	7
Total	**7**	**7**

Also refer note below.

c. Loans

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s KPR Mill Pte. Ltd, Singapore	223	204
Total	**223**	**204**

Note: Disclosure under Section 186 (4) of the Companies Act, 2013.
The recipients utilise the loan for principal business activities.
Also refer note below.

d. Advance to suppliers

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s Jahnvi Motor Private Limited	1	-
M/s KPR Sugar and Apparels Limited	-	1,373
Total	**1**	**1,373**

NOTES

e. Trade receivables **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s KPR Sugar and Apparels Limited	4,147	-
M/s Quantum Knits Private limited	3,414	-
Total	**7,561**	**-**

f. Interest accrued **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s KPR Mill Pte Limited	24	24
Total	**24**	**24**

g. Advance from customers **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s Quantum Knits Private Limited	-	2,056
M/s K.P.R.Sugar Mill Limited	6,837	2,598
Total	**6,837**	**4,653**

In the books of M/s K.P.R.Sugar Mill Limited

h. Advance to suppliers **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s Quantum Knits Private Limited	-	75
Total	-	**75**

i. Trade receivables **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s KPR Sugar and Apparels Limited	-	1,006
Total	-	**1,006**

j. Loan receivable **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s KPR Sugar and Apparels Limited	11,516	-
Total	**11,516**	-

k. Other assets **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s K.P.R. Mill Limited	69	-
Total	**69**	-

l. Other liabilities **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s K.P.R. Mill Limited	122	-
Total	**122**	-

NOTES

In the books of M/s Quantum Knits Private Limited **(₹ in Lakhs)**

m. Advance from customers

Name	31.03.2023	31.03.2022
M/s K.P.R.Sugar Mill Limited	-	75
Total	-	**75**

In the books of M/s KPR Sugar and Apparels Limited

n. Trade payable

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s K.P.R.Sugar Mill Limited	-	1,006
Total	-	**1,006**

o. Other Liabilities **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s K.P.R.Mill Limited	529	-
Total	**529**	-

p. Loan payable **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s K.P.R.Sugar Mill Limited	11,516	-
Total	**11,516**	-

q. Other assets **(₹ in Lakhs)**

Name	31.03.2023	31.03.2022
M/s K.P.R. Mill Limited	416	-
Total	**416**	-

In the books of M/s Jahnvi Motor Private Limited

r. Other assets

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s K.P.R. Mill Limited	2	-
Total	**2**	-

s. Other Liabilities

(₹ in Lakhs)

Name	31.03.2023	31.03.2022
M/s K.P.R. Mill Limited	5	-
Total	**5**	-

Note: During the previous year ended 31.03.2022, the Holding company had performed an impairment assessment of investments made (including investments pending allotment), loans given, and trade receivables due from KPR Exports PLC, Ethiopia, triggered due to changes in business environment as a result of ongoing civil unrest in Ethiopia and has recognized a provision for impairment towards carrying value of investments (including investments pending allotment), loans and trade receivables of ₹ 1,798 lakhs as at 31.03.2022. For the purpose of these consolidated financial statements, the aforesaid intra group balances have been eliminated and consequently do not form part of these consolidated financial statements.

NOTES

40.5 Terms and conditions of transactions with related parties

Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

40.6 Transfer pricing

The Group has transactions with related parties. For the financial year ended 31.03.2022, the Holding company and its subsidiaries have obtained the Accountant's report from a Chartered Accountant, where relevant and applicable as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the year ended 31.03.2023, the Group maintains documents as prescribed by the Income-tax Act to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statementularlys, partic on the amount of tax expense and that of provision for taxation.

41 Earnings Per Share (EPS)

Particulars	2022-23	2021-22
Profit for the year attributable to the equity shareholders (₹ in Lakhs)	81,410	84,184
Weighted average number of equity shares (Refer Note a)	34,19,73,277	34,40,50,000
Face Value Per Share (₹)	1	1
Earnings Per Share - Basic and Diluted (₹)	**23.81**	**24.47**

Notes:

a. The calculation of weighted average number of equity shares for the purpose of basic and diluted earnings per share is as follows:

Particulars	2022-23	2021-22
Opening balance	34,40,50,000	34,40,50,000
Effect of Shares bought back during the year	(20,76,723)	-
Weighted average number of equity shares	**34,19,73,277**	**34,40,50,000**

After obtaining the approval from the Board of Directors on February 07, 2022, the buy-back of 22,36,000 equity shares of ₹ 1/- each (representing 0.65% of the total number of paid up equity shares of the Company) from the shareholders of the Company on proportionate basis by way of tender offer route at a price of ₹ 805/- per share for an aggregate amount of ₹ 17,999.80 lakhs (9.53% of the paid up capital and free reserves) was initiated in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ('SEBI Buy-back Regulations'). The extinguishment of equity shares was completed on April 26, 2022.

b. The Company does not have any potential equity shares. Accordingly basic and diluted earnings per share would remain the same.

42 Goodwill on Consolidation

(₹ in Lakhs)

Particulars	2022-23	2021-22
Opening Balance	70	70
Add: On acquisition of subsidiaries during the year	-	-
Total	**70**	**70**
Less: On disposal of subsidiaries during the year	-	-
Less: Impairment	-	-
Closing Balance	**70**	**70**

NOTES

43 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the respective Company's Board of Directors to make decisions about resources to be allocated to the segments and assess their performance. The Board of Directors is considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 - Operating Segments.

The Group has classified its operations primarily into three reportable segments viz., Textile, Sugar and Others based on 'Management Approach' as defined in Ind-AS 108. These segments offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the reportable segments, the respective Company's Board of Directors reviews internal management reports on atleast a quarterly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the respective Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

43.1 **(₹ in Lakhs)**

Particulars	For the year ended 31.03.2023			
	Textile	Sugar	Others	Total
External revenue	4,89,319	1,17,950	11,319	6,18,588
	(4,11,323)	(64,515)	(6,410)	(4,82,248)
Inter-segment revenue	-	-	-	-
	-	-	-	-
Total	4,89,319	1,17,950	11,319	6,18,588
	(4,11,323)	(64,515)	(6,410)	(4,82,248)
Segment results before other income, finance costs and tax	90,204	19,353	513	1,10,070
	(97,765)	(9,657)	(337)	(1,07,759)
Unallocable expenses (net)				-
				-
Operating income				1,10,070
				(1,07,759)
Less: Finance costs				7,886
				(2,329)
Add: Other income (net)				6,232
				(8,722)
Profit before tax				1,08,416
				(1,14,152)
Less: Tax expense				27,006
				(29,968)
Profit for the year				81,410
				(84,184)

Note: Figures in bracket relates to previous year

NOTES

43.2 (₹ in Lakhs)

Particulars	For the year ended 31.03.2023			
	Textile	Sugar	Others	Total
Segment Assets	3,73,779 (3,24,593)	1,81,982 (1,57,557)	3,810 (3,422)	5,59,571 (4,85,572)
Unallocable Assets				192 (1,230)
Total Assets				5,59,763 (4,86,802)
Segment Liabilities	97,248 (80,847)	89,801 (83,050)	2,045 (1,754)	1,89,094 (1,65,651)
Unallocable Liabilities				- (2,466)
Total Liabilities				1,89,094 (1,68,117)
Capital Employed				3,70,669 (3,18,685)
(Segment asset - Segment Liabilities) Other information Capital expenditure	46,431 (12,570)	8,278 (70,711)	27 (149)	54,736 (83,430)
Depreciation and amortisation	9,397 (9,096)	7,890 (4,943)	82 (73)	17,369 (14,112)

Note: Figures in bracket relate to the previous year

44 Geographical information on revenue and assets:

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and overseas. In presenting the geographical information, segment revenue has been determined based on the geographical location of the customers and non - current assets has been determined based on the geographical location of the assets.

Revenue from sale of products and services by geographic location of customers (₹ in Lakhs)

Particulars	2022-23	2021-22
India	3,69,601	2,95,811
Overseas	2,26,417	1,71,667
Total	**5,96,018**	**4,67,478**

Non-current assets* by geographic location of assets (₹ in Lakhs)

Particulars	2022-23	2021-22
India	2,61,799	2,38,256
Overseas	-	-
Total	**2,61,799**	**2,38,256**

*Non-current assets exclude financial instruments and deferred tax assets.

No single customer contributed 10% or more to the Group’s revenue for both the financial years 2022-23 and 2021-22.

NOTES

45 Operating Lease Disclosure

45.1 As Lessee:

The Group has taken factory premises, office spaces, plant and equipment and vehicles on cancellable operating leases. The leases are for varied periods which are classified as short-term leases under Ind AS 116. The Group has incurred ₹ 256 lakhs (Pr.Yr ₹ 192 lakhs) for the year ended 31.03.2023 towards expenses relating to short-term leases. The total cash outflow for leases is ₹ 256 lakhs (Pr.Yr ₹ 192 lakhs) for the year ended 31.03.2023, including cash outflow of short-term leases. Also refer note 33.

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Minimum lease payments not later than one year	169	101
Later than one year but not later than five years	25	80
More than five years	-	-

45.2 As Lessor:

The Group has given certain non-factory building on cancellable operating leases and has earned rental income of ₹ 1,311 lakhs (Pr.Yr:₹ 3,005 lakhs) for the year ended 31.03.2023. Since the aforesaid leases are short-term in nature, there are no lease payments receivable after one year as at 31.03.2023. The expected amount of minimum lease payments to be received within one year is ₹ 1,311 lakhs (Pr.Yr: ₹ 3,005 lakhs). Also refer note 28.

46 Disclosure of Employee Benefits

46.1 Defined Contribution Plans

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Provident Fund	3,792	2,994
Employee State Insurance	945	802

46.2 Defined Benefit Plan - Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined (asset) / liability and its components.

(₹ in Lakhs)

A	**Changes in present value of defined benefit obligation**		
	PV of obligation as at the beginning of the year	1,114	1,029
	Current service cost	213	174
	Interest cost	77	59
	Benefits paid	(192)	(148)
	Balance at the end of the year	**1,212**	**1,114**

NOTES

(₹ in Lakhs)

B	**Reconciliation of fair value of plan assets:**		
	Balance at the beginning of the year	1,114	1,027
	Interest income	68	63
	Actuarial (gains) / losses on plan assets	-	-
	Benefits paid	-	-
	Contributions paid into the plan	27	24
	Fair value of plan asset as at end of the year	**1,209**	**1,114**
	Plan assets comprises of :		
	% of Investment with insurer	100	100
C	**Net Asset/(Liability) recognized in the balance sheet**		
	Present value of obligation as at end of the year	1,114	1,114
	Fair value of plan asset as at end of the year	1,114	1,114
	Funded status [surplus/(deficit)]	-	-
D	**Expense recognized in the consolidated statement of profit and loss**		
	Current service cost	213	174
	Interest cost	77	59
	Expected return on plan assets	(68)	(63)
	Actuarial (gains) / losses on obligations and plan assets	-	-
		222	170
E	**Remeasurement recognised in other comprehensive income**		
	Actuarial (gains) / losses on defined benefit obligation	-	-
	Actuarial (gains) / losses on plan assets	-	-
F	**Actuarial assumptions**		
	Discount rate (per annum)	7.52%	7.00%
	Rate of increase in compensation levels (per annum)	7.50%	7.00%
	Rate of return on plan assets (per annum)	7.52%	7.21%
	Attrition rate (per annum)	4.00%	4.00%
	Expected average remaining working lives of employees (years)	26.66	27.09
	Demographic assumptions - based on Indian Assured Lives Mortality (2012-14)		

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

46.3 Disclosure of Employee Benefits

Asset-liability matching strategies

The Group has funded the liability with the insurance company. The entire investible assets are managed by the fund managers of the insurance company and the asset values as informed by the insurance company has been taken for valuation purpose. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rates (in particular, the significant fall in interest rates, which should result in a increase in liability without a corresponding increase in the asset).

NOTES

Expected contributions to the plan for the next annual reporting period

The expected benefits are based on the same assumptions as are used to measure Company's defined benefit plan obligations as at 31.03.2023. The Company is expected to contribute ₹ 232 lakhs (Pr.Yr: ₹ 107 Lakhs) to defined benefit plan obligations funds for the year ending 31.03.2023.

(₹ in Lakhs)

Particulars	31.03.2023	31.03.2022
Weighted average duration of the defined benefit obligation	16.61 years	17.50 years
Disclosure related to indication of effect of the defined benefit plan on the entity's undiscounted future cash flows		
Payout in the next		
1 year	43	35
1-2 years	47	37
2-3 years	49	36
3-4 years	50	39
4-5 years	57	43
5 years and beyond	3,543	3,032

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31.03.2023		31.03.2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(132)	159	(118)	144
Salary growth (1% movement)	154	(129)	139	(116)
Attrition rate (1% movement)	(11)	12	(13)	15

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

47 Details of current investments in mutual funds (quoted)

(₹ in Lakhs)

Particulars	31.03.2023		31.03.2022	
	Units	Amount	Units	Amount
Nippon India Mutual Fund	1,09,223	6,015	2,58,268	13,449
LIC Mutual Fund	1,65,910	6,701	2,44,837	9,368
IDBI Mutual Fund	-	-	3,56,579	8,104
Total	**2,75,133**	**12,716**	**8,59,683**	**30,921**

Also refer note 11.

NOTES

48 Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, containing salient features of financial statements of subsidiary companies

2022-23

(₹ in Lakhs)

Particulars	Quantum Knits Private Limited	K.P.R.Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	KPR Sugar and Apparels Limited	KPR Exports PLC	KPR Mill Pte. Ltd
Country of incorporation	India	India	India	India	India	Ethiopia	Singapore
Reporting currency	INR	INR	INR	INR	INR	BIRR	SGD
Exchange rate	1	1	1	1	1	1.48	61.83
Share Capital *	10	394	5	193	7,100	424	21
Other equity	(236)	68,117	(2)	1,567	71,150	(275)	(231)
Total Assets	3,194	1,00,501	4	3,810	1,66,787	149	59
Total Liabilities	3,420	31,990	1	2,050	88,537	-	269
Revenue from operations	2920	95,110	-	11,351	1,05,791	-	-
Profit / (Loss) Before Tax	(454)	22,697	-	443	10,328	-	(42)
Tax expense / (credit)	-	6,531	-	120	1,384	-	-
Profit / (loss) after tax	(454)	16,166	-	323	8,944	-	(42)
Dividend - Interim	1,500	2,665	-	-	-	-	-
- Proposed	-	-	-	-	-	-	-
% of Share Holding	100	100	100	100	100	100	100

* Includes share application money pending allotment of ₹ 1,170 lakhs relating to KPR Exports PLC and ₹ 7 lakhs relating to KPR Mill Pte. Limited

2021-22

(₹ in Lakhs)

Particulars	Quantum Knits Private Limited	K.P.R.Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	KPR Sugar and Apparels Limited	KPR Exports PLC	KPR Mill Pte. Ltd
Country of incorporation	India	India	India	India	India	Ethiopia	Singapore
Reporting currency	INR	INR	INR	INR	INR	BIRR	SGD
Exchange rate	1	1	1	1	1	1.48	55.78
Share capital *	10	583	5	193	5,100	424	21
Other equity	2,018	59,653	(1)	1,437	44,206	(275)	(189)
Total assets	2,110	81,553	4	3,422	1,28,634	149	51
Total liabilities	82	21,317	-	1,792	79,328	-	219
Revenue from operations	10	88,652	-	6,411	195	41	132
Profit / (Loss) before tax	(1)	16,026	-	258	(794)	(829)	(41)
Tax expense / (credit)	(3)	5,029	-	73	-	-	-
Profit / (loss) after tax	2	10,997	-	185	(794)	(829)	(41)
Dividend - Interim							
- Proposed	-	-	-	-	-	-	-
% of Shareholding	100	100	100	100	100	100	100

* Includes share application money pending allotment of ₹ 1,170 lakhs relating to KPR Exports PLC and ₹ 7 lakhs relating to KPR Mill Pte. Limited

NOTES

49 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries

2022-23

(₹ in Lakhs)

Particulars	Net Assets, i.e., Total Assets minus Total Liabilities		Share of Profit or Loss		Share in other comprehensive income		Share in total other comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total OCI	Amount
Parent								
K.P.R.Mill Limited	66.73%	2,97,296	71.80%	63,504	-	-	71.80%	63,504
Subsidiaries - Indian								
1. M/s Quantum Knits Private Limited	(0.05%)	(226)	(0.51%)	(454)	-	-	(0.51%)	(454)
2. M/s K.P.R.Sugar Mill Limited	15.38%	68,511	18.28%	16,166	-	-	18.28%	16,166
3. M/s Jahnvi Motor Private Limited	0.40%	1,760	0.37%	323	-	-	0.37%	323
4. M/s Galaxy Knits Limited	0.00%	4	-	-	-	-	0.00%	-
5. KPR Sugar and Apparels Limited	17.56%	78,250	10.11%	8,944	-	-	10.11%	8,944
Subsidiaries - Foreign								
M/s KPR Exports Plc, Ethiopia	0.03%	149	0.00%	-	-	-	0.00%	-
M/s KPR Mill Pte Limited, Singapore	(0.05%)	(210)	(0.05%)	(42)	-	-	(0.05%)	(42)
Less : Eliminations		(74,865)		(7,031)				(7,031)
	100%	**3,70,669**	**100%**	**81,410**	-	-	**100%**	**81,410**

2021-22

(₹ in Lakhs)

Particulars	Net Assets, i.e., Total Assets minus Total Liabilities		Share of Profit or Loss		Share in other comprehensive income		Share in total other comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total OCI	Amount
Parent								
K.P.R.Mill Limited	69.93%	2,63,218	88.47%	73,080	-	-	88.47%	73,080
Subsidiaries - Indian								
1. M/s Quantum Knits Private Limited	0.54%	2,028	0.00%	2	-	-	0.00%	2
2. M/s K.P.R.Sugar Mill Limited	16.00%	60,236	13.31%	10,997	-	-	13.31%	10,997
3. M/s Jahnvi Motor Private Limited	0.43%	1,630	0.22%	185	-	-	0.22%	185
4. M/s Galaxy Knits Limited	0.00%	4	0.00%	-	-	-	0.00%	-
5. KPR Sugar and Apparels Limited	13.10%	49,306	(0.96%)	(794)	-	-	(0.96%)	(794)
Subsidiaries - Foreign								
M/s KPR Exports Plc, Ethiopia	0.04%	149	(1.00%)	(829)	-	-	(1.00%)	(829)
M/s KPR Mill Pte Limited, Singapore	(0.04%)	(168)	(0.05%)	(41)	-	-	(0.05%)	(41)
Less : Eliminations		(57,718)		1,584				1,584
	100%	**3,18,685**	**100%**	**84,184**	-	-	**100%**	**84,184**

50 Events after reporting period :

The Board of Directors have recommended a final dividend of 200% (₹ 2 per share of the face value of ₹ 1/- each) for the year 2022-23 subject to the approval of the shareholders in Annual General Meeting.

NOTES

51 Other statutory information

a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

b) The Group did not have transactions with outstanding balances with companies struck off.

c) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

d) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

e) No funds 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 to or on behalf of the Ultimate Beneficiaries.

f) No funds 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 from or on behalf of the Ultimate Beneficiaries.

g) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).

h) The Group has not have been declared as wilful defaulters by any bank or financial institution or government or any government authority.

i) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

j) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

k) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

52 Ratios as per the Schedule III requirements :

a) Current ratio = Total current assets divided by Total current liabilities

Particulars	31.03.2023	31.03.2022
Total current assets - ₹ in Lakhs	2,97,814	2,47,389
Total current liabilities - ₹ in Lakhs	1,32,516	97,945
Ratio	**2.25**	**2.53**
% Change from previous year	**-11.02%**	

b) Debt Equity Ratio = Total debt divided by Total equity wherein total debt refers to sum of current and non-current borrowings

Particulars	31.03.2023	31.03.2022
Total Debt - ₹ in Lakhs	1,34,809	1,18,521
Total Equity - ₹ in Lakhs	3,70,699	3,18,685
Ratio	**0.36**	**0.37**
% Change from previous year	**-2.22%**	

NOTES

c) Debt Service Coverage Ratio = Earnings available for debt service divided by the Total interest and principal repayments

Particulars	31.03.2023	31.03.2022
Profit after tax - ₹ in Lakhs	81,410	84,184
Add: Non - cash operating expenses and finance cost		
- Depreciation and amortization expenses - ₹ in Lakhs	17,369	14,112
- Finance costs - ₹ in Lakhs	7,886	2,329
Earnings available for debt service - ₹ in Lakhs	**1,06,665**	**1,00,625**
- Finance costs relating to term loans - ₹ in Lakhs	4,136	782
- Principal repayments relating to term loans - ₹ in Lakhs	17,455	4,933
Total interest and principal repayments relating to term loans - ₹ in Lakhs	**21,591**	**5,715**
Ratio	**4.94**	**17.61**
% Change from previous year	**-71.94%**	

Reason for change more than 25%: The ratio has decreased from 17.61 for the year ended 31.03.2022 to 4.94 for the year ended 31.03.2023 on account of increase in Term loan interest expenses and increase in repayment of term loans.

d) Return on Equity Ratio = Profit after tax divided by Average total equity

Particulars	31.03.2023	31.03.2022
Profit after tax - ₹ in Lakhs	81,410	84,184
Average total equity (Refer note below) - ₹ in Lakhs	3,44,677	2,76,851
Ratio	**24%**	**30%**
% Change from previous year	**-22.32%**	

Note: Average total equity = (Total equity as at the beginning of respective year + Total equity as at the end of respective year) divided by 2

e) Inventory turnover ratio = Sales divided by Average inventory

Particulars	31.03.2023	31.03.2022
Sales (refer note 1 below) - ₹ in Lakhs	6,18,588	4,82,248
Average inventory (refer note 2 below) - ₹ in Lakhs	1,59,363	1,10,103
Ratio	**3.88**	**4.38**
% Change from previous year	**-11.38%**	

Note 1: Sales represents revenue from operations.

Note 2: Average inventory = (Total inventories as at the beginning of respective year + Total inventories as at the end of respective year) divided by 2

f) Trade receivables turnover ratio = Sales divided by Average trade receivables

Particulars	31.03.2023	31.03.2022
Sales - ₹ in Lakhs (Refer note 1 below)	6,01,460	4,71,449
Average trade receivables - ₹ in Lakhs (Refer note 2 below)	55,284	40,061
Ratio	**10.88**	**11.77**
% Change from previous year	**-7.55%**	

Note 1: Sales for the purpose of the table above represents revenue from operations excluding export incentives.

Note 2: Average trade receivables = (Total trade receivables as at the beginning of respective year + Total trade receivables as at the end of respective year) divided by 2

NOTES

g) Trade payables turnover ratio = Purchases divided by Average trade payables

Particulars	31.03.2023	31.03.2022
Purchases (refer note 1 below) - ₹ in Lakhs	4,12,913	3,00,586
Average trade payables (refer note 2 below)- ₹ in Lakhs	30,449	19,083
Ratio	**13.56**	**15.75**
% Change from previous year	**-13.91%**	

Note 1: Purchases represents purchases forming part of cost of materials consumed.

Note 2: Average trade payables = (Total trade payables as at the beginning of respective year + Total trade payables as at the end of respective year) divided by 2.

h) Net capital turnover ratio = Revenue from operations divided by Working capital wherein Working capital = Total current assets less Total current liabilities

Particulars	31.03.2023	31.03.2022
Revenue from operations - ₹ in Lakhs	6,18,588	4,82,248
Working capital - ₹ in Lakhs	1,65,298	1,49,444
Ratio	**3.74**	**3.23**
% Change from previous year	**15.97%**	

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	31.03.2023	31.03.2022
Net profit after tax - ₹ in Lakhs	81,410	84,184
Revenue from operations - ₹ in Lakhs	6,18,588	4,82,248
Ratio	**13%**	**17%**
% Change from previous year	**-24.61%**	

j) Return on capital employed= Earnings before interest and taxes (EBIT) divided by Capital employed

Particulars	31.03.2023	31.03.2022
Earnings before interest and taxes (refer note 1 below) - ₹ in Lakhs	1,16,302	1,16,481
Capital employed (refer note 2 below) - ₹ in Lakhs	5,15,174	4,41,592
Ratio	**23%**	**26%**
% Change from previous year	**-14.41%**	

Note 1: EBIT= Profit before taxes + Finance costs

Note 2: Capital employed = Total equity + Total debt (current borrowings and non-current borrowings) + Deferred tax liabilities

NOTES

k) Return on investment ('ROI')

(i) ROI on mutual fund = Income generated from invested funds divided by average invested funds in mutual funds

Particulars	31.03.2023	31.03.2022
Income generated from invested funds - ₹ in Lakhs	1,399	1,477
Invested funds in mutual funds (refer note below) - ₹ in Lakhs	21,819	27,133
Ratio	**6%**	**5%**
% Change from previous year	**17.79%**	

Note: Invested funds in mutual funds = (Investment in mutual fund as at the beginning of respective year + Investment in mutual fund as at the end of respective year) divided by 2

(ii) ROI on treasury funds = Income generated from invested funds divided by average invested funds in treasury funds

Particulars	31.03.2023	31.03.2022
Income generated from treasury funds - ₹ in Lakhs	92	252
Invested funds in treasury funds (refer note below) - ₹ in Lakhs	2,531	4,791
Ratio	**4%**	**5%**
% Change from previous year	**-30.90%**	

Note: Invested funds in treasury funds = (Investment in margin money deposit, term deposit with Non-Banking Financial Companies and in deposits with original maturity of less than three months as at the beginning of respective year + Investment in margin money deposit, term deposit with Non-Banking Financial Companies and in deposits with original maturity of less than three months as at the end of respective year) divided by 2.

Reason for change more than 25%: Decrease in ROI on treasury funds from 5% for the year ended 31.03.2022 to 4% for the year ended 31.03.2023 is on account of decrease in average invested funds in treasury funds.

The notes from 1 to 52 are an integral part of these consolidated financial statements.

For and on behalf of the Board of Directors of

K.P.R. Mill Limited

CIN : L17111TZ2003PLC010518

As per our report of even date attached
For **B S R & CO. LLP**
Chartered Accountants
Firm's Registration Number : 101248W/W-100022

K.P.Ramasamy
Chairman
DIN : 00003736

K Sudhakar
Partner
Membership No. : 214150

KPD Sigamani
Managing Director
DIN : 00003744

P.Nataraj
Chief Executive Officer and Managing Director
DIN : 00229137

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
03.05.2023

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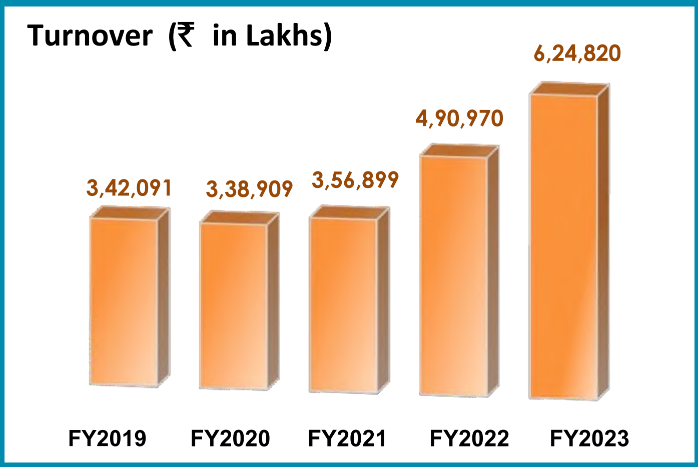
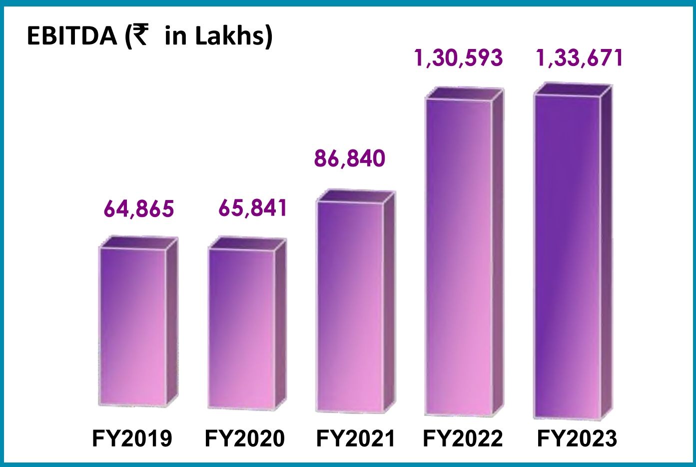
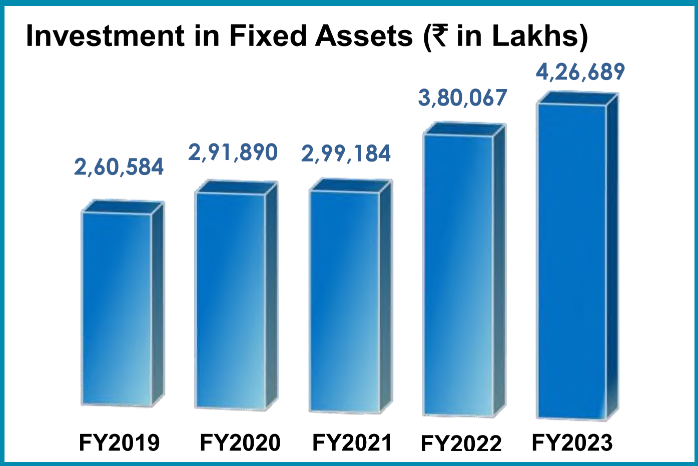
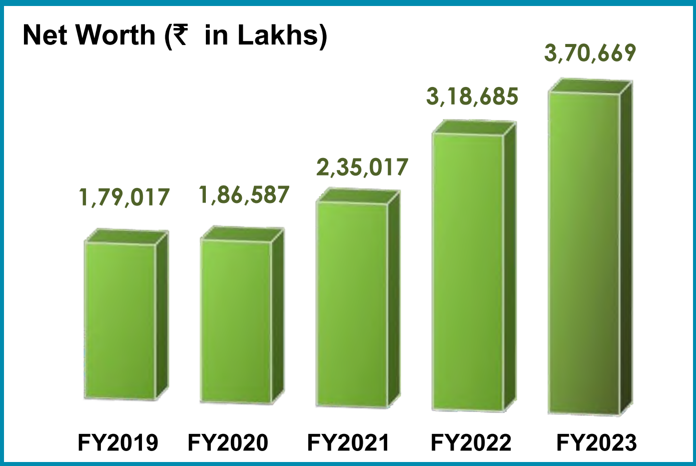
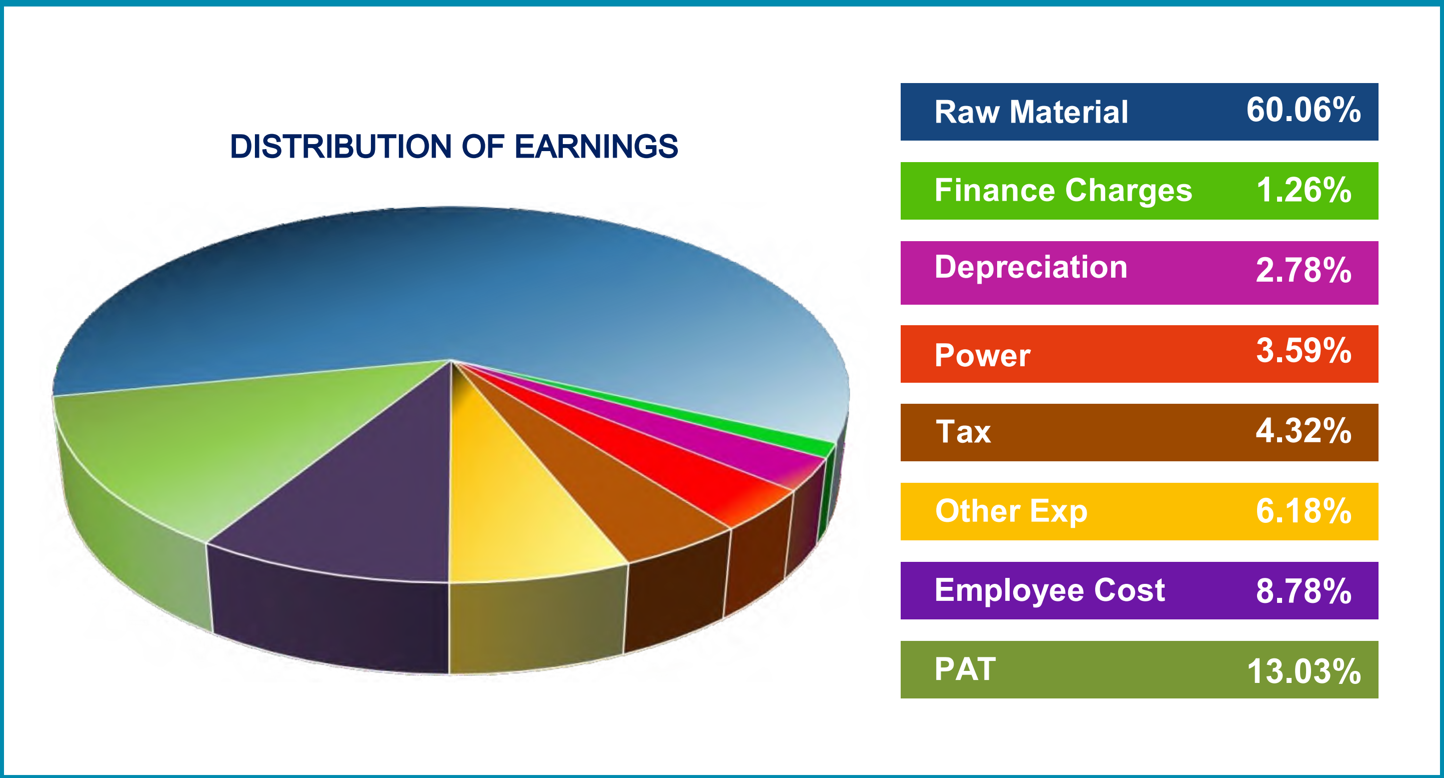

Turnover (₹ in Lakhs)
3,42,091
3,38,909
3,56,899
4,90,970
6,24,820
FY2019
FY2020
FY2021
FY2022
FY2023


EBITDA (₹ in Lakhs)
64,865
65,841
86,840
1,30,593
1,33,671
FY2019
FY2020
FY2021
FY2022
FY2023


Investment in Fixed Assets (₹ in Lakhs)
2,60,584
2,91,890
2,99,184
3,80,067
4,26,689
FY2019
FY2020
FY2021
FY2022
FY2023


Net Worth (₹ in Lakhs)
1,79,017
1,86,587
2,35,017
3,18,685
3,70,669
FY2019
FY2020
FY2021
FY2022
FY2023


DISTRIBUTION OF EARNINGS
Raw Material 60.06%
Finance Charges 1.26%
Depreciation 2.78%
Power 3.59%
Tax 4.32%
Other Exp 6.18%
Employee Cost 8.78%
PAT 13.03%

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CIN : L17111TZ2003PLC010518
Email : corporate@kprmill.com