August 24, 2023

The Manager, Listing Department
National Stock Exchange of India Ltd
'Exchange Plaza', C 1, Block G
Bandra – Kurla Complex, Bandra (E)
Mumbai 400 051

Dear Sir/Madam,

Sub : Annual Report for the financial year 2022-23

Symbol : PRECOT

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit 61st Annual Report for the financial year 2022-23 along with the Notice.

The Company has also sent Annual Report to the shareholders on 24th August, 2023 who have registered their email address with the Company/Registrar and Transfer Agent/ Depositories and is also available on the Company's website.

This is for your information and records.

Thanking you,

Yours truly,

For Precot Limited

Kavitha Subramaniam

Digitally signed by Kavitha Subramaniam
DN: c=IN, o=Personal, title=1659,
pseudonym=1330216193113448355818f4N2J3nrcF,
2.5.4.20=47f316b6cc9434cedefd07d534caff9b89aa16
6142d00ac718b00f65b5731ffd, postalCode=641031,
st=Tamil Nadu,
serialNumber=8a75d0e911875cbdffff922326db2169f
80ac9d4dd78e8a0c420b1ec9c826550, cn=Kavitha
Subramaniam
Date: 2023.08.24 17:58:12 +05'30'

S Kavitha
Company Secretary

Precot Limited,
Regd Office : D Block, 4th Floor, Hanudev Info Park, Nava India Road,
Udaiyampalayam, Coimbatore - 641 028
Tel: 0091 422 4321100 | Email: co@precot.com
CIN: L17111TZ1962PLC001183 | Website: www.precot.com

Precot

Annual Report - 2023

Precot

Directors	Sumanth Ramamurthi (Upto 31.05.2023)
	Jairam Varadaraj (Upto 31.05.2023)
	C N Srivatsan
	R Bhuvaneshwari
	P Vijay Raghunath
	Arun Selvaraj
	Vinay Balaji Naidu
Chairman and Managing Director	Ashwin Chandran
Vice Chairman and Managing Director	Prashanth Chandran
Executive Director	T Kumar
Chief Financial Officer	M K Ravindra Kumar
Company Secretary	S Kavitha
Statutory Auditors	M/s VKS Aiyer & Co., Coimbatore
Registered Office	D Block, 4th Floor, Hanudev Info Park Nava India Road, Udaiyampalayam Coimbatore - 641028. Email : secretary@precot.com Website : www.precot.com CIN : L17111TZ1962PLC001183
Registrar and Share transfer agent	Link Intime India Pvt Limited, “Surya”, 35, Mayflower Avenue, Senthil Nagar, Sowripalayam Road, Coimbatore - 641028. E-mail : coimbatore@linkintime.co.in

Contents **Page**

Dear Shareholders,

Your Directors hereby present the 61st Annual Report of your Company along with the financial results for the year ended 31st March, 2023.

State of affairs of the company

a. Financial results (₹ In lakhs)

Particulars	**31.03.2023**	**31.03.2022**
Revenue from operations	**95,382**	**99,328**
PBIDT	**2,777**	**18,877**
Less: Finance cost	3614	2,898
Profit from Operations	**(836)**	**15,979**
Other Income	724	649
PBDT	**(112)**	**16,628**
Less: Depreciation and Amortisation	3340	3,253
PBT (Before Exceptional item)	**(3452)**	**13,375**
Exceptional item	**-**	**-**
PBT (After Exceptional item)	**(3452)**	**13,375**
Less: Tax expenses	-	2,280
Deferred Tax	(850)	553
Profit After Tax	**(2602)**	**10,542**
Other Comprehensive Income	(519)	(291)
Total Comprehensive Income	**(3121)**	**10,251**
Add: Opening balance in Retained Earnings including OCI	25,936	15,685
Less: Transfer to General Reserve	-	-
Dividend paid during the year	720	-
Closing balance in Retained Earnings including OCI	**22,095**	**25,936**

b. Dividend and Transfer to reserves

Your directors, considering the fact that the company has incurred a loss during the year under review, have not recommended any dividend. No amount was proposed to be transferred to reserves.

Industry Overview

FY 2022-23 was a very challenging year for your Company, especially for the spinning division. Yarn demand which was robust for the most part of FY 21-22 turned sluggish from the beginning of the year under review. As highlighted last year, the abnormal increase in cotton was a major reason for this decline in demand along with inflationary pressures leading to a reduction in discretionary spending by consumers. Another significant reason was the high inventory in the hands of retailers and brands across the globe, including India. Aggressive ordering and improvement in logistics and lead times meant that inventories were double than normal levels leading to a stop on further sourcing by these brands and retailers.

Cotton prices declined on the face of the anticipated drop in demand with ICE futures falling from 116 cents in May to 73 cents in October, a drop of almost 40%. This was not reflected in Indian cotton prices due to the poor cotton crop in the country leading to Indian cotton prices being higher than international growths for the second half of the calendar year. The problem was exaggerated by the import duty on cotton which limited options for imports. Indian spinners were not competitive during this period with aggressive competition from Chinese and Vietnamese mills. Indian mills also faced inventory write-downs in the third quarter of the fiscal leading to an erosion of profits. Your company was forced to reduce capacity utilization in the spinning division to prevent further buildup of inventories during the third and fourth quarters. As a result of all the above factors, the spinning division recorded a loss at an operational level.

The performance of the technical textile division was a bright spot for the Company in an otherwise bleak year. Demand for our products continued to be robust through the year. The high logistics and freight costs which squeezed margins last year moderated significantly starting from the second quarter. The division achieved a topline of Rs. 242 Crores, an increase of 54%, on account of increased capacity utilization and higher productivity levels. Your company plans to increase capacity in this division during FY 23-24 apart from exploring other allied products to diversify the product mix.

Review of operations

Your Company registered a turnover of Rs.95,382 lakhs during FY 2022-23, a decrease of 4% compared to the previous year. Turnover decreased on account of lower capacity utilization in the spinning division. The company earned a profit of Rs. 2777 Lakhs at an EBITDA level. During the year under review, your Company struggled to maintain the improvements in product mix and proportion of value-added products due to a severe decline in demand from export customers. The Company was forced to increase production of commodity products for sales in markets such as Bhiwandi and Kolkatta which had reduced significantly in the previous year. The Company's cashflow was good in the above scenario.

The planned installation of “own captive” solar plants was completed in the Kanjikode and Hindupur units. The Company now has 10 MW of in-house solar capacity. Apart from this, the Company has tied up for 12.6 MW “group captive” solar power supply for it's units in Pollachi and Hassan. .

Outlook for the current year

There has been a significant reduction in Indian cotton prices in the current year with prices hovering between Rs. 60,000 to Rs. 63,000 for most of the season so far. Demand for yarn has shown some improvement starting from February and the company is on track to reach full capacity utilization in all its units. But pricing of yarn continues to be a challenge with profitability still elusive in commodity products due to the high percentage of the raw material component compared to the sales price. Cotton is still priced higher compared to man-made alternatives but the gap has narrowed significantly compared to last year. Cotton availability and quality is good this season which will lend stability to cotton prices going forward. With inventories in the textile supply chain at moderate levels and a forecast for a hot summer, there is cautious optimism for an increase in demand for knitted products in the near future. There are varied predictions with regard to the monsoon in India and it's success or failure will have a bearing on the revival of the rural economy and the acreage of cotton for the next season. We will continue to focus on the technical textile division for growth. The company plans to consolidate the gains of the previous year and reap the benefits of the planned capacity expansion during the fourth quarter of FY 23-24 and beyond.

Personnel

The Company has been able to continue maintaining cordial relations with its labour force in all its units. The Company has 1462 permanent employees on the roll as on 31st March, 2023.

Internal Control Systems & Risk Management

The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable Regulations. The systems are periodically reviewed, by the Audit Committee of the Board, for identification of deficiencies and necessary timely corrective actions were taken to improve the controls at all levels. The committee also reviews the statutory auditors' report, key issues, significant processes and accounting policies.

Risk Management is an integral part of the business process. The Company has constituted a Risk Management Committee and adopted a policy on risk management for identifying, mitigating and managing risk. The Audit Committee of the Board reviews the risk management policy periodically. The details about composition of the risk management committee, policy and its terms of reference have been provided in the Corporate Governance Report attached to this report.

Number of meetings of the Board

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

Declaration by Independent Directors

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

Directors and Key Managerial Personnel (KMP)

Appointments, Retirements and Resignations

Mr J Govind Raju, Chief Financial Officer has been designated as the Finance Controller of the Company effective from 22nd November, 2022 and Mr. M K Ravindra Kumar was appointed as Chief Financial Officer of the company effective from 22nd November 2022.

There is no cessation of office by any Director due to death or resignation. However, Mr Ashwin Chandran, Managing Director retired by rotation, and being eligible, offered himself for reappointment and was reappointed as Director at the AGM held on 22nd August, 2022.

The following are the whole-time key managerial personnel of the Company as per Section 203 of the Act as on 31st March,2023, (i) Mr Ashwin Chandran, Chairman and Managing Director (ii) Mr M K Ravindra Kumar, Chief Financial Officer and (iii) Mrs S Kavitha, Company Secretary.

The second term of office of Dr Jairam Varadaraj (DIN: 000003361) and Mr Sumanth Ramamurthi, (DIN: 00002773) as Independent Directors, comes to an end on 31st May,2023, Board of Directors have placed their appreciation for the contribution made by them during their Directorship.

Performance Evaluation

The Board of Directors at their meeting held on 13th February, 2023, had carried out an annual evaluation of its own performance and the performance of the Committees of the Board and the individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter "Listing Regulations").

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

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

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

In a separate meeting of Independent Directors held on 24th March, 2023 performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman were evaluated, taking into account the views of the executive Directors and non-executive Directors.

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

Policy on Director's appointment and remuneration and other details

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

Auditors' report and Secretarial Auditors' report

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

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

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

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

Whole Time Directors have not received any commission from company or any commission/ remuneration from subsidiaries during the year under review.

Annual Return

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

Secretarial Standards

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

Particulars of Employees

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

Consolidation of Accounts

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

Maintenance of Cost Records

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

Audit Committee

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

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Corporate Governance

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

Corporate Social Responsibility (CSR)

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

For the financial year 2022-23, the Company spent Rs. 99.09 lakshs on CSR activities as per the provisions of the Companies Act. Annual report on Corporate Social Responsibility is provided in **Annexure E.**

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

Particulars of Loan, Guarantees or Investments

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

Related Party Transactions

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

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

Directors' responsibility statement

The Directors confirm that:

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

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

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

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

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

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

Statutory Auditors

M/s VKS Aiyer & Co., Chartered Accountants (Firm Registration No. 000066S), pursuant to the provisions of Section 139 of the Act, were appointed as the statutory auditors of the Company for a term of 5 years from the conclusion of the 56th AGM till the conclusion of the 61st AGM to be held in the year 2023.

Pursuant to the provisions of Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereof, for the time being in force) the Board of Directors, on the recommendation of the Audit Committee, have re-appointed, M/s VKS Aiyer & Co.,Chartered Accountants (ICAI Firm Registration No.000066S) as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of 61st Annual General Meeting till the conclusion of 66th Annual General Meeting subject to the approval of shareholders at the ensuing Annual General Meeting . Accordingly, a resolution seeking member's approval for their reappointment as Statutory Auditor is included as Item No.3 of the AGM notice.

They have confirmed that they are not disqualified and are eligible to continue in the office for the year 2023-24.

Cost Auditor

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules 2014, the Board of Directors, on the recommendation of the Audit Committee, appointed Mr R Krishnan, Cost Accountant (Associate regn. no. 7799), as the cost auditor of the Company for the financial year 2023-24.

Accordingly, a resolution seeking member's ratification for the remuneration payable to Mr R Krishnan, Cost Auditor is included as Item No.4 of the AGM notice.

Secretarial Auditor

Pursuant to Section 204 of the Act, the Board of Directors has appointed Mr K Duraisami, Practicing Company Secretary, Coimbatore as the secretarial auditor of the Company for the financial year 2023-24.

Insider Trading Regulations

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

Change in nature of business

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

Deposits from public

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

Material Changes

No material changes or commitments affecting the financial position of the Company occurred between the end of the financial year (i.e.31st March, 2023) and the date of this report.

Vigil Mechanism/ Whistle Blower Policy

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

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

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

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

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

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

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

Unclaimed Shares

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

Particulars	Number of share holders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as on 01-Apr-2022	206	40750
Number of shareholders approached the Company for transfer of shares from suspense account during the year	1	500
Number of shareholders to whom shares were transferred from suspense account during the year	1	500
Aggregate number of shareholders and outstanding shares in the suspense account as on 31-Mar-2023	205	40250

The voting rights on the shares outstanding in the suspense account as on 31st March, 2023 shall remain frozen till the rightful owner of such shares claims the shares.

Acknowledgment

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

Coimbatore
26-May-2023

By order of the Board
Ashwin Chandran
Chairman and Managing Director

ANNEXURE A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2023

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

To,

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

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

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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 there under;

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

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

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent applicable. There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

v. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018,

requiring compliance thereof by the Company during the audit period.

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

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

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

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

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

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

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

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

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

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

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

Place : Coimbatore
Date : 26th May, 2023
ICSI UDIN : F006792E000398205

Annexure

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

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was 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. Wherever required, I have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Place : Coimbatore
Date : 26th May, 2023
ICSI UDIN : F006792E000398205

ANNEXURE B - PARTICULARS OF EMPLOYEES

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

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

a) The ratio of the remuneration of each Director to the median employee's remuneration for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2022-23:

Name	Ratio	% increase / (decreases) in remuneration*
Mr Ashwin Chandran	54.68	(64.63)
Mr Prashanth Chandran	49.21	(67.09)
Mr Sumanth Ramamurthi	1.33	-
Dr Jairam Varadaraj	0.81	-
Mr C N Srivatsan	0.97	-
Ms R Bhuvaneshwari	0.81	-
Mr T Kumar	42.37	(42.65)
Mr P Vijay Raghunath	0.93	-
Mr Arun Selvaraj	0.50	-
Dr Vinay Balaji Naidu	0.57	-
Mr J Govind Raju **	NA	-
Mr M K Ravindra Kumar ***	NA	-
Mrs S Kavitha (CS)	NA	13.24

* Note : Percentage increase in remuneration not considered for non-executive Directors, as they are paid remuneration by way of sitting fee for attending the meetings. The Company has increased the sitting fee from Rs.15,000 to Rs.20,000 for the Board and Audit Committee meetings and for other committee meetings from Rs.5,000 to Rs.7,500.

** Mr J Govind Raju, Chief financial officer has been designated as the financial controller of the company effective from 22nd November, 2022.Hence the ratio of his remuneration to median remuneration are not comparable as the remuneration was paid only for part of the year.

*** Mr M K Ravindra Kumar has been appointed as the Chief Financial Officer of the company effective from 22nd November, 2022.Hence the ratio of his remuneration to median remuneration are not comparable as the remuneration was paid only for part of the year.

b) The percentage of remuneration decreased to whole time Directors due to non-applicability of commission on net profit from the Company for the Financial year 2022-23.

c) The percentage increase in the median remuneration of employees for the financial year was 10%

d) The Company has 1462 permanent employees on the rolls as on 31st March, 2023

e) Average percentage increase already made in the salaries of employees other than key managerial personnel in the last financial year-10%.

The average decrease in the key managerial remuneration was (40.28) (due to non-payment of commission on net profit). The increments are based on individual performance, industry benchmark and current compensation trends.

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

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

Name	Date of Joining	Designation	Qualification	Age	Experience (Years)	Remuneration (₹ in lakhs)	Last Employed
Mr Ashwin Chandran	01.08.1997	Chairman and Managing Director	B. Sc (Hons), MBA	47	26	109.9	-
Mr Prashanth Chandran	14.07.2003	Vice Chairman and Managing Director	B. Engg	42	20	98.91	-
Mr T Kumar	26.02.2016	Executive Director	DTT	54	35	85.17	GTN Textiles
Mr K V John	23.11.2009	Vice President	DTT	57	39	57.60	Ambika Cotton Mills Ltd
Mr Ravikumar	20.12.2018	GM	B Tech	52	28	54.42	Concorde Textiles
Mr V Shanmugam	20.04.1997	GM	DTT, MA	55	35	40.14	Schlafhorst Mrktg Co
Mr.N Subbu Raj	08.02.2021	GM	DTT	56	32	32.23	S K S Mills Limited
Mr Annadurai	02.07.2018	Head - Corporate HR	B.Sc., DLI, BL PGDPM&IR, MBA, MLM	56	30	31.73	Lucas TVS Ltd
Mr. Nagarajan S	06.11.2019	AGM	DTT, B Tech.,	55	35	28.76	Sri Lakshmi Ganesh Spinning Mills
Mr M Sakthikumar	23.09.2020	Head - Business Development	M.Com	41	17.7	21.49	Texila American University

GM - General Manager AGM - Assistant General Manager

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

B) The names of every employee who employed throughout the year and was in receipt of remuneration not less than Rs.102 Lakhs per annum or 8.5 Lakhs per Month:

1. Mr Ashwin Chandran - Rs.109.90 lakhs

ANNEXURE C

a. Conservation of Energy

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

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

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

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

c. Foreign Exchange Earnings (Rs. in crores)

Earnings - 380.95

Outflow - 226.14

Net Earnings - 154.81

ANNEXURE D - REPORT ON CORPORATE GOVERNANCE

I. Company's philosophy on code of governance

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

II. Board of directors - composition, category and attendance

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

The Board comprises of ten Directors including three (3) executives and seven (7) non-executive Directors.

During the year 2022-23, the Board of Directors met five times at the Registered Office of the Company on 15-Apr-2022,25-May-2022, 10-Aug-2022, 11-Nov-2022 and 13-Feb-2023. The last annual general meeting (AGM) was held through Video Conference on 22-Aug-2022.

Composition of directors and their attendance

Name of the director	Category	Attendance		No. of directorships in other companies*	No. of committees**		Names of listed entities in which directorship is held & Category of directorship
		Board Meetings	Last AGM		Member	Chairman	
Mr Ashwin Chandran (DIN:00001884)	Chairman - Executive - Promoter	5	Yes	5	3	3	Kovilpatti Lakshmi Roller Flour Mills Limited (Non-Executive Independent Director)
Mr Prashanth Chandran (DIN:01909559)	Vice Chairman - Executive - Promoter	5	Yes	1	2	-	-
Mr Sumanth Ramamurthi (DIN:00002773)	Non-Executive - Independent	4	Yes	6	4	1	Super Spinning Mills Limited (Executive Director)
Dr Jairam Varadaraj (DIN:00003361)	Non-Executive - Independent	4	Yes	9	6	3	Elgi Equipments Limited (Executive Director) Thermax Limited (Non-Executive Independent Director) Magna Electro Castings Limited (Non-Executive Independent Director) Elgi Rubber Company Limited (Non-Executive Non Independent Director)
Mr C N Srivatsan (DIN:00002194)	Non-Executive - Independent	5	Yes	1	1	3	Rane Engine Valve Limited (Non-Executive Independent Director)
Ms R Bhuvaneshwari (DIN:01628512)	Non-Executive - Independent	4	No	4	9	-	Elgi Rubber Company Limited (Non-Executive Independent Director) Kovai Medical Center and Hospital limited (Non-Executive Independent Director)
Mr T Kumar (DIN:07826033)	Executive - Non Promoter	5	Yes	-	-	-	-
Mr P Vijay Raghunath (DIN:00002963)	Non Executive - Independent	5	No	3	4	-	Elgi Rubber Company Limited (Non-Executive Independent Director)
Mr Arun Selvaraj (DIN:01829277)	Non Executive - Independent	3	No	2	4	-	Lakhsmi Electrical Control Systems Limited (Non-Executive Independent Director)
Dr Vinay Balaji (DIN:09232643)	Non Executive - Independent	3	No	1	1	-	L G Balakrishnan & Bros Limited

* Excluding Directorships in foreign Companies including unlisted public Companies

** Chairmanship/ Membership of the committees includes Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility committee.

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

Disclosure of relationships between directors inter-se

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

List of Core Skills/ Expertise/ Competencies as identified by the Board as required for the business to function effectively & those available with the Board

Financial	-	Rich financial expertise in formulating the strategic plan for business, financial and related aspects
Textile Functions	-	Sound Knowledge in the textile operations and technology.
Legal	-	Advice to the Board and assists in the decision making relating to legal and governance aspects.
Technology	-	Sound knowledge in technical aspects of the Industry.

Name of the director	Qualification	Skills and Expertise
Mr Ashwin Chandran (DIN: 00001884)	B.Sc (Hons.), MBA	He has more than 21 years of experience in the textile industry.
Mr Prashanth Chandran (DIN:01909559)	B.E (Hons.)	He has almost 19 years of experience in the textile industry.
Mr Sumanth Ramamurthi (DIN:00002773)	BS Electrical Engineer	He has over three decades of experience in textile industry.
Dr Jairam Varadaraj (DIN:00003361)	MBA, Ph.D in business administration	He has more than 26 years of experience in the field of engineering.
Mr C N Srivatsan (DIN:00002194)	Chartered Accountant	He has more than 26 years of experience in the field of management consultancy.
Ms R Bhuvaneshwari (DIN:01628512)	B.Com, B.L	She has more than 21 years experience specializing in Corporate laws.
Mr T Kumar (DIN:07826033)	DTT	He has over 26 years experience in textile industry. (Spinning Division)
Mr P Vijay Raghunath (DIN:00002963)	B.Com, B.L	He has over 27 years of experience in the legal profession.
Mr Arun Selvaraj (DIN:01829277))	DTT., B.Sc Textile Marketing & Management	He has over 16 years experience in in the filed of Textile
Dr Vinay Balaji Naidu (DIN:09232643)	MDS	He has over 16 years of experience as a specialist in Micro Endodontics

III. Committees of the Board

A. Audit committee

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

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

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

b) Recommend the appointment, remuneration and terms of appointment of auditors of the Company;

c) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval;

d) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

e) Review and monitor the auditors' independence and performance, and effectiveness of audit process;

f) Approval or any subsequent modification of transactions of the Company with related parties;

g) Scrutiny of inter-corporate loans and investments;

h) Evaluation of internal financial controls and risk management systems;

i) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

j) Discussion with internal auditors of any significant findings and follow up thereon;

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

l) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

m) Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;

n) To review the functioning of whistle blower mechanism;

o) The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;

p) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

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

The audit committee meetings were held at the Registered Office of the Company and during the year the committee met four times on 25-May-2022, 10-Aug-2022, 11-Nov-2022 and 13-Feb-2023. The composition of the audit committee and particulars of meetings attended by the members are given below:

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

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

The Company Secretary acts as the secretary of the committee.

B. Nomination and Remuneration committee

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

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

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

The Company does not have employee stock option scheme.

Terms of reference

a) To identify persons who are qualified to become Directors, key managerial persons and senior management personnel and to recommend to the Board their appointment / removal

b) To carry out evaluation of every Director's performance, and

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

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

During the year, the nomination and remuneration committee met 2 times on 25-May-2022 and 11-Nov- 2022 at the Registered Office of the Company. Necessary quorum was present for the meetings. The Company secretary acts as the secretary of the committee.

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

Name of the member	Category	No. of meetings attended
Mr C N Srivatsan - Chairman	Non-Executive - Independent	2
Dr Jairam Varadaraj	Non-Executive - Independent	1
Ms R Bhuvaneshwari	Non-Executive - Independent	1

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

Performance evaluation criteria for Independent Director

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

Details of the remuneration for the financial year ended 31-Mar-2023

The remuneration paid/payable to the executive Directors of the Company for the year ended 31-Mar-2023, are as under

(₹ in Lakhs)

Name of the director	Salary and Perks	Commission	Total	Service contract
Mr Ashwin Chandran Chairman and Managing Director	109.90	-	109.90	01.04.2020 to 31.03.2023
Mr Prashanth Chandran Vice Chairman and Managing Director	98.91	-	98.91	01.04.2020 to 31.03.2023
Mr T Kumar Executive Director	85.17	-	85.17	01.04.2020 to 31.03.2023

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

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

Name of the director	Sitting fees (₹)	No. of Shares held
Mr Sumanth Ramamurthi	2,67,500	8557
Dr Jairam Varadaraj	1,62,500	75
Mr C N Srivatsan	1,95,000	-
Ms R Bhuvaneshwari	1,62,500	-
Mr P Vijay Raghunath	1,87,500	-
Mr Arun Selvaraj	1,00,000	150
Dr Vinay Balaji Naidu	1,15,000	2400

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

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

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

C. Stakeholders' relationship committee

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

The committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints. The share transfers/ transmissions are approved/ratified by the committee. The minutes of the committee are placed at the Board meetings from time to time. Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting of the Company held on 22-Aug-2022.

Terms of reference

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

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

c) To specifically look into the various aspects of interest of shareholders,

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

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

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

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

Five meetings of the stakeholders relationship committee were held during the year under review i.e. 4-Jul-2022, 12-Jul-2022, 5-Aug-2022 23-Dec-2022 and 17-Mar-2023. The necessary quorum was present for all the meetings. Ms S Kavitha, Company Secretary acts as the secretary of the committee and Compliance officer for redressing the shareholders grievance.

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

Name of the member	Category	No. of meetings attended
Mr Sumanth Ramamurthi - Chairman	Non-Executive - Independent	4
Mr Ashwin Chandran	Executive - Non Independent	5
Mr Prashanth Chandran	Executive - Non Independent	4

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

Opening balance	Received during the year	Redressed during the year	Closing balance
Nil	3	3	Nil

D. Other Committees

1. Corporate social responsibility committee

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

Terms of reference

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

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

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

2. Risk management committee

The Company has constituted a Risk Management Committee and adopted a policy on risk management, for identifying and managing risk.

The committee comprised of the following members Mr C N Srivatsan, Mr Ashwin Chandran, Mr Prashanth Chandran, Mr M K Ravindra Kumar, Mr J Govind Raju and Mrs S Kavitha.

Presently audit committee reviews the risk management policy periodically.

3. Finance committee

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

Independent directors' meeting

In accordance with the provisions of schedule IV of the Companies Act, 2013, and Regulation 25(3) of the listing Regulations. A meeting of the independent Directors of the Company was held on 24-Mar-2023 without the attendance of non-independent Directors and members of the Management.

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

Terms and conditions for appointment of independent directors

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

Familiarisation program for independent directors

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

Compliance officer
S Kavitha
Company Secretary and Compliance Officer
and nodal officer - IEPF

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

Management discussion and analysis report

The management analysis report forms part of this annual report.

General body meetings

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

Details	Dates and time	Special Resolutions
2020, 58th AGM	24-Sep-2020 at 4.00 pm, held through Video conference	1. Reappointment of Mr Ashwin Chandran (DIN: 00001884) as Chairman and Managing Director 2. Reappointment of Mr Prashanth Chandran (DIN: 01909559) as Vice Chairman and Managing Director 3. Reappointment of Mr T Kumar (DIN: 07826033) as Executive Director
2021, 59th AGM	17-Sep-2021at 4.00 pm, held through Video conference	1. Reappointment of Mr Vijay Raghunath (DIN: 00002963) as Independent Director 2. Revision of remuneration payable to Mr Ashwin Chandran (DIN: 00001884). 3. Revision of remuneration payable to Mr Prashanth Chandran (DIN: 00001884) 4. Revision of remuneration payable to Mr T Kumar (DIN: 07826033)
2022, 60th AGM	22-Aug-2022 at 3.00 pm, held through Video conference	1. Increase in Borrowing Limits 2. Creation of Security on the Properties of the Company in favour of the Lenders 3. Appointment of Mr Arun Selvaraj (DIN: 01829277) as Independent Director 4. Appointment of Dr Vinay Balaji Naidu (DIN: 09232643) as Independent Director 5. Reappointment of Mr Ashwin Chandran (DIN:00001884) as Chairman and Managing Director 6. Reappointment of Mr Prashanth Chandran (DIN :01909559) as Vice Chairman and Managing Director 7. Reappointment of Mr T Kumar (DIN: 07826033) as Executive Director

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

Code of conduct

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

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

Code of conduct for insider trading

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

Means of communication

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

The Company follows April - March as the financial year. The tentative dates of Board meetings for consideration of quarterly financial results for the financial year ending 31st March, 2024 are as follows. However these dates are subject to change according to the availability of Directors.

1) First quarter results	-	First week of August, 2023,
2) Second quarter and Half yearly results	-	First week of November, 2023,
3) Third quarter results	-	First week of February, 2024,
4) Fourth and Annual results	-	Last week of May, 2024.

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

General shareholder information

Annual general meeting	:	Wednesday, 27- September -2023 at 3.00 p.m
Venue	:	Virtual Meeting hosted from SF. No. 559/4, D Block, 4th Floor, Hanudev Info Park, Nava India Road Coimbatore - 641 028
Financial year	:	1st April 2022 to 31st March,2023
Date of book closure	:	21-Sep-2023 to 27-Sep-2023 (Both days inclusive)

Dividend payment date : Not applicable as the board has not recommended any dividend

Listing on stock exchanges : National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051

Stock code : PRECOT, ISIN : INE283A01014

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

Month	Prices (₹)		S & P Nifty	
	Low	High	Low	High
April 2022	297.10	355.00	16,828.35	17,799.95
May 2022	232.75	308.15	17,255.20	18,134.75
June 2022	207.05	265.00	17,405.55	18,251.95
July 2022	211.70	273.00	17,774.25	18,887.60
August 2022	225.05	271.65	17,959.20	18,816.05
September 2022	235.65	287.65	16,855.55	18,022.80
October 2022	195.20	254.35	16,747.70	18,096.15
November 2022	180.20	208.25	17,154.80	17,992.20
December 2022	155.40	200.50	15,511.05	17,172.80
January 2023	171.15	195.80	15,183.40	16,793.85
February 2023	128.10	176.90	15,735.75	17,132.85
March 2023	131.35	198.90	16,824.70	18,114.65

Annual listing fee for the financial year 2023-24 was paid to National Stock Exchange of India Limited.

The Company has paid custodial fees for the year 2023-24 to National Securities Depository Limited and Central Depository Services (India) Limited.

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

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

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

Share transfer system:

Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities/ Registrar and Share Transfer Agents with effect from 1st April, 2019. Therefore, members holding share(s) in physical form are requested to dematerialize their shareholding in the Company. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets as and when required.

Reconciliation of Share Capital Audit

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

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

Share holding pattern as on 31-Mar-2023:

Category	No. of shares held	Percentage of holding
Promoters and Promoters group		
Indian	7380600	61.51
Public		
Mutual funds/UTI	100	0.00
Financial Inst/ Banks	300	0.00
Bodies corporate	408616	3.40
Public and others	4210384	35.09
Total	**12000000**	**100.00**

Distribution of shareholding as on 31-Mar-2023

Shareholding range	No. of holders	Percentage of holders	No. of shares	Percentage of shares
1-500	5592	84.60	693879	5.78
501-1000	495	7.49	365081	3.04
1001-2000	249	3.77	361236	3.01
2001-3000	92	1.39	227197	1.89
3001-4000	45	0.68	157677	1.31
4001-5000	29	0.43	131875	1.10
5001-10000	56	0.85	387678	3.23
10001 & Above	52	0.79	9675377	80.64
Total	**6610**	**100.00**	**12000000**	**100.00**

Dematerialisation status of shares as on 31-Mar-2023:

Particulars	No. of Shares	% to Share capital
National Securities Depository Limited	9695376	80.79
Central Depository Services (India) Limited	2009464	16.75
Total	**11704840**	**97.54**

There are no outstanding GDR/ADR/Warrants or any convertible instruments as on 31st March, 2023

Plant locations:

1 Kanjikode, Palakkad, Kerala

2 Kodigenahalli, Hindupur, Andhra Pradesh

3 Nanjegoundanpudur,Pollachi, Tamil Nadu

4 & 5 Chandrapuram, Walayar, Kerala

6 Gowribidanur, Kolar, Karnataka

7 Hassan, Karnataka.

Address for correspondence:

Precot Limited,
Secretarial Department,
Regd. Office: SF. No. 559/4, D Block,
4th Floor, Hanudev Info Park, Nava India Road,
Udaiyampalayam, Coimbatore – 641 028
Phone: 0422 - 4321100
Email: secretary@precot.com
Website: www.precot.com
CIN: L17111TZ1962PLC001183

Fees paid to Statutory Auditors

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

₹ Lakhs

Particulars	2022-23
(a) Audit fee	**15.00**
(b) Taxation matters	**4.35**
(c) Other services - Certification	**2.16**
(d) For reimbursement of expenses	**0.72**
	22.23

Significant Changes in Key Financial Ratios and change in Net Worth for the financial year 2021-22 and 2022-23

Key Financial Ratios	2022-23	2021-22	% of Change	Explanation
Debtors Turnover	7.10	7.89	(10.01)	Poor market conditions
Inventory Turnover (in times)	3.80	5.12	(25.78)	Poor market conditions
Current Ratio	1.23	1.16	6.03	Not applicable
Interest Coverage	0.44	1.98	(77.78)	Decrease in principal repayments and profit
Debt Equity Ratio	0.99	0.85	16.47	Not applicable
Operating Profit Margin	(0.96)	16.29	(94.10)	Decrease in revenue from operations
Net Profit Margin	(2.83)	11.04	(125.63)	
Return on Net Worth	(6.81)	25.06	(72.83)	

Credit ratings

Below are the Credit ratings obtained by the Company for the Non- convertible Debentures issued during the financial year ended 31st March 2023.

Credit Rating Agency	Rating	Remarks	Date
INDIA Ratings	IND BBB+ / Stable	Assigned	14.06.2022
	IND BBB+ / Negative	Affirmed; Outlook revised to Negative from Stable	21.02.2023

Disclosures

1. During the year under review the Company has not made any fresh issue of shares. The paid up capital of the Company stood at Rs.1,200 lakhs as at 31st March,2023.

2. Details of transactions with related parties are provided in note no. 52 to notes forming part of the accounts in accordance with the provision of Indian Accounting Standard 24. There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large.

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

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

5. Exposure of the Company to commodity and commodity risks faced by the Company during the year are disclosed in note no:44 of the financial statements.

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

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

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

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

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

11. The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with forex policy of the Company. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposure as on 31st March, 2023 are disclosed in notes to the financial statements.

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

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

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

By order of the Board
Ashwin Chandran
Chairman & Managing Director

Coimbatore
26-May-2023

Declaration regarding compliance of company's code of conduct

All the Board members and senior management personnel affirmed compliance with the code of conduct of the Company for the financial year ended 31st March,2023.

Coimbatore
26-May-2023

Ashwin Chandran
Chairman & Managing Director

Certificate of Corporate Governance

To

The members of PRECOT limited
(formerly known as Precot Meridian Limited)
Coimbatore.

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

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and Management I certify that the Company had complied with the conditions of Corporate Governance as per relevant provisions of LODR for the period from 01st April, 2022 to 31stMarch, 2023.

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

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

Place : Coimbatore
Date : 08.05.2023
ICSI UDIN :F00679E000270981

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

To

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

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

In my opinion and to the best of information and according to the verification (including Directors Identification (DIN) status at the website: www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers , I hereby certify that none of the Directors of the Company as stated below, for the Financial Year ended 31st March,2023, have been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI, Ministry of Corporate Affairs, Reserve Bank of India and any other Statutory Authority (ies)

S.No	Name of the Director	Designation	DIN	Date of Appointment
1	Mr.Ashwin Chandran	Managing Director	00001884	30.07.2003
2	Mr.Prasanth Chandran	Managing Director	01909559	01.04.2011
3	Mr.Kumar Thillai	Wholetime Director	07826033	26.05.2017
4	Mr.Srivatsan	Independent Director	00002194	25.11.2004
5	Mr. Sumanth Ramamurthi	Independent Director	00002773	22.02.1992
6	Mr P Vijay Raghunath	Independent Director	00002963	01.06.2017
7	Mr. Jairam Varadaraj	Independent Director	00003361	29.01.2002
8	Ms.Vidyasankar Bhuvaneshwari	Independent Director	01628512	30.05.2014
9	Mr Arun Selvaraj	Independent Director	01829277	01.06.2022
10	Dr Vinay Balaji Naidu	Independent Director	09232643	01.06.2022

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

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

Place : Coimbatore
Date : 08.05.2023
ICSI UDIN: F006792E000271078

Annexure E
Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company : Placed on the website of the company

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee held during the year
1	Mr. Ashwin Chandran	Chairman and Managing Director	2	1
2	Mr. Prashanth Chandran	Vice Chairman and Managing Director	2	2
3	Mr. Sumanth Ramamurthi	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. — www.precot.com

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 — Rs.49,40,17,333

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135 — Rs.98,80,347

   (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)] — Rs.98,80,347

6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project) — Rs. 99,08,951

   (b) Amount Spent on administrative overheads — Nil

   (c) Amount Spent on Impact assessment, If applicable — NA

   (d) Total amount spent for the Financial year [(a+b+c)] — Rs. 99,08,951

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to unspent CSR Amount 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
Rs.99,08,951	-	-	-	-	-

(f) Excess amount for set - off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two Percent of arrearage net profit of the company as per section 135(5)	98,80,347
(ii)	Total amount spent for the Financial Year	99,08,951
(iii)	Excess amount spent for the financial year	28,604
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	28,604

7. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in unspent CSR account under section 135(6)	Amount spent in the Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
1.	-	-	-		-	-	- -	
	Total							

8. Whether any capital assets have been created or acquired through corporate social responsibility amount in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

M K Ravindra Kumar
Chief Financial Officer

Ashwin Chandran
Chairman of CSR Committee
(DIN : 00001884)

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

ANNEXURE F

Form AOC 2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

f) Amount paid as advances, if any : None

Coimbatore
26-May-2023

Ashwin Chandran
Chairman and
Managing Director

₹ Lakhs

	2017	2018	2019	2020	2021	2022	2023
	IGAAP	IndAS					
Operating Results							
Total revenue	70,441	71,456	79,641	73,667	67,084	99,977	**96,106**
PBIDT	5,330	6,759	6,363	4,897	9,884	19525	**3,501**
Interest	4,273	4,079	4,053	3,919	3,272	2,898	**3,614**
PBDT	1,057	2,680	2,310	1,978	6,612	16,627	**(113)**
Depreciation	3,420	3,257	3,137	3,274	3,317	3,253	**3,340**
Income Tax	-	-	-	357	-	2,280	**-**
Other Taxes	-	-	-	-	-	553	**(850)**
PAT	(2,363)	(577)	(827)	(1652)	3,295	10,542	**(2602)**
Dividend & Dividend Tax	-	-	-	-	-	-	**720**
Retained cash earnings	1,057	2,680	2,310	1978	6612	16,627	**(833)**
Performance Parameters							
Net Fixed Assets (WDV)	53,732	50,997	48,986	44,733	42,217	44,042	**42,619**
Share Capital	1,200	1,200	1,200	1,200	1,200	1,200	**1,200**
Free Reserves	31,343	30,809	30,026	27,476	30,622	40,872	**37,031**
Net worth	32,543	32,009	31,226	28,676	31,822	42,072	**38,231**
Borrowings	31,559	37,825	32,406	29,611	27,380	35,777	**37,783**
Debt: Equity	1.0	1.2	1.0	1.0	0.9	0.9	**1.0**
Dividend (%)	-	-	-	-	-	60%	**-**
Earnings per share (Rs.)	(20)	(5)	(7)	(14)	27	88	**(22)**

INDEPENDENT AUDITOR'S REPORT

To the Members of PRECOT LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Precot Limited** ("the Company") which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>**Valuation of inventory:**</u> As at 31st March 2023, the Company's inventories amounted to ₹ 24,200.89 lakhs representing 27% of the Company's total assets as at 31st March, 2023. The Company's inventory primarily comprises cotton, WIP, yarn and technical textile products. Inventories are valued at the lower of the cost and net realizable value ('NRV'). Considering the volatility in the prices of raw material and finished goods and significant degree of management judgement and estimation involved in valuation of inventories, we identified the valuation of inventories as a key audit matter.	Our audit procedures included the following: • Assessed the appropriateness of the accounting policy for inventories as per the relevant accounting standards. • Obtained an understanding of and performed the test of design and operating effectiveness of the Company's key internal controls over the process for valuation of inventories. • Compared the cost of raw materials with supplier invoices for selected samples. • In connection with NRV testing, we have compared carrying value to subsequent selling price of selected samples as indicated in sales invoices subsequent to the reporting date. • In respect of inventories remaining unsold, we compared the carrying value of inventories with prevailing quotations / market prices of selected samples subsequent to the reporting period. • Assessed the appropriateness of disclosures in the financial statements in accordance with the applicable accounting standards.

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone/consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, as stated above, which is expected to be received after the date of our audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in **"Annexure 1"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

   e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 standalone financial statements of the Company and the operating effectiveness of such controls, we give our separate report in **"Annexure 2";**

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations as on 31st March 2023 on its financial position in its standalone financial statements - Refer Note 46 to the standalone financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023;

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.59(ii)A to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.59(ii)B to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(v) The final dividend proposed with respect to previous year, declared and paid by the company during the year is in compliance with section 123 of the Companies Act 2013 as applicable. The Board of Directors have not proposed any dividend during the year.

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

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

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

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN:23028328BGUEXI4138

Place: Coimbatore
Date: 26th May, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Precot Limited on the Standalone Financial Statements for the year ended March 31, 2023]

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

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

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

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

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

Description of property	Held in the name of	Gross Carrying Value as on 31st March 2023 (₹ in Lakhs)	Property held since which date	Reasons for not being held in the name of the Company
Freehold Land	Meridian Spintex Limited	1,422.87	01.09.2006	The title deeds are in the name of Meridian Spintex Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order dt. 01.09.2006.
Freehold Land	Suprem Textiles Processing Limited	173.10	18.09.2017	The title deeds are in the name of Suprem Textiles Processing Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017.
Freehold Land	Multiflora (Floriculture) Private Limited	613.20	18.09.2017	The title deeds are in the name of Multiflora (Floriculture) Private Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017.
Freehold Land	Meridian Industries Limited	51.00	01.09.2006	The title deeds are in the name of Meridian Industries Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order dt. 01.09.2006.

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

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

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

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

For the quarter ended	Details of discrepancies					
	Nature of current asset / liability	Nature of discrepancy	Amount (₹ in lakhs)			Remarks (including subsequent rectification, if any)
			As per quarterly returns and statement	As per unaudited books of account	Difference	
30.06.2022	Inventory	The difference is on account of adjustment entries passed during limited review.	26,389.98	28,296.24	(1,906.26)	Nil
30.09.2022	Inventory		24,417.53	28,194.57	(3,777.04)	
31.12.2022	Inventory		25,445.26	24,683.87	761.39	

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

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

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

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

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

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

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

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

Name of the Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Sales tax and penalties	1.77	1999 - 2000	High Court
Andhra Pradesh Value Added Tax Act, 2005	Sales tax	3.74	2015-16	Appellate Tribunal
Central Excise Act, 1944	CENVAT credit	36.58	2014 -15	Commissioner of GST and Central Excise (Appeals), Coimbatore
		37.06	2014 -15	
		38.21	2014-15 & 2015 -16	
		40.92	2015 -16	
		36.60	2015-16 & 2016-17	
Income Tax Act, 1961	Income tax	4.43	AY 2013 -14	Order pending with Assessing Officer, Coimbatore
Income Tax Act, 1961	Income tax	19.74	AY 2014 -15	ITAT, Chennai
Central Goods and Services Tax Act, 2017	Transitional Cenvat credit	50.26	April 2017 to June 2017	The Principal Commissioner of GST & Customs (Appeals)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xx) There is no unspent amount under Section 135(5) of the Companies Act, 2013 pursuant to any project under CSR. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN:23028328BGUEXI4138

Place: Coimbatore
Date: 26th May, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Precot Limited** on the Standalone Financial Statements for the year ended March 31, 2023]

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

Opinion

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness.

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

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

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

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

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN:23028328BGUEXI4138

Place: Coimbatore
Date: 26th May, 2023

₹ Lakhs

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non - Current assets			
(a)Property, Plant and Equipment	2	**41,944.82**	40,373.85
(b) Right of use Asset	3 (a)	**337.55**	463.73
(c) Capital work-in-progress	3 (b)	**296.76**	3,160.28
(d) Intangible assets	3 (c)	**30.84**	44.08
(e) Intangible assets under development	3 (d)	**9.33**	-
(f) Financial Assets			
(i) Investments	4	**777.81**	1,299.53
(ii) Other Financial Assets	5	**985.19**	810.09
(g) Deferred tax assets (net)	6	**569.32**	-
(h) Other non-current assets	7	**2,448.54**	1,018.67
Total Non Current Assets		**47,400.16**	**47,170.23**
(2) Current assets			
(a) Inventories	8	**24,200.89**	24,141.02
(b) Financial Assets			
(i) Investments	9	**198.69**	-
(ii) Trade receivables	10	**11,870.97**	13,994.54
(iii) Cash and cash equivalents	11	**61.22**	148.39
(iv) Bank balances other than (iii) above	12	**585.34**	916.30
(v) Loans	13	**72.40**	63.87
(vi) Other financial assets	14	**39.91**	39.07
(c) Other current assets	15	**3,888.33**	4,504.43
Total Current Assets		**40,917.75**	**43,807.62**
TOTAL ASSETS		**88,317.91**	**90,977.85**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	16	**1,200.00**	1,200.00
(b) Other Equity	17	**37,031.26**	40,872.29
Total Equity		**38,231.26**	**42,072.29**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	**14,497.10**	8,169.55
(ii) Lease Liability	19	**-**	90.32
(iii) Other Financial Liabilities	20	**-**	17.22
(b) Provisions	21	**2,262.55**	2,153.35
(c) Deferred tax liabilities (Net)	6	**-**	455.17
(d) Other non-current liabilities	22	**43.06**	112.15
Total Non Current Liabilities		**16,802.71**	**10,997.76**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**23,285.49**	27,607.72
(ii) Lease Liability	24	**90.32**	103.31
(iii) Trade payables	25		
- Outstanding dues of Micro & Small Enterprises		**120.00**	282.23
- Outstanding dues of Creditors other than Micro & Small Enterprises		**6,190.10**	3,537.11
(iv) Other Financial Liabilities	26	**2,906.45**	5,377.46
(b) Other current liabilities	27	**380.43**	436.04
(c) Provisions	28	**311.15**	271.65
(d) Current Tax Liabilities (Net)		**-**	292.28
Total Current Liabilities		**33,283.94**	**37,907.80**
TOTAL LIABILITIES		**50,086.65**	**48,905.56**
TOTAL EQUITY AND LIABILITIES		**88,317.91**	**90,977.85**

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

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S
C.S.Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 26-May-2023

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

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

S Kavitha
Company Secretary
(FCS No. 8710)

₹ Lakhs

	Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
I	Revenue From Operations	29	**95,382.31**	99,328.12
II	Other income	30	**723.77**	649.09
III	**Total Income (I+II)**		**96,106.08**	**99,977.21**
IV	**Expenses**			
	Cost of materials consumed	31	**64,797.86**	53,216.60
	Purchase of Stock-in-Trade	32	**2.90**	-
	Changes in inventories of finished goods, stock in trade and work-in-progress	33	**(2,471.81)**	(4,358.47)
	Employee benefits expense	34	**8,463.01**	9,360.16
	Finance costs	35	**3,613.55**	2,897.73
	Depreciation and amortization expenses	36	**3,339.74**	3,252.51
	Other expenses	37	**21,813.12**	22,233.72
	Total Expenses (IV)		**99,558.37**	**86,602.25**
V	**Profit/(Loss) before exceptional items and Tax (III - IV)**		**(3,452.29)**	**13,374.96**
VI	**Exceptional items**		**-**	**-**
VII	**Profit/(Loss) before tax (V - VI)**		**(3,452.29)**	**13,374.96**
VIII	**Tax expense:**			
	(1) Current tax		**-**	2,280.00
	(2) Deferred tax	38	**(850.03)**	553.09
IX	**Profit/(Loss) after Tax (VII - VIII)**		**(2,602.26)**	**10,541.87**
X	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss			
	a) Remeasurement of the defined benefit plans		**(60.63)**	(522.90)
	b) Gains / (Losses) on fair value of Equity instruments measured at fair value through OCI		**(632.62)**	133.83
	c) Income tax relating to items that will not be reclassified to profit or loss		**174.48**	97.92
	Total Other Comprehensive Income		**(518.77)**	**(291.15)**
XI	**Total Comprehensive Income for the year (IX + X)**		**(3,121.03)**	**10,250.72**
XII	Earnings per equity share of face value of ₹ 10/- each			
	- Basic and Diluted (in ₹)	39	**(21.69)**	87.85

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

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S
C.S.Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 26-May-2023

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

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

S Kavitha
Company Secretary
(FCS No. 8710)

Standalone Statement of changes in equity for the year ended 31st March 2023

A. EQUITY SHARE CAPITAL

₹ Lakhs

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

₹ Lakhs

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,200.00	-	1,200.00	-	1,200.00

B. OTHER EQUITY

₹ Lakhs

Particulars	Reserves and Surplus					Items of other comprehensive Income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Equity instruments through other Comprehensive Income	Re-measurement of the defined benefit plans	
Balance as at 01st April, 2022	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**24,419.25**	**2,163.01**	**(646.03)**	**40,872.29**
Profit/ (Loss) for the year					(2,602.26)			**(2,602.26)**
Other Comprehensive Income for the year (net of tax)						(473.40)	(45.37)	**(518.77)**
Dividend Paid					(720.00)			**(720.00)**
Balance as at 31st March, 2023	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**21,096.99**	**1,689.61**	**(691.40)**	**37,031.26**
Balance as at 01st April, 2021	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**13,877.38**	**2,062.86**	**(254.73)**	**30,621.57**
Profit/ (Loss) for the year					10,541.87			**10,541.87**
Other Comprehensive Income for the year (net of tax)						100.15	(391.30)	**(291.15)**
Balance as at 31st March, 2022	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**24,419.25**	**2,163.01**	**(646.03)**	**40,872.29**

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

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S
C.S.Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 26-May-2023

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

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

S Kavitha
Company Secretary
(FCS No. 8710)

₹ Lakhs

Particulars		For the year ended 31.03.2023		For the year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before tax		**(3,452.29)**		**13,374.96**
Adjustments for :				
Depreciation and amortization expenses	**3,339.74**		3,252.51	
Interest income	**(94.47)**		(127.65)	
(Gain)/Loss on fair valuation of financial assets at fair value through Profit and Loss	**(4.90)**		(4.34)	
Dividend from Financial assets at FVTPL	**(0.10)**			
(Profit)/Loss on sale of Property,Plant and Equipment (net)	**(239.00)**		(44.81)	
Unrealised foreign exchange loss/(gain)	**(45.22)**		(238.20)	
Liabilities no more payable	**(102.45)**		(5.92)	
Finance cost (including fair value change in financial instruments)	**3,613.55**		2,897.73	
Allowance for credit loss (net)	**161.10**		(175.27)	
Provision/(reversal) of doubtful advances	**(19.28)**		(2,173.22)	
Bad debts written off	**19.76**		262.29	
Irrecoverable advance written off	**1.13**		2,142.64	
Other adjustments	**67.09**		106.39	
		6,696.95		**5,892.15**
Operating Profit before working capital changes		**3,244.66**		**19,267.11**
Adjustments for :				
(Increase) / Decrease in Inventories	**(59.87)**		(11,021.13)	
(Increase) / Decrease in Trade Receivables	**1,987.38**		(3,835.66)	
(Increase) / Decrease in Loans and Other Financial Assets	**(183.62)**		193.05	
(Increase) / Decrease in Other Assets	**607.86**		(255.12)	
Increase / (Decrease) in Trade Payable	**2,593.26**		846.48	
Increase / (Decrease) in Other Financial Liabilities	**(2,694.44)**		2,624.29	
Increase / (Decrease) in Other Liabilities and Provisions	**31.33**		(268.55)	
		2,281.90		**(11,716.64)**
Cash generated from Operations		**5,526.56**		7,550.47
Direct Taxes		**(603.28)**		(1,996.61)
Net Cash Flow from operating activities		**4,923.28**		**5,553.86**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment (Including CWIP)	**(2,079.87)**		(5,142.15)	
Advance settled for purchase of Property, Plant and Equipment	**(1,110.65)**		(540.09)	
Sale of Property, Plant and Equipment	**401.79**		74.26	
Purchase of Non - Current Investments	**(110.90)**		(10.89)	
Purchase of current investments	**(206.44)**		-	
Other Investing activities	**6.85**		-	
Interest Received	**93.63**		140.06	
Dividend received	**0.10**		-	
Net Cash flow used in investing activities		**(3,005.49)**		**(5,478.81)**
C. CASH FLOW FROM FINANCING ACTIVITIES:-				
Unclaimed dividends paid	**-**		(4.91)	
Interest Paid	**(3,376.06)**		(2,682.10)	
Dividend paid	**(712.12)**		-	
Proceeds / (Repayment) of Long Term Borrowings	**2,588.57**		(1,031.44)	
Repayment of lease liability	**(116.65)**		(114.09)	
Proceeds / (Repayments) of Unsecured Loan	**(1,000.82)**		(731.52)	
Proceeds / (Repayments) of loans repayable on demand	**281.16**		4,656.91	

Particulars	For the year ended 31.03.2023	₹ Lakhs For the year ended 31.03.2022
Net Cash Flow from / (used in) Financing Activities	**(2,335.92)**	**92.85**
Net Increase/(Decrease) in Cash and Cash Equivalent	**(418.13)**	167.90
Cash and Bank Balances as at		
01.04.2022 and 01.04.2021 (Opening balance)	**1,064.69**	896.79
Less: Bank balances not considered as Cash and Cash Equivalents		
as per Indian Accounting Standard 7	**585.34**	916.30
Cash and Cash Equivalents as at		
31.03.2023 and 31.03.2022 (Closing balance) (Refer note no. 11)	**61.22**	**148.39**

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

Particulars	Non Current Borrowings (including current maturities)	Current Borrowings	Lease Liability
As on 31.03.2023			
Opening Balance as at 01st April, 2022	**14,832.17**	**20,945.10**	**193.63**
Cash Flows (Net) - Proceeds/(Repayment)	2,588.57	(719.66)	(116.65)
Additions during the year - Impact on account of Ind AS 116	-	-	13.34
Other adjustments	(78.81)	(0.50)	-
Amortisation of loan origination cost	17.82	-	-
De-recognition of unamortised portion of finance charges	197.90		
Closing Balance as at 31st March, 2023	**17,557.65**	**20,224.94**	**90.32**
As on 31.03.2022			
Opening Balance as at 01st April, 2021	**15,712.42**	**16,920.03**	**285.12**
Cash Flows (Net) - Proceeds/(Repayment)	(1,031.44)	3,925.39	(114.09)
Additions during the year - Impact on account of Ind AS 116	-	-	22.60
Other adjustments	(0.60)	99.68	-
Amortisation	151.79	-	-
Closing Balance as at 31st March, 2022	**14,832.17**	**20,945.10**	**193.63**

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

Vide our report of even date attached

For and on behalf of the Board of Directors

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

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

C.S.Sathyanarayanan
Partner
M. No: 028328
Place : Coimbatore
Date : 26-May-2023

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

S Kavitha
Company Secretary
(FCS No. 8710)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note 1

a. Corporate Information:

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

b. Significant Accounting Policies

I. General Information and Statement of Compliance

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

The Standalone financial statements were authorized and approved for issue by the Board of Directors on 26th May 2023.

II. Basis of Preparation and Presentation

The Standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013.

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

III. Use of Estimates

The preparation of Standalone financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgements and the use of assumptions in these Standalone Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

IV. Current Vs Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non-current classification of assets and liabilities.

Deferred tax assets and liabilities are always classified as non-current assets and liabilities.

V. Revenue recognition

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

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

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

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

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

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

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

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

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

VI. Leases

The Company as a lessor: Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company as a lessee: The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. 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 assesses whether

i. the contract involves the use of an identified asset

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right- of- use (R O U) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in- use) is determined on an individual asset basis unless the asset does not generate cash fiows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash fiows.

VII. Foreign Currency Transactions

Functional and presentation currency

The Standalone financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Company.

Initial Recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions or an average rate if the average rate approximates the actual rate at the dates of the transactions.

Conversion

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 based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

VIII. Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IX. Intangible Assets and Amortisation:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and impairment, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. 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.

The Company has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software - Acquired	6 years

X. Impairment of Non Financial assets:

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

XI. Borrowings:

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

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

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

XII. Government Grants:

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

XIII. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

XIV.Inventories:

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

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

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

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

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

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

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

XV. Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

XVI. Taxation

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided, using the balance sheet method, on all deductible temporary difierences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difierences, and the carryforward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that suficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re- assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized 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 efiect is included in the accounting for the business combination.

Deferred tax assets and liabilities are ofiset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

XVII. Employee Benefits

Retirement benefit costs and termination benefits:

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

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

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

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

b. net interest expense or income; and

c. re-measurement

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

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

Short-term and other long-term employee benefits:

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

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

XVIII. Provisions and contingent liabilities

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

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

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

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

XIX. Financial Instruments

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

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

A. Financial Assets:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Investment in Subsidiaries, Associates and Joint ventures:

The Company's investment in equity instruments of Subsidiaries, Associates and Joint venture are accounted for at cost as per Ind

AS 27.

(iii) Derecognition of financial assets: The Company derecognises a financial asset when the contractual rights to the cash fiows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.On derecognition of a financial asset in its entirety, the difierence between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difierence between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised inprofit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

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

B. Financial liabilities and equity instruments

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

(i) Recognition and initial Measurement:

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

(ii) Subsequent measurement

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

a. **Loans and borrowings**

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

b. **Trade and other payables**

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

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

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

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

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

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

(iv) Derivative financial instruments: The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and FE rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

C. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d. **Compound Financial Instruments**

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

XX. Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the Standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Significant accounting judgements, estimates and assumptions:

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

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

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

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

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

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

iv. **Fair Value Measurement:** When the fair values of financial assets or financial liabilities recorded or disclosed in the Standalone financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 37.

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

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

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

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

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Ind AS 12, Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company does not expect the amendments to have any significant impact in the standalone financial statements.

₹ Lakhs

2. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Building	Plant and equipment	Furnitures including office Equipments	Vehicles	Computer	Total
Gross Carrying Value							
As at 31st March 2021	**23,788.22**	**6,845.58**	**25,925.57**	**195.19**	**249.39**	**145.50**	**57,149.45**
Additions / Adjustments	-	4.65	1,932.28	12.55	189.84	90.08	2,229.40
Deductions	-	-	215.32	1.17	12.18	10.15	238.82
As at 31st March 2022	**23,788.22**	**6,850.23**	**27,642.53**	**206.57**	**427.05**	**225.43**	**59,140.03**
Additions	-	24.12	4,763.49	7.49	112.87	26.10	4,934.07
Deductions	-	-	281.63	-	8.70	11.57	301.90
As at 31st March 2023	**23,788.22**	**6,874.35**	**32,124.39**	**214.06**	**531.22**	**239.96**	**63,772.20**
Accumulated depreciation and impairment							
As at 31st March 2021	**-**	**1,715.22**	**13,794.80**	**117.09**	**108.69**	**90.70**	**15,826.50**
Depreciation / Adjustments	-	339.40	2,678.58	23.04	40.22	32.81	3,114.05
Deductions	-	-	156.62	0.84	9.66	7.25	174.37
As at 31st March 2022	**-**	**2,054.62**	**16,316.76**	**139.29**	**139.25**	**116.26**	**18,766.18**
Depreciation	-	334.23	2,761.03	22.37	53.84	28.85	3,200.32
Deductions	-	-	124.25	-	7.02	7.85	139.12
As at 31st March 2023	**-**	**2,388.85**	**18,953.54**	**161.66**	**186.07**	**137.26**	**21,827.38**
Net Carrying Value							
As at 31st March 2022	23,788.22	4,795.62	11,325.76	67.28	287.80	109.17	40,373.85
As at 31st March 2023	**23,788.22**	**4,485.50**	**13,170.85**	**52.40**	**345.15**	**102.70**	**41,944.82**

Certain Property, Plant and Equipment has been given as security against borrowings availed by the company- (Refer note no:18 & 23)

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

₹ Lakhs

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

3 (a) RIGHT OF USE ASSET:

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 31st March 2021	**390.60**	**383.30**	**773.90**
Additions	-	-	-
Deductions	-	-	-
As at 31st March 2022	**390.60**	**383.30**	**773.90**
Additions	-	-	-
Deductions	-	-	-
As at 31st March 2023	**390.60**	**383.30**	**773.90**
Accumulated Amortization and Impairment			
As at 31st March 2021	**61.04**	**121.67**	**182.71**
Amortization	30.46	97.00	127.46
Deductions	-	-	-
As at 31st March 2022	**91.50**	**218.67**	**310.17**
Amortization	30.50	95.68	126.18
Deductions	-	-	-
As at 31st March 2023	**122.00**	**314.35**	**436.35**
Net Carrying Value			
As at 31st March 2022	299.10	164.63	463.73
As at 31st March 2023	**268.60**	**68.95**	**337.55**

3(b) CAPITAL WORK IN PROGRESS

₹ Lakhs

As at 31st March 2022	3160.28
As at 31st March 2023	**296.76**

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

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	296.15	0.61	-	-	296.76
Projects temporarily suspended	-	-	-	-	-

Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2022

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,160.28	-	-	-	3,160.28
Projects temporarily suspended	-	-	-	-	-

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

3(c) INTANGIBLE ASSET

₹ Lakhs

Particulars	Amount
Gross Carrying Value	
As at 31st March 2021	**130.51**
Additions	16.61
Deductions	-
As at 31st March 2022	**147.12**
Additions	-
Deductions	-
As at 31st March 2023	**147.12**
Accumulated Amortization and Impairment	
As at 31st March 2021	**92.04**
Amortization	11.00
Deductions	-
As at 31st March 2022	**103.04**
Amortization	13.24
Deductions	-
As at 31st March 2023	**116.28**
Net Carrying Value	
As at 31st March 2022	44.08
As at 31st March 2023	**30.84**

3 (d) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Lakhs

As at 31st March 2022	-
As at 31st March 2023	**9.33**

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

₹ Lakhs

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

Intangible assets under development (IAUD) ageing schedule as at 31st March 2022

₹ Lakhs

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

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

4. INVESTMENTS

₹ Lakhs

	Particulars	31.03.2023	31.03.2022
Investment in Partnership Firm - at Amortized cost			
Investment in Partnership Firm - Suprem Associates *		**81.47**	81.47
Investment in equity shares at fair value through other comprehensive income			
Trade Investments - Unquoted, fully paid up			
12,06,000 shares	A.P. Gas Power Corporation Limited of ₹10 each (as on 31.03.22- 12,06,000 shares)	**517.62**	1,218.06
2,25,000 shares	Sai Regency Power Corporation Private limited of ₹ 10 each (as on 31.03.22 - 2,25,000 shares)	-	-
14,000 shares	OPG Energy Private Limited of ₹ 10 each (as on 31.03.22 - 14,000 shares)	-	-
1,08,870 shares	Nagai Power Private Limited of ₹ 10 each (as on 31.03.22 - 1,08,870 shares)	-	-
83,004 shares	Ind-Bharath Power Gencom Limited of ₹ 10 each (as on 31.03.22 - 83,004 shares)	-	-
56,256 shares	Vishnupriya Farms Private Limited of ₹ 10 each (as on 31.03.22 - Nil)	**178.72**	-
	Total Trade Investments	**696.34**	**1,218.06**
	TOTAL INVESTMENTS	**777.81**	**1,299.53**
Aggregate amount of Quoted Investments and Market Value thereof		-	-
Aggregate amount of Unquoted Investments		**777.81**	**1,299.53**
Category-wise Non current investment			
Financial assets carried at amortized cost		**81.47**	**81.47**
Financial assets measured at fair value through other comprehensive income		**696.34**	**1,218.06**
	Total Non current investment	**777.81**	**1,299.53**

₹ Lakhs

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

Particulars	Profit Sharing ratio	Capital as at 31st March 2023	Capital as at 31st March 2022
Precot Ltd	**99.88%**	**81.47**	81.47
Ashwin Chandran	**0.12%**	**0.10**	-
V.Subramanian	**-**	**-**	0.10

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

5. OTHER FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Security Deposits	**985.19**	786.32
Margin money	**-**	23.77
	985.19	**810.09**

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

₹ Lakhs

Particulars		31.03.2023	31.03.2022
A. Deferred Tax Assets			
- On disallowances under the income tax act		**96.00**	101.58
- On unused tax losses and benefits		**899.29**	-
- On employee benefit expense		**378.00**	347.41
- On fair value adjustment of financial instruments		**374.97**	198.72
- On lease liability		**21.97**	46.93
	TOTAL (A)	**1,770.23**	**694.64**
B. Deferred Tax Liability			
-On PPE and intangible assets		**1,200.91**	1,149.81
	TOTAL (B)	**1,200.91**	**1,149.81**
Deferred tax Asset/ (liabilities) (Net) (Refer note no.38)	**(A-B)**	**569.32**	**(455.17)**

7. OTHER NON-CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Capital advances	**1,927.52**	816.87
Advance Tax (net)	**490.09**	179.10
Prepayments	**30.93**	22.70
	2,448.54	**1,018.67**

8. INVENTORIES

₹ Lakhs

Particulars		31.03.2023	31.03.2022
Raw Materials		**12,465.34**	15,300.93
Work-in-progress		**1,702.44**	2,140.50
Finished goods		**8,135.03**	5,337.76
Stock in trade		**2.90**	-
Stores and spares		**1,693.36**	1,269.71
Waste Cotton		**201.82**	92.12
		24,200.89	**24,141.02**
Details of stock in transit			
Raw Materials		**1,500.29**	1,790.83
Stores and spares		**87.50**	93.66
	TOTAL	**1,587.79**	**1,884.49**

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

(ii) Inventory held at net realizable value amounting to ₹ 4,428.34 lakhs. (PY ₹ 88.53 Lakhs).

The amount of write down of inventory recognised as an expense during the current year is ₹ 309.82 Lakhs (PY ₹ 13.49 Lakhs).

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

(iv) Inventories have been given as security against certain bank borrowings of the Company - (Refer note nos. 18 & 23)

(v) Cost of inventory recognised as an expense:

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Cost of materials consumed	**64,797.86**	53,216.60
Cost of traded goods sold	**2.90**	-
Consumption of Stores & Spare parts	**4,332.53**	3,563.64
Consumption of Fuel	**946.04**	589.70

9. INVESTMENTS - At Fair Value through Profit and Loss

Particulars	31.03.2023	31.03.2022
Investments under Portfolio Management Scheme	**198.69**	**-**
Total	**198.69**	**-**
Aggregate value of Quoted Investments and Market Value thereof	**198.69**	**-**
Aggregate value of Unquoted Investments	**-**	-

10. TRADE RECEIVABLES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Trade Receivable considered good - Unsecured	**12,150.50**	14,112.97
Less: Allowance for expected credit loss	**279.53**	118.43
	11,870.97	**13,994.54**

Ageing as on 31st March 2023

₹ Lakhs

Particulars	Outstanding for the following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	8,303.42	3,099.08	610.79	82.16	29.05	0.73	12,125.23
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	2.88	22.39	-	-	-	25.27
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Sub total	**8,303.42**	**3,101.96**	**633.18**	**82.16**	**29.05**	**0.73**	**12,150.50**
Less: Allowance for Expected Credit Loss		-	-	-	-	-	(279.53)
Total	**8,303.42**	**3,101.96**	**633.18**	**82.16**	**29.05**	**0.73**	**11,870.97**

Ageing as on 31st March 2022

Particulars	Outstanding for the following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	8,184.47	5,754.84	110.51	58.02	4.63	0.50	14,112.97
(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	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Sub total	**8,184.47**	**5,754.84**	**110.51**	**58.02**	**4.63**	**0.50**	**14,112.97**
Less: Allowance for Expected Credit Loss		-	-	-	-	-	(118.43)
Total	**8,184.47**	**5,754.84**	**110.51**	**58.02**	**4.63**	**0.50**	**13,994.54**

Movement in Allowance for expected credit loss is as follows:

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Opening	**118.43**	295.57
Additions	**161.10**	85.54
Reversal	**-**	260.81
Other adjustments	**-**	1.87
Closing	**279.53**	**118.43**

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

Trade receivables have been given as collateral towards borrowings (Refer security note no. 18 & 23).

The Company's exposure to credit and currency risk related to trade receivable are given in note no.44.

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

11. CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Balances with Banks		
Current accounts	**60.26**	146.11
Cash on hand	**0.96**	2.28
	61.22	**148.39**

12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Earmarked balances		
In Unclaimed dividend accounts	**7.88**	-
In margin money *	**577.46**	916.30
	585.34	**916.30**

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

13. LOANS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Employee Loan / advances	**72.40**	63.87
	72.40	**63.87**

14. OTHERS FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Income accrued	**39.91**	39.07
	39.91	**39.07**

Movement in Allowance for doubtful receivables is as follows:

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Opening	**-**	2,142.64
Additions	**-**	-
Reversal / Utilisation	**-**	(2,142.64)
Closing	**-**	**-**

15. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Advance to Suppliers & others	**1,356.52**	2,109.49
Export incentives receivable	**298.33**	473.82
Indirect tax balances/ recoverable /credits	**1,837.91**	1,743.88
Compensation receivable	**160.00**	-
Unsecured, considered doubtful		
Indirect tax balances/ recoverable /credits	**-**	19.46
Less : Allowance for doubtful advances/ deposits	**-**	(19.46)
Others		
Prepayments	**235.57**	177.24
	3,888.33	**4,504.43**

Movement in Allowance for doubtful advances is as follows:

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Opening	**19.46**	50.04
Additions	**-**	-
Reversal	**(19.46)**	(30.58)
Closing	**-**	**19.46**

16. EQUITY SHARE CAPITAL

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Authorised		
2,13,00,000 Equity Shares of ₹ 10 each	**2,130.00**	2,130.00
(31-03-23 and 31-03-22 - 2,13,00,000 Equity Shares of ₹ 10 each)		
Issued, Subscribed & fully Paid up		
1,20,00,000 Equity Shares of ₹ 10 each fully paid up (31-03-23 and 31-03-22 - 1,20,00,000 Equity Shares of ₹ 10 each)	**1,200.00**	1,200.00
	1,200.00	**1,200.00**

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

Particulars	31.03.2023		31.03.2022	
	Number	₹ Lakhs	Number	₹ Lakhs
At the beginning/end of the year	**1,20,00,000**	**1,200.00**	1,20,00,000	1,200.00

(ii) Terms / rights attached to equity shares :

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

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

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

(iii) Shareholding of promoter and promoter group as on 31st March 2023 and 31st March 2022:

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

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

S. No.	Particulars	Equity Shares			
		As at 31.03.2023		As at 31.03.2022	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	D Sarath Chandran (Ind)	**16,42,845**	**13.69%**	16,42,845	13.69%
2	D Sarath Chandran (HUF)	**12,16,251**	**10.14%**	12,16,251	10.14%
3	Ashwin Chandran	**23,22,801**	**19.36%**	23,22,801	19.36%
4	Prashanth Chandran	**19,87,022**	**16.56%**	19,87,022	16.56%

v) Shares allotted for consideration other than cash in the last five years - Nil.

vi) There are no Shares held by Holding Company/Subsidiaries of ultimate Holding Company as on 31st March, 2023.

17. OTHER EQUITY

₹ Lakhs

Particulars		31.03.2023	31.03.2022
General reserve		**11,796.41**	11,796.41
Capital Reserve		**48.19**	48.19
Capital Redemption Reserve		**355.00**	355.00
Securities Premium		**2,736.46**	2,736.46
	(A)	**14,936.06**	**14,936.06**
Retained earnings			
Opening balance		**24,419.25**	13,877.38
Add/ (Less): Profit/ (loss) for the year		**(2,602.26)**	10,541.87
Less: Dividend for the year		**(720.00)**	-
	(B)	**21,096.99**	**24,419.25**
Other Comprehensive Income:			
Opening balance		**1,516.98**	1,808.13
Add: Additions during the year		**(518.77)**	(291.15)
	(C)	**998.21**	**1,516.98**
	(A+B+C)	**37,031.26**	**40,872.29**

a. General reserve:

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

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

b. Capital Redemption Reserve:

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

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

C. Securities Premium:

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

18. BORROWINGS

₹ Lakhs

Particulars		31.03.2023		31.03.2022	
		Non Current	Current	Non Current	Current
Secured Loans - at amortised cost					
Term loans from Banks		**8,504.12**	**1,999.04**	8,140.30	6,846.30
Less: Unamortised upfront fees on borrowings		**28.49**	**3.77**	13.69	199.75
Less: Amount disclosed under current maturities		**-**	**1,995.27**	-	6,646.55
	(A)	**8,475.63**	**-**	**8,126.61**	**-**
Loans from Others		**83.86**	**30.81**	48.37	20.09
Less: Unmatured finance charges		**9.09**	**6.87**	5.43	4.02
Less: Amount disclosed under current maturities		**-**	**23.94**	-	16.07
	(B)	**74.77**	**-**	**42.94**	**-**
11.55% 700 Non-Convertible Debentures of ₹ 10,00,000/- each		**5,969.37**	**1,056.44**	-	-
Less: Unamortised upfront fees on borrowings		**22.67**	**15.10**	-	-
Less: Amount disclosed under current maturities		**-**	**1,041.34**	-	-
	(C)	**5,946.70**	**-**	**-**	**-**
Total (A+B+C)		**14,497.10**	**-**	**8,169.55**	**-**

I Term loans from Banks:

a. Repayment Terms

Note	Terms of Loans	Bank	31.03.2023	31.03.2022	Description
1	Repayable in 48 monthly instalments aggregating to ₹ 814.63 lakhs . The interest is payable on monthly basis and the rate of interest is 8.25% per annum.	ICICI Bank	814.63	1,029.00	GECL 2.0 Scheme
1	Repayable in 48 monthly instalments aggregating to ₹ 131 lakhs commencing from July 2023. The interest is payable on monthly basis and the rate of interest is 9.90% per annum.	ICICI Bank	131.00	-	GECL 3.0 Scheme
1	Repayable in 48 monthly instalments aggregating to ₹ 514 lakhs commencing from July 2023. The interest is payable on monthly basis and the rate of interest is 9.95% per annum.	ICICI Bank	514.00	-	GECL 3.0 Scheme
-	These have since been repaid in April 2022 and have been classified under Short term borrowings.	IndusInd Bank	-	2,022.56	Term Loan
-	These have since been repaid in April 2022 and have been classified under Short term borrowings.	IndusInd Bank	-	3,093.51	Term Loan
2	Repayable in 34 monthly instalments aggregating to ₹ 1,408.87 The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	IndusInd Bank	1,408.87	1,906.13	GECL 2.0 Scheme
2	Repayable in 41 monthly instalments aggregating to ₹1,247.94 lakhs . The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	IndusInd Bank	1,247.94	1,461.00	GECL 2.0 Scheme
-	Nil	South Indian Bank	-	201.72	Rupee Tuf loan XVI
3	Repayable in 33 monthly instalments aggregating to ₹ 327.90 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	State Bank of India	327.90	447.18	GECL 2.0 Scheme
4	Repayable in 48 monthly instalments aggregating to ₹ 420 lakhs commencing from December 2023. The interest is payable on monthly basis and the rate of interest is 9.05% per annum.	State Bank of India	420.00	420.00	GECL 3.0 Scheme
5	Repayable in 55 quarterly instalments aggregating to ₹ Rs.1,186 lakhs The interest is payable on monthly basis and the rate of interest is 9.95 % per annum.	State Bank of India	1,186.00	1,147.54	Term loan - Solar Power Plant

	Terms of Loans	Bank	31.03.2023	31.03.2022	Description
6	Repayable in 56 quarterly instalments aggregating to ₹ 1,524.36 lakhs commencing from July 2023. The interest is payable on monthly basis and the rate of interest is 10.15 % per annum.	State Bank of India	1,524.36		Term loan - Solar Power Plant
-	Nil	Union Bank of India	-	60.56	Term Loan (Covid 19 Emergency Credit Line - CELC)
7	Repayable in 48 monthly instalments aggregating to ₹ 1,787 lakhs commencing from February 2024. The interest is payable on monthly basis and the rate of interest is 7.85% per annum.	Union Bank of India	1,787.00	1,787.00	GECL 3.0 Scheme
8	Repayable in 34 monthly instalments aggregating to ₹ 672.80 lakhs. The interest is payable on monthly basis and the rate of interest is 8.80% per annum.	IDBI Bank	672.80	910.40	Working Capital Term Loan under GECL 2.0 Scheme
9	Repayable in 46 monthly instalments aggregating to ₹ 468.66 lakhs. The interest is payable on monthly basis and the rate of interest is 9.60% per annum.	IDBI Bank	468.66	500.00	Working Capital Term Loan under GECL 2.0 Scheme
	Total		**10,503.16**	**14,986.60**	

b. Security details:

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

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

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

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

Note 5 : Hypothecation of plant & machinery of proposed solar project & first charge over factory land and building at Hindupur and personal guarantee of promoter directors.

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

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

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

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

II Hire purchase loans from financial institution of ₹ 114.67 Lakhs (March 31, 2022 : ₹ 68.46 Lakhs) carries interest @ 7.63% to 10.65% p.a. The loans are repayable in 60 monthly instalments starting from the respective date of finance. The loan is secured by specific assets financed (Vehicle)

III Debentures represents 11.55% 700 Non-convertible debentures of ₹ 10,00.000/- each issued for cash at par to ICICI Prudential Corporate Credit Opportunities Fund -1. The interest is payable on quarterly basis.

(a) Terms of Repayment :

The debentures as on 31-03-2023 are redeemable at a premium of 0.50% per annum on the principal amount and are repayable as follows:

- At the end of 12 months from the deemed date of allotment - 7.50% of the principal amount
- At the end of 18 months from the deemed date of allotment - 7.50% of the principal amount
- At the end of 24 months from the deemed date of allotment - 7.50% of the principal amount

- At the end of 30 months from the deemed date of allotment - 7.50% of the principal amount-
- At the end of 36 months from the deemed date of allotment - 10% of the principal amount
- At the end of 42 months from the deemed date of allotment - 10% of the principal amount
- At the end of 45 months from the deemed date of allotment - 50% of the principal amount.

(b) Security details:

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

19. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Lease Liabilities - Non - Current (Refer Note no: 53)	-	90.32
	-	**90.32**

20. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Security deposits	-	17.22
	-	**17.22**

21. PROVISIONS

Particulars	31.03.2023	31.03.2022
Provision for expenses	**1,076.54**	1,076.54
Provision for Gratuity (Refer note no: 40)	**1,186.01**	1,076.81
	2,262.55	**2,153.35**

Movement in provision for expenses

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Opening	**1,076.54**	1,093.37
Additions	**-**	-
Reversal	**-**	(16.83)
Closing	**1,076.54**	**1,076.54**

22. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Deferred Government Grant*	**43.06**	112.15
	43.06	**112.15**

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

23. BORROWINGS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Secured loans at amortised cost		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	**9,792.06**	6,530.09
- Foreign Currency Loan	**10,432.88**	13,414.19
Current maturities of long-term borrowings (Refer note no: 18)	**3,060.55**	6,662.62
Unsecured Loans at amortised cost:		
Loans repayable on demand:		
From Others		
- Others	-	1,000.82
	23,285.49	**27,607.72**

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

2 In respect of the above, working capital rupee loans carry interest rate ranging from 8% p.a. to 12.75% p.a. and working capital foreign currency loans carry interest rate ranging from 1.60 % p.a. to 2.01 % p.a. plus applicable SOFR.

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

For the quarter ended	Details of discrepancies					
	Nature of current asset / liability	Nature of discrepancy	Amount (₹ in lakhs)			Remarks (including subsequent rectification, if any)
			As per quarterly returns and statement	As per unaudited books of account	Difference	
30.06.2022	Inventory	The difference is on account of adjustment entries passed during limited review.	26,389.98	28,296.24	(1,906.26)	Nil
30.09.2022	Inventory		24,417.53	28,194.57	(3,777.04)	
31.12.2022	Inventory		25,445.26	24,683.87	761.39	

24. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Lease Liabilities - Current (Refer note no. 53)	**90.32**	103.31
	90.32	**103.31**

25. TRADE PAYABLES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Trade payables		
- Total outstanding dues of Micro and Small Enterprises (Refer note no. 48)	**120.00**	282.23
- Total outstanding dues of creditors other than Micro and Small Enterprises	**6,190.10**	3,537.11
	6,310.10	**3,819.34**

The Company's exposure to Currency risk and liquidity risk in relation to Trade Payables are disclosed in note no.44.

Ageing as on 31st March 2023

₹ Lakhs

Particulars	Outstanding for the following period from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
a) Micro and Small	120.00	-	-	-	-	120.00
b) Medium	-	-	-	-	-	-
(ii) Others	3,386.95	2,803.15	-	-	-	6,190.10
(iii) Disputed dues - Micro and Small	-	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-	-
Total	**3,506.95**	**2,803.15**	**-**	**-**	**-**	**6,310.10**

Ageing as on 31st March 2022

Particulars	Outstanding for the following period from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
a) Micro and Small	282.23	-	-	-	-	282.23
b) Medium	-	-	-	-	-	-
(ii) Others	2,810.34	718.48	8.23	0.06	-	3,537.11
(iii) Disputed dues - Micro and Small	-	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-	-
Total	**3,092.57**	**718.48**	**8.23**	**0.06**	**-**	**3,819.34**

26. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Interest accrued but not due on borrowings	**229.60**	22.79
Interest accrued and due on borrowings	**-**	8.48
Unpaid dividends	**7.88**	-
Accrued Employee benefits	**707.65**	789.57
Others *	**1,961.32**	4,556.62
	2,906.45	**5,377.46**

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

27. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Statutory Liabilities	**178.04**	189.63
Advance from Customers	**132.34**	162.13
Deferred Government Grant - (Refer note no. 22)	**69.09**	83.14
Others	**0.96**	1.14
	380.43	**436.04**

28. PROVISIONS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Provision for Gratuity - (Refer note no. 40)	**311.15**	271.65
	311.15	271.65

29. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Sale of Products - Manufactured Goods		
Sale of Yarn	**67,513.45**	79,761.93
Sale of Technical Textile products	**24,355.84**	15,704.41
Total (A)	**91,869.29**	**95,466.34**
Other operating revenue		
Scrap Sales	**3,246.04**	3,000.52
Export Incentive	**220.75**	787.10
Others*	**46.23**	74.16
Total (B)	**3,513.02**	**3,861.78**
Total (A+B)	**95,382.31**	**99,328.12**

* Others include packing charges collected.

30. OTHER INCOME

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Interest Income from financial assets	**94.47**	131.99
Gain/(Loss) on fair value measurement of financial instruments	**4.90**	-
Dividend from Financial assets at FVTPL	**0.10**	-
Net gain on disposal of property, plant and equipment	**239.00**	44.81
Insurance claim receipts	**8.85**	7.19
Gains on exchange fluctuations (net) - (Refer note no: 51)	**-**	309.75
Government grant - (Refer note no: 22 & 27)	**83.14**	83.14
Compensation received	**160.00**	-
Bad debts recovered	**27.55**	-
Miscellaneous Income	**105.76**	72.21
	723.77	**649.09**

31. COST OF MATERIALS CONSUMED

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Cotton	**64,797.86**	53,216.60
	64,797.86	**53,216.60**

Particulars of Materials consumed	2022 - 23		2021 - 22	
	% of Consumption	₹ Lakhs	% of Consumption	₹ Lakhs
Imported	**30.87**	**20,004.27**	17.18	9,141.69
Indigenous	**69.13**	**44,793.59**	82.82	44,074.91
	100.00	**64,797.86**	**100.00**	**53,216.60**

32. PURCHASE OF STOCK IN TRADE

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Purchase of Stock In Trade	**2.90**	-
	2.90	-

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

₹ Lakhs

Particulars			2022 - 23	2021-22
Inventory at the end of the year				
Work in Progress				
Yarn and Waste Cotton			**1,594.15**	2,072.46
Technical Textile products			**310.11**	160.16
		a	**1,904.26**	**2,232.62**
Finished Goods				
Yarn			**7,976.15**	4,994.80
Technical Textile products			**158.88**	342.96
Traded Goods			**2.90**	-
		b	**8,137.93**	**5,337.76**
	Total	**c= (a+b)**	**10,042.19**	**7,570.38**
Inventory at the beginning of the year				
Work in Progress				
Yarn and Waste Cotton			**2,072.46**	1,198.41
Technical Textile products			**160.16**	476.24
		d	**2,232.62**	**1,674.65**
Finished Goods				
Yarn			**4,994.80**	1,300.19
Technical Textile products			**342.96**	237.07
Traded Goods			**-**	-
		e	**5,337.76**	**1,537.26**
	Total	**f = (d+e)**	**7,570.38**	**3,211.91**
(Increase) / decrease in Inventories		**(f-c)**	**(2,471.81)**	**(4,358.47)**

34. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Salaries, Wages and Bonus	**7,299.71**	8,148.20
Contributions to Provident fund and other funds	**625.30**	506.24
Staff welfare expenses	**538.00**	705.72
	8,463.01	**9,360.16**

35. FINANCE COST

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Interest expense	**3,186.39**	2,340.48
Unwinding of interest on financial liabilities	**215.72**	151.79
(includes de-recognition of unamortised portion of finance charges of ₹ 197.90 lakhs)		
Premium on redemption of debentures	**25.81**	-
Exchange differences regarded as an adjustment to borrowing cost	**-**	130.08
Other borrowing costs *	**185.63**	275.38
	3,613.55	**2,897.73**

*Other borrowing costs represents processing fee in respect of working capital borrowings.

36. DEPRECIATION AND AMORTIZATION

Particulars	2022 - 23	2021 - 22
Depreciation on Property Plant & Equipment - Refer note no: 2	**3,200.32**	3,114.05
Depreciation on Right of Use assets - Refer note no: 3(a)	**126.18**	127.46
Amortization of Intangible asset - Refer note no: 3(c)	**13.24**	11.00
	3,339.74	**3,252.51**

37. OTHER EXPENSES

₹ Lakhs

Particulars	2022 - 23	2021-22
Consumption of Stores & Spare parts	**4,332.53**	3,563.64
Power & Fuel (Net) (Refer note no: 47)	**7,133.54**	7,379.31
Processing Charges	**1,583.51**	1,155.79
Repairs and Maintenance		
- Buildings	**601.28**	440.80
- Machinery	**2,520.57**	2,698.64
- Others	**162.20**	159.30
Rent	**47.70**	18.89
Rates and Taxes	**110.62**	60.44
Foreign Exchange loss (net) - (Refer note no: 51)	**362.54**	-
Selling & Distribution expenses	**3,192.25**	5,739.10
Bank Charges	**185.37**	133.08
Communication Expenses	**63.26**	60.05
Travelling Expenses	**196.38**	41.48
Professional Charges	**650.84**	281.28
Auditor's Remuneration - (Refer note no: 37 (A))	**22.23**	17.59
Expected credit Loss / Advances Written off (Net)	**162.71**	56.44
CSR Expenses - (Refer note no: 50)	**99.09**	3.80
Miscellaneous Expenses	**386.50**	424.09
	21,813.12	**22,233.72**

37 (A): Auditors Remuneration

₹ Lakhs

Particulars	2022- 23	2021 - 22
(a) For Statutory Audit	**15.00**	11.50
(b) For Tax Audit	**4.35**	2.00
(c) For Other services	**2.16**	3.81
(d) For reimbursement of expenses	**0.72**	0.28
	22.23	**17.59**

38. Tax Expense

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

Particulars		2022- 23	2021 - 22
Current Tax			
Current tax on profit for the year		-	2,280.00
Charge/ (Credit) in respect of current tax for earlier years		-	-
TOTAL	**(A)**	-	**2,280.00**
Deferred Tax			
Origination / reversal of temporary differences		**49.27**	553.09
Effect of recognition of deferred tax on tax losses		**(899.30)**	-
TOTAL	**(B)**	**(850.03)**	**553.09**
Total Tax expense recognized in Statement of Profit and Loss -	**(A)+(B)**	**(850.03)**	**2,833.09**

(b) Tax expenses recognised in other comprehensive income

₹ Lakhs

Particulars	2022 - 23	2021-22
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**(15.26)**	**(131.60)**
Net fair value loss on investments in equity instruments at FVTOCI	**(159.22)**	**33.68**
Total Tax expense recognized in other comprehensive income	**(174.48)**	**(97.92)**

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

Particulars	2022 - 23	2021-22
Profit /(loss) before tax	**(3,452.29)**	**13,374.96**
Enacted tax rate	**25.17%**	**25.17%**
Expected income tax expense/(benefit) at statutory tax rate	**(868.87)**	**3,366.20**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	**35.44**	**1,214.90**
Income exempt from taxation	**(20.92)**	**(36.43)**
Effect of utilisation of tax losses	**-**	**(779.30)**
Disallowances and reversals - net	**4.32**	**(932.28)**
Tax expense for the year	**(850.03)**	**2,833.09**

Note:

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

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

Particulars	Deferred Tax Assets / (Liabilities) as on 01.04.2022	Recognised in profit or loss	Recognised in OCI	Deferred Tax Assets / (Liabilities) as on 31.03.2023
Deferred tax asset/(liabilities)				
- On PPE and intangible assets	(1,149.81)	(51.10)	-	**(1,200.91)**
- On disallowances under the income tax act	101.58	(5.58)	-	**96.00**
- On unused tax losses and benefits	-	899.29	-	**899.29**
- On employee benefit expense	347.40	15.33	15.26	**377.99**
- On fair value adjustment of financial instruments	198.73	17.03	159.22	**374.98**
- On lease liability	46.93	(24.96)	-	**21.97**
Net Deferred tax asset/(liabilities)	**(455.17)**	**850.03**	**174.48**	**569.32**

Particulars	Deferred Tax Assets / (Liabilities) as on 01.04.2021	Recognised in profit or loss	Recognised in OCI	Deferred Tax Assets / (Liabilities) as on 31.03.2022
Deferred tax asset/(liabilities)				
- On PPE and intangible assets	-	(1,149.81)	-	(1,149.81)
- On dis allowances under the income tax act	-	101.58	-	101.58
- On employee benefit expense	-	215.80	131.60	347.40
- On fair value adjustment of financial instruments	-	232.41	(33.68)	198.73
- On lease liability	-	46.93	-	46.93
Net Deferred tax asset/(liabilities)	**-**	**(553.09)**	**97.92**	**(455.17)**

39. EARNINGS PER SHARE

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Profit/ (Loss) for the year	**(2,602.26)**	10,541.87
Weighted Average number of equity shares used in computing EPS (Nos in Lakhs)	**120**	120
Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share)	**(21.69)**	87.85
Face Value per equity share (in ₹)	**10.00**	10.00

40. Employee Benefit Plans

(a) Defined contribution plans - Provident Fund

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2023 and 2022) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The expense recognised during the period towards this defined contribution plan is ₹ 307.07 Lakhs (March 31, 2022 - ₹ 288.84 Lakhs).

(b) Defined contribution plans - Employee State Insurance

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

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

The expense recognised during the period towards this defined contribution plan is ₹ 70.16 Lakhs (March 31, 2022 - ₹ 70.20 Lakhs).

(c) Defined Benefit Plans - Gratuity

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2023 by Mr. Srinivasan Nagasubramanian, Armstrong International Employee Benefits Solution, Fellow of the Institute of Actuaries of India. Company's liability towards gratuity (funded) is actuarially determined at each reporting date using the projected unit credit method.

(i) Risk Exposure:

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

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

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

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

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

(ii) Expense Recognised in Income Statement:

₹ Lakhs

		31.03.2023	31.03.2022
A)	**Net employee benefit expense (recognised in Employee Benefits Expenses):**		
	Current service cost	**88.10**	84.67
	Prior service cost	**69.66**	-
	Interest cost	**116.28**	87.11
	Expected return on plan assets	**(25.97)**	(24.57)
	Net employee benefit expenses	**248.07**	**147.21**
	Actual return on plan assets	**9.10**	30.04
B)	**Amount recognised in Balance Sheet:**		
	Defined benefit obligation	**1,859.87**	1,724.26
	Fair value of plan assets	**362.71**	375.80
	Surplus/(Deficit)	**1,497.16**	**1,348.46**
C)	**Changes in the present value of the defined benefit obligation:**		
	Opening defined benefit obligation	**1,724.26**	1,422.86
	Current service cost	**88.10**	84.67
	Prior service cost	**69.66**	-
	Interest cost	**116.28**	87.11
	Benefits paid	**(182.19)**	(398.75)
	Net actuarial (gains)/losses on obligation for the year recognised under OCI	**43.76**	528.37
	Closing defined benefit obligation	**1,859.87**	**1,724.26**
D)	**Changes in the fair value of plan assets:**		
	Opening fair value of plan assets	**375.80**	344.51
	Actual return on plan assets	**9.10**	30.04
	Contributions	**160.00**	400.00
	Benefits paid	**(182.19)**	(398.75)
	Closing fair value of plan assets	**362.71**	**375.80**

The Company expects to contribute ₹ 311.15 Lakhs to the gratuity fund in the next year (March 31, 2022: ₹ 271.65 Lakhs) against the short-term liability of ₹ 311.15 Lakhs (March 31, 2022: ₹ 271.65) as per the actuarial valuation.

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

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Investments with HDFC Group Unit Linked Plan - Option B	**100%**	100%

E) Remeasurement adjustments:

₹ Lakhs

	31.03.2023	31.03.2022
a) Actuarial (gains)/losses arising from changes in -		
- demographic assumptions	**-**	-
- financial assumptions	**(28.88)**	(66.70)
- experience adjustments	**72.64**	595.07
b) Return on plan assets, excluding amount included in net interest expense/(income)	**16.87**	(5.47)
Total amount recognised in other comprehensive income	**60.63**	**522.90**

Actuarial assumptions and sensitivity :

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

Particulars	31.03.2023	31.03.2022
Discount rate	**7.46%**	7.12%
Expected rate of return on assets	**7.46%**	7.12%
Salary Escalation	**3.00%**	3.00%
Attrition Rate	**5.00%**	5.00%
Mortality	**Indian Assured Lives Mortality (2012 - 14) Ultimate**	

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

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

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

Expected benefit payments for the year ending:

Year Ending	31.03.2023	31.03.2022
Year 1	**183.53**	194.78
Year 2	**203.68**	146.83
Year 3	**199.74**	162.21
Year 4	**222.55**	187.21
Year 5	**185.49**	177.67
Beyond 5 years	**864.88**	855.56

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.34 years (March 31, 2022: 9.33 years)

(iii) Sensitivity analysis

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

Particulars	31.03.2023	31.03.2022
(a) Effect of 1% change in assumed discount rate on defined benefit obligation		
- 1% increase	**(1,770.89)**	(1,639.83)
- 1% decrease	**1,957.49**	1,817.08
(b) Effect of 1% change in assumed salary escalation rate on defined benefit obligation		
- 1% increase	**(1,958.63)**	(1,816.05)
- 1% decrease	**1,768.54**	1,639.52
(c) Effect of 1% change in assumed attrition rate on defined benefit obligation		
- 1% increase	**(1,878.38)**	(1,740.98)
- 1% decrease	**1,839.88**	1,706.18

iv) Experience adjustments

₹ Lakhs

Particulars	Current Year	2021-22	2020-21	2019-20	2018-19
Defined Benefit Obligation	**1,859.87**	1,724.25	1,422.86	1,203.75	1,219.54
Plan Assets	**362.72**	375.80	344.51	316.72	579.89
Surplus / (Deficit)	**(1,497.15)**	(1,348.45)	(1,078.35)	(887.03)	(639.65)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	**(72.64)**	(595.08)	(53.55)	(254.85)	79.99
Experience Adjustments on Plan Assets – Gain/(Loss)	**(16.87)**	5.48	81.94	(50.20)	1.87

41. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	4 & 9	198.69	696.34	81.47	976.50
Trade receivables	10	-	-	11,870.97	11,870.97
Cash and Cash equivalents	11	-	-	61.22	61.22
Other bank balance	12	-	-	585.34	585.34
Loans	13	-	-	72.40	72.40
Other Financial Assets	5 & 14	-	-	1,025.10	1,025.10
Financial Liabilities:					
Borrowings	18 & 23	-	-	37,782.59	37,782.59
Lease Liability	19 & 24	-	-	90.32	90.32
Trade payables	25	-	-	6,310.10	6,310.10
Other Financial Liabilities	20 & 26	-	-	2,906.45	2,906.45

The carrying value of financial instruments by categories as at 31st March 2022 were as follows: ₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	4 & 9	-	1,218.06	81.47	1,299.53
Trade receivables	10	-	-	13,994.54	13,994.54
Cash and Cash equivalents	11	-	-	148.39	148.39
Other bank balance	12	-	-	916.30	916.30
Loans	13	-	-	63.87	63.87
Other Financial Assets	5 & 14	-	-	849.16	849.16
Financial Liabilities:					
Borrowings	18 & 23	-	-	35,777.27	35,777.27
Lease Liability	19 & 24	-	-	193.63	193.63
Trade payables	25	-	-	3,819.34	3,819.34
Other Financial Liabilities	20 & 26	-	-	5,394.68	5,394.68

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

Investments in subsidiaries are carried at cost.

Investements in unquoted equity shares are carried at FVTOCI.

Investements through Portfolio Management scheme is carried at FVTPL.

42. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

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

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

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

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

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

Particulars	As at 31st March 2023				As at 31st March 2022			
	Carrying Amt	Level 1	Level 2	Level 3	Carrying Amt	Level 1	Level 2	Level 3
Financial assets measured at fair value through Profit and Loss account (FVTPL)								
Trade investments through Portfolio Management scheme	**198.69**	**198.69**	**-**	**-**	-	-	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)								
Trade Investments in unquoted equity shares	**696.34**	**-**	**-**	**696.34**	1,218.06	-	-	1,218.06
Financial assets measured at amortised cost								
Other Investments	**81.47**	**-**	**-**	**81.47**	81.47	-	-	81.47
Trade receivables	**11,870.97**	**-**	**-**	**-**	13,994.54	-	-	-
Cash and Cash equivalents	**61.22**	**-**	**-**	**-**	148.39	-	-	-
Other bank balance	**585.34**	**-**	**-**	**-**	916.30	-	-	-
Loans	**72.40**	**-**	**-**	**-**	63.87	-	-	-
Other Financial Assets	**1,025.10**	**-**	**-**	**-**	849.16	-	-	-
Financial liabilities measured at amortised cost								
Borrowings	**37,782.59**	**-**	**-**	**-**	35,777.27	-	-	-
Lease Liability	**90.32**	**-**	**-**	**-**	193.63	-	-	-
Trade payables	**6,310.10**	**-**	**-**	**-**	3,819.34	-	-	-
Other Financial Liabilities	**2,906.45**	**-**	**-**	**-**	5,394.68	-	-	-

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

(c) Measurement of fair values:

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

43. CAPITAL MANAGEMENT:

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

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

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

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

The following table summarizes the capital of the company ₹ Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalents	**61.22**	148.39
Other bank balances	**585.34**	916.30
Current investments	**198.69**	-
Total cash (a)	**845.25**	**1,064.69**
Non-current borrowings	**14,497.10**	8,169.55
Current borrowings	**23,285.49**	27,607.72
Total borrowings (b)	**37,782.59**	**35,777.27**
Net debt c=(b-a)	**36,937.34**	**34,712.58**
Total equity (d)	**38,231.26**	**42,072.29**
Gearing ratio (c/d)	**0.97**	**0.83**

44. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

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

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

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

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company’s policies as approved by the board of directors.

i) Market Risk

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

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest.

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

₹ Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed rate borrowings	**7,086.75**	1,120.39
Floating rate borrowings	**30,695.84**	34,656.88
Total borrowings	**37,782.59**	**35,777.27**
Total Net borrowings	**37,782.59**	35,777.27
Add: Upfront fees	**85.99**	222.89
Total borrowings	**37,868.58**	**36,000.16**

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

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit/ (loss) for the year ended 31 March 2023 would decrease / increase by ₹ 378.68 Lakhs (for the year ended 31 March 2022 : decrease / increase by ₹ 360.00 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

b) Foreign Currency Risk

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

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

₹ Lakhs

Particulars	As at 31st March 2023			As at 31st March 2022		
	USD	Euro	GBP/CHF	USD	Euro	GBP /CHF
Trade Receivables	**2,537.24**	**973.22**	**50.12**	5,744.83	813.40	93.51
Trade Payables	**(16.36)**	**(3.27)**	**-**	(325.46)	(0.60)	-
Packing Credit	**(10,168.76)**	**(264.12)**	**-**	(12,308.59)	(177.17)	-
TOTAL	**(7,647.88)**	**705.83**	**50.12**	**(6,889.22)**	**635.63**	**93.51**

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

Particulars	As at 31st March 2023			As at 31st March 2022		
	USD	Euro	GBP/ CHF	USD	Euro	GBP / CHF
Packing Credit	-			(928.43)	-	-
TOTAL	**-**	**-**	**-**	**(928.43)**	**-**	**-**

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

₹ Lakhs

Change in Exchange Rate(+5% / -5%)		Effect on PAT	
		2022-23	2021 -22
USD	+5%	**(382.39)**	(344.46)
	-5%	**382.39**	344.46
EURO	+5%	**35.29**	31.78
	-5%	**(35.29)**	(31.78)
GBP/CHF	+5%	**2.51**	4.68
	-5%	**(2.51)**	(4.68)

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

As at	No. of Contracts	Type	USD Equivalent (₹ in Lakhs)	INR Equivalent (₹ in Lakhs)
31-Mar-23	**-**	**Buy**	**-**	**-**
	-	**Sell**	**-**	**-**
31-Mar-22	-	Buy	-	-
	18	Sell	12.25	928.43

c) Commodity Price Risk

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

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

₹ Lakhs

Commodity	Increase		Decrease	
	2022-23	2021-22	2022-23	2021-22
Cotton	**(3,240.04)**	(2,660.83)	**3,240.04**	2,660.83

2) Credit Risk

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

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

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

Information about major customers

Customers with more than 5% of the total value of trade receivables as at 31st March 2023 and 31st March 2022 are as follows: ₹ Lakhs

Particulars	As at 31st March 2023			As at 31st March 2022		
	No. of Parties	Amount Outstanding	%	No of Parties	Amount outstanding	%
Customers						
- within India	**3**	**2,855.29**	**23.50%**	3	3555.51	25.41%
- Outside India	**1**	**843.88**	**6.95%**	2	1936.73	13.84%

3) Liquidity Risk

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

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

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

₹ Lakhs

Particulars	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31st March, 2023						
Long term borrowings	**-**	**-**	**12,743.51**	**1,753.59**	**14,497.10**	**14,497.10**
Short term borrowings	**20,224.94**	**3,060.55**	**-**	**-**	**23,285.49**	**23,285.49**
Trade payables	**-**	**6,310.10**	**-**	**-**	**6,310.10**	**6,310.10**
Lease Liability	**-**	**90.32**	**-**	**-**	**90.32**	**90.32**
Other financial liabilities	**-**	**2,899.24**	**7.21**	**-**	**2,906.45**	**2,906.45**
At 31st March, 2022						
Long term borrowings	-	-	7,265.55	904.00	8,169.55	8,169.55
Short term borrowings	20,945.10	6,662.62	-	-	27,607.72	27,607.72
Trade payables	-	3,819.34	-	-	3,819.34	3,819.34
Lease Liability	-	103.31	90.32	-	193.63	193.63
Other financial liabilities	-	5,371.39	23.29	-	5,394.68	5,394.68

₹ Lakhs

	As at 31st March 2023	As at 31st March 2022
45 Estimated amount of contracts remaining to be executed on capital account and not provided for	**10,705.45**	503.61
Estimated amount of contracts remaining to be executed on commitment towards capitive power consumption agreement	**355.92**	-
	11061.37	**503.61**

46. Contingent Liabilities:	**As at 31st March 2023**	**As at 31st March 2022**
Contingent liabilities in respect of :		
Bills discounted	**1144.19**	2,868.25
Guarantees	**261.23**	242.81
Letters of credit outstanding	**1423.13**	377.45
Contingent liabilities under litigation :		
Disputed Statutory Liabilities not provided for	**393.06**	412.34
Disputed Other Liabilities not provided for	**65.41**	65.41

47. Power and Fuel is net of wind power income of ₹ 208.64 lakhs (PY ₹ 211.50 lakhs) representing power supplied to the grid against which equivalent consumption was made in house.

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

₹ Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:		
Principal amount due to Micro & Small Enterprises	**120.00**	282.23
Interest due on above	**-**	-
Total	**120.00**	**282.23**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	**0.22**	1.14
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**7.43**	7.21
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	-	-
The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have identified on the basis of information available with the Company in respect of the registration status of its vendors.		

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

₹ Lakhs

Particulars	31.03.2023	31.03.2022
a. Exchange difference capitalized during the year	**-**	-
b. Depreciation charged to Profit & Loss a/c thereon	**25.15**	25.15
c. Exchange difference pertaining to assets sold during the year	**-**	-
d. Remaining amount to be amortized*	**169.60**	194.75

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

50. Corporate Social Responsibility (CSR) activities :

Particulars	31.03.2023	31.03.2022
a) Gross amount required to be spent by the Company during the year	**98.80**	3.80
b) Unspent amount pertaining to earlier years	**-**	-
c) Total amount required to be spent by the Company - (a+b)	**98.80**	3.80
d) Amount spent during the year		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**99.09**	3.80
e) Balance amount to be spent / (Excess spent) - (c-d)	**(0.29)**	-
f) Nature of CSR activities	Promoting education and Health care	
g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
- Contribution to Narayanaswamy Naidu Charity Trust for Education in relation to CSR expenditure	49.75	0.40

51. Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities / derivatives amounting to ₹ 45.22 lakhs (PY - ₹ 238.20 lakhs)

52. Related Party Disclosure :

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

Holding Co	:	Nil
Subsidiaries	:	Suprem Associates (Partnership firm)
Key Management Personnel (KMP)	:	Mr. Ashwin Chandran (Chairman and Managing Director)
		Mr. Prashanth Chandran (Vice Chairman & Managing Director)
		Mr.T.Kumar (Executive Director)
		Mr.Sumanth Ramamurthi (Non Executive Director)
		Mr.Jairam Varadaraj (Non Executive Director)
		Mr.C.N.Srivatsan (Non Executive Director)
		Mrs. R.Bhuvaneshwari (Non Executive Director)
		Mr.P.Vijay Raghunath ((Non Executive Director)
		Mr.Arun Selvaraj (Non Executive Director)
		Mr. Vinay Balaji Naidu (Non Executive Director)
		Mr. J Govindraju (Chief Financial Officer) - Till 21.11.2022
		Mr. M K Ravindra Kumar (Chief Financial Officer) - From 22.11.2022 onwards
		Mrs.S. Kavitha (Company Secretary)
Others		
-Relative of KMP		Mr.Sarath Chandran
-Enterprise in which KMP has control / significant influence		Ashwanth Primarius Enterprises. LLP
		Suprem Enterprises
		Narayanaswamy Naidu Charity Trust for Education
		N Damotharan Welfare trust

₹ Lakhs

Nature of transactions	FY 2022-23			FY 2021 - 22		
	Subsidiaries	KMP	Others	Subsidiaries	KMP	Others
Remuneration paid	**-**	**343.02**	**1.00**	-	272.21	0.12
Commission paid	**-**	**-**	**-**	-	487.63	29.88
Sitting fees paid	**-**	**11.90**	**-**	-	7.20	-
Interest paid	**-**	**-**	**-**	-	-	36.39
Royalty paid	**-**	**-**	**12.70**	-	-	8.75
Donation paid	**-**	**-**	**49.75**	-	-	0.40
Amount payable	**-**	**-**	**1.61**	-	487.63	31.52
Amount receivable	**-**	**-**	**-**	-	-	-

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

53. Leases

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

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

Particulars	31.03.2023	31.03.2022
Balance at the beginning of the year	**193.63**	285.12
Additions during the year	**-**	-
Reclassification from prepayment	**-**	-
Finance cost accrued during the year	**13.34**	22.60
Payment of lease liabilities	**(116.65)**	(114.09)
Balance at the end of the year	**90.32**	193.63
Current lease liabilities	**90.32**	103.31
Non-current lease liabilities	**-**	90.32
Amount recognised in Statement of Profit & Loss for the year ended :		
Interest on lease liabilities	**13.34**	22.60
Depreciation on right-of-use assets	**126.18**	127.46

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

Particulars	31.03.2023	31.03.2022
Less than one year	**90.32**	103.31
One to five years	**-**	90.32
More than five years	**-**	-
Total	**90.32**	**193.63**

(iii) Detailed leasing arrangements:

Particulars	31.03.2023	31.03.2022
Expenses relating to short-term leases	**9.00**	4.22
Expenses relating to leases of low-value assets	**1.81**	12.28

54. Operating Segments

The company is in the business of manufacturing textile products which are regularly reviewed by the Chief Financial Officer for assessment of company's performance and resource allocation.

Informations about geographical revenue and non-current assets:

1. Revenue from Operations: Based on location of customers.
2. Non- Current assets : Based on location of the assets.

a) Revenue from Operations

₹ Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Within India	**53,746.80**	50,577.34
Outside India	**38,122.49**	44,889.00
Total	**91,869.29**	**95,466.34**

b) Non current assets:

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

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

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

Investments made are given under the respective head.

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

Particulars	As at 31st March 2023	Maximum balance outstanding during the year	Investment by the loanee in the shares of Parent Company
Loans and Advances in the nature of loans given to subsidiaries	-	-	-

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

58. Ratio analysis and its elements

Ratio	Numerator	Denominator	2022-23	2021-22	Var %	Reasons for Variance (If change is > than 25%)
Current Ratio	Total current assets	Total current liabilities	1.23	1.16	6.03%	Not Applicable
Debt-equity ratio	Total Debt	Shareholders Equity	0.99	0.85	16.47%	Not Applicable
Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest + Lease Payments+ Principal repayments	0.44	1.98	(77.78%)	Decrease in Principal repayments and profits
Return on equity ratio (%)	Net profit after taxes	Average Shareholders Equity	(6.48%)	28.53%	(122.71%)	Decrease in Profit
Inventory turnover ratio	Net Sales= Sales - Sales Return	Average Inventory	3.80	5.12	(25.78%)	Poor market conditions
Trade receivables turnover ratio	Credit Sales	Average Trade Receivables	7.10	7.89	(10.01%)	Not Applicable
Trade payables turnover ratio	Credit Purchase	Average Trade Payables	12.31	14.41	(14.57%)	Not Applicable
Net capital turnover ratio	Net Sales= Sales - Sales Return	Working capital = Total current assets - Total current liabilities	12.03	16.18	(25.65%)	Decrease in revenue from operations
Net profit ratio (%)	Net profit / (Loss)	Net Sales= Sales - Sales Return	(2.83%)	11.04%	(125.63%)	Decrease in revenue from operations
Return on capital employed (%)	Earnings before interest and taxes	Capital Employed= Total Tangible Networth + Total Debt + Deferred Tax Liability	0.21%	20.79%	(98.99%)	Decrease in revenue from operations
Return on investment (%)	Interest (Finance Income)	Investment	0.58%	0.00%	0.00	Not Applicable

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

(i) Details of Benami property:

No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions

(ii) Utilisation of borrowed funds and share premium:

A) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner, whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

B) The company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

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

(iv) Undisclosed income:

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

(v) Details of crypto currency or virtual currency:

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

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

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

(vii) Struck off Companies:

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

(viii) Wilful Defaulter:

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

(ix) The Company does not have any charges or satisfaction which is yet to be register the Registrar of Companies (ROC) beyond the statutory period.

60. The amounts and disclosures included in the financial statements of the previous year have been reclassified wherever necessary to conform to the current year classification.

61. All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

C.S.Sathyanarayanan
Partner
M.No. : 028328

Place : Coimbatore
Date :26-May-2023

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M.K. Ravindra Kumar
Chief Financial Officer

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

S Kavitha
Company Secretary
(FCS No. 8710)

INDEPENDENT AUDITOR'S REPORT

To the Members of Precot Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Precot Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated loss (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>**Valuation of inventory:**</u> As at 31st March 2023, the Company's inventories amounted to ₹ 24,200.89 lakhs representing 27% of the Company's total assets as at 31st March, 2023. The Company's inventory primarily comprises cotton, WIP, yarn and technical textile products. Inventories are valued at the lower of the cost and net realizable value ('NRV'). Considering the volatility in the prices of raw material and finished goods and significant degree of management judgement and estimation involved in valuation of inventories, we identified the valuation of inventories as a key audit matter.	Our audit procedures included the following: • Assessed the appropriateness of the accounting policy for inventories as per the relevant accounting standards. • Obtained an understanding of and performed the test of design and operating effectiveness of the Company's key internal controls over the process for valuation of inventories. • Compared the cost of raw materials with supplier invoices for selected samples. • In connection with NRV testing, we have compared carrying value to subsequent selling price of selected samples as indicated in sales invoices subsequent to the reporting date. • In respect of inventories remaining unsold, we compared the carrying value of inventories with prevailing quotations/market prices of selected samples subsequent to the reporting period • Assessed the appropriateness of disclosures in the financial statements in accordance with the applicable accounting standards.

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

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone/consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, as stated above, which is expected to be received after the date of our audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Management and Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresen tations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 financial information of such entities included in the consolidated financial statements of which we are the independent auditors. Our responsibilities in this regard is as described in “Other Matters” paragraph in this audit report.

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

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

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

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

Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements reflects total assets of ₹ 2421.57 lakhs and net assets of ₹ 2340 lakhs as at March 31, 2023, total revenues of ₹ NIL and net cash flows amounting to ₹ NIL for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, this financial statement is not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the same.

Report on Other Legal and Regulatory Requirements

1. (A) As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in the **"Annexure"**;

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2021, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations as on 31st March 2023 on the consolidated financial position of the Group - Refer Note 46 to the consolidated financial statements;

(ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2023;

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.59(ii)A to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Group or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.59(ii)B to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(v) The final dividend proposed with respect to previous year, declared and paid by the company during the year is in compliance with section 123 of the Companies Act 2013 as applicable. The Board of Directors have not proposed any dividend during the year.

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

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

(D) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) order, 2020 ("CARO"/ "the order") issued by the Central Government in terms of Section 143(11) of the Act, based on the CARO reports issued by us for the Company and its Indian subsidiary included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable only to the Holding Company.

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

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN: 23028328BGUEXH1961

Place: Coimbatore
Date: 26-May-2023

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

[Referred to under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date to the members of **Precot Limited** on the Consolidated Financial Statements for the year ended March 31, 2023]

In conjunction with our audit of the consolidated financial statements of **Precot Limited** (hereinafter referred to as “the Holding Company”) as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Group, which are entities incorporated in India, as of that date.

Opinion

In our opinion, the Group, which are entities incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2023, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness.

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

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

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

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

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

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

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN: 23028328BGUEXH1961

Place: Coimbatore
Date: 26-May-2023

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

₹ Lakhs

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non - Current assets			
(a) Property, Plant and Equipment	2	**44,366.22**	42,795.25
(b) Right of use Asset	3 (a)	**337.55**	463.73
(c) Capital work-in-progress	3 (b)	**296.76**	3160.28
(d) Intangible assets	3 (c)	**30.84**	44.08
(e) Intangible assets under development	3 (d)	**9.33**	-
(f) Financial Assets			
(i) Investments	4	**696.34**	1,218.06
(ii) Other Financial Assets	5	**985.19**	810.09
(g) Deferred tax assets (net)	6	**569.32**	-
(h) Other non-current assets	7	**2,448.54**	1,018.67
Total Non Current Assets		**49,740.09**	**49,510.16**
(2) Current assets			
(a) Inventories	8	**24,200.89**	24,141.02
(b) Financial Assets			
(i) Investments	9	**198.69**	-
(ii) Trade receivables	10	**11,870.97**	13,994.54
(iii) Cash and cash equivalents	11	**61.39**	148.56
(iv) Bank balances other than (iii) above	12	**585.34**	916.30
(v) Loans	13	**72.40**	63.87
(vi) Other Financial Assets	14	**39.91**	39.07
(c) Other current assets	15	**3,888.33**	4,504.43
Total Current Assets		**40,917.92**	**43,807.79**
TOTAL ASSETS		**90,658.01**	**93,317.95**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	16	**1,200.00**	1,200.00
(b) Other Equity	17	**39,371.26**	43,212.29
EQUITY ATTRIBUTABLE TO OWNERS OF PRECOT LTD		**40,571.26**	44,412.29
Non-controlling interest		**0.10**	0.10
Total Equity		**40,571.36**	**44,412.39**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	**14,497.10**	8,169.55
(ii) Lease Liability	19	**-**	90.32
(iii) Other Financial Liabilities	20	**-**	17.22
(b) Provisions	21		
(c) Deferred tax liabilities (Net)	6	**2,262.55**	2,153.35
(d) Other non-current liabilities	22	**-**	455.17
		43.06	112.15
Total Non Current Liabilities		**16,802.71**	**10,997.76**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**23,285.49**	27,607.72
(ii) Lease Liability	24	**90.32**	103.31
(iii) Trade payables	25		
- Outstanding dues of Micro & Small Enterprises		**120.00**	282.23
- Outstanding dues of Creditors other than Micro & Small Enterprises			
		6,190.10	3,537.11
(iv) Other Financial Liabilities	26	**2,906.45**	5,377.46
(b) Other current liabilities	27	**380.43**	436.04
(c) Provisions	28	**311.15**	271.65
(d) Current Tax Liabilities (Net)		**-**	292.28
Total Current Liabilities		**33,283.94**	**37,907.80**
TOTAL LIABILITIES		**50,086.65**	**48,905.56**
TOTAL EQUITY AND LIABILITIES		**90,658.01**	**93,317.95**

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

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

C.S.Sathyanarayanan
Partner
Membership No: 028328

Place : Coimbatore
Date : 26-May-2023

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

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

S Kavitha
Company Secretary
(FCS No. 8710)

₹ Lakhs

	Particulars	Note No.	For the year ended 31st Mar 2023	For the year ended 31st Mar 2022
I	Revenue From Operations	29	**95,382.31**	99,328.12
II	Other income	30	**723.77**	649.09
III	**Total Income (I+II)**		**96,106.08**	**99,977.21**
IV	**Expenses**			
	Cost of materials consumed	31	**64,797.86**	53,216.60
	Purchase of Stock-in-Trade	32	**2.90**	-
	Changes in inventories of finished goods, stock in trade and work-in-progress	33	**(2,471.81)**	(4,358.47)
	Employee benefits expense	34	**8,463.01**	9,360.16
	Finance costs	35	**3,613.55**	2,897.73
	Depreciation and amortization expenses	36	**3,339.74**	3,252.51
	Other expenses	37	**21,813.12**	22,233.72
	Total Expenses (IV)		**99,558.37**	**86,602.25**
V	**Profit/(Loss) before exceptional items and Tax (III - IV)**		**(3,452.29)**	**13,374.96**
VI	**Exceptional items**		**-**	**-**
VII	**Profit/(Loss) before tax (V - VI)**		**(3,452.29)**	**13,374.96**
VIII	**Tax expense:**			
	(1) Current tax		**-**	2,280.00
	(2) Deferred tax	38	**(850.03)**	553.09
IX	**Profit/(Loss) after Tax (VII - VIII)**		**(2,602.26)**	**10,541.87**
X	**Other Comprehensive Income (OCI)**		**-**	**-**
	Items that will not be reclassified to profit or loss			
	a) Remeasurement of the defined benefit plans		**(60.63)**	(522.90)
	b) Gains / (Losses) on fair value of Equity instruments measured at fair value through OCI		**(632.62)**	133.83
	c) Income tax relating to items that will not be reclassified to profit or loss		**174.48**	97.92
	Total Other Comprehensive Income		**(518.77)**	**(291.15)**
XI	**Total Comprehensive Income for the year (IX + X)**		**(3,121.03)**	**10,250.72**
XII	Earnings per equity share of face value of ₹10/- each			
	- Basic and Diluted (in ₹)	39	(21.69)	87.85

Summary of Significant Accounting Policies and Notes form an integral part of the Financial Statements

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

C.S.Sathyanarayanan
Partner
Membership No: 028328

Place : Coimbatore
Date : 26-May-2023

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

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

S Kavitha
Company Secretary
(FCS No. 8710)

Consolidated Statement of changes in equity for the year ended 31st March 2023

A. EQUITY SHARE CAPITAL

₹ Lakhs

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

₹ Lakhs

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,200.00	-	1,200.00	-	1,200.00

B. OTHER EQUITY

₹ Lakhs

Particulars	Reserves and Surplus					Items of other comprehensive Income		Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Equity instruments through other Comprehensive Income	Re-measurement of the defined benefit plans	
Balance as at 01st April, 2022	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**26,759.25**	**2,163.01**	**(646.03)**	**43,212.29**
Profit/ (Loss) for the year					(2,602.26)			(2,602.26)
Other Comprehensive Income for the year (net of tax)						(473.40)	(45.37)	(518.77)
Dividend Paid					(720.00)			(720.00)
Balance as at 31st Mar, 2023	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**23,436.99**	**1,689.61**	**(691.40)**	**39,371.26**
Balance as at 01st April, 2021	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**16,217.38**	**2,062.86**	**(254.73)**	**32,961.57**
Profit/ (Loss) for the year					10,541.87			10,541.87
Other Comprehensive Income for the year (net of tax)						100.15	(391.30)	(291.15)
Balance as at 31st Mar, 2022	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**26,759.25**	**2,163.01**	**(646.03)**	**43,212.29**

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

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S
C.S.Sathyanarayanan
Partner
M.No. : 028328
Place : Coimbatore
Date : 26-May-2023

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M.K. Ravindra Kumar
Chief Financial Officer

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

S Kavitha
Company Secretary
(FCS No. 8710)

Consolidated Statement of Cash Flows

₹ Lakhs

Particulars		For the year ended 31.03.2023		For the year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit /(Loss) Before Tax		**(3,452.29)**		**13,374.96**
Adjustments for :				
Depreciation and amortization expenses	**3,339.74**		3,252.51	
Interest income	**(94.47)**		(127.65)	
(Gain)/Loss on fair valuation of financial assets at fair value through Profit and Loss	**(4.90)**		(4.34)	
Dividend from Financial assets at FVTPL	**(0.10)**			
(Profit)/Loss on sale of Property, Plant and Equipment (net)	**(239.00)**		(44.81)	
Unrealised foreign exchange loss/(gain)	**(45.22)**		(238.20)	
Liabilities no more payable	**(102.45)**		(5.92)	
Finance cost (including fair value change in financial instruments)	**3,613.55**		2,897.73	
Allowance for credit loss (net)	**161.10**		(175.27)	
Provision/(reversal) of doubtful advances	**(19.28)**		(2,173.22)	
Bad debts written off	**19.76**		262.29	
Irrecoverable advance written off	**1.13**		2,142.64	
Other adjustments	**67.09**		106.39	
		6,696.95		**5,892.15**
Operating Profit before working capital changes		**3,244.66**		**19,267.11**
Adjustments for :				
(Increase) / Decrease in Inventories	**(59.87)**		(11,021.13)	
(Increase) / Decrease in Trade Receivables	**1,987.38**		(3,835.66)	
(Increase) / Decrease in Loans and Other Financial Assets	**(183.62)**		193.05	
(Increase) / Decrease in Other Assets	**607.86**		(255.12)	
Increase / (Decrease) in Trade Payable	**2,593.26**		846.48	
Increase / (Decrease) in Other Financial Liabilities	**(2,694.44)**		2,624.29	
Increase / (Decrease) in Other Liabilities and Provisions	**31.33**		(268.55)	
		2,281.90		**(11,716.64)**
Cash generated from Operations		**5,526.56**		**7,550.47**
Direct Taxes		**(603.28)**		**(1,996.61)**
Net Cash Flow from operating activities		**4,923.28**		**5,553.86**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment (Including CWIP)	**(2,079.87)**		(5,142.15)	
Advance settled for purchase of Property, Plant and Equipment	**(1,110.65)**		(540.09)	
Sale of Property, Plant and Equipment	**401.79**		74.26	
Purchase of Non - Current Investments	**(110.90)**		(10.89)	
Purchase of current investments	**(206.44)**		-	
Other Investing activities	**6.85**		-	
Interest Received	**93.63**		140.06	
Dividend received	**0.10**		-	
Net Cash flow used in investing activities		**(3,005.49)**		**(5,478.81)**
C. CASH FLOW FROM FINANCING ACTIVITES:-				
Unclaimed dividends paid	**-**		(4.91)	
Interest Paid	**(3,376.06)**		(2,682.10)	
Dividend paid	**(712.12)**		-	
Proceeds / (Repayment) of Long Term Borrowings	**2,588.57**		(1,031.44)	
Repayment of lease liability	**(116.65)**		(114.09)	
Proceeds / (Repayments) of Unsecured Loan	**(1,000.82)**		(731.52)	
Proceeds / (Repayments) of loans repayable on demand	**281.16**		4,656.91	

₹ Lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Net Cash Flow from / (used in) Financing Activities	**(2,335.92)**	**92.85**
Net Increase/(Decrease) in Cash and Cash Equivalent	**(418.13)**	167.90
Cash and Bank Balances as at		
01.04.2022 and 01.04.2021 (Opening balance)	**1,064.86**	896.96
Less: Bank balances not considered as Cash and Cash Equivalents		
as per Indian Accounting Standard 7	**585.34**	916.30
Cash and Cash Equivalents as at		
31.03.2023 and 31.03.2022 (Closing balance) (Refer note no. 11)	**61.39**	148.56

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

Particulars	Non Current Borrowings (including current maturities)	Current Borrowings	Lease Liability
As on 31.03.2023			
Opening Balance as at 01st April, 2022	**14,832.17**	**20,945.10**	**193.63**
Cash Flows (Net) - Proceeds/(Repayment)	2,588.57	(719.66)	(116.65)
Additions during the year - Impact on account of Ind AS 116	-	-	13.34
Other adjustments	(78.81)	(0.50)	-
Amortisation of loan origination cost	17.82	-	-
De-recognition of unamortised portion of finance charges	197.90	-	-
Closing Balance as at 31st March, 2023	**17,557.65**	**20,224.94**	**90.32**
As on 31.03.2022			
Opening Balance as at 01st April, 2021	15,712.42	16,920.03	285.12
Cash Flows (Net) - Proceeds/(Repayment)	(1,031.44)	3,925.39	(114.09)
Additions during the year - Impact on account of Ind AS 116	-	-	22.60
Other adjustments	(0.60)	99.68	-
Amortisation	151.79	-	-
Closing Balance as at 31st March, 2022	**14,832.17**	**20,945.10**	**193.63**

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

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

C.S.Sathyanarayanan
Partner
Membership No: 028328

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

S Kavitha
Company Secretary
(FCS No. 8710)

Place : Coimbatore
Date : 26-May-2023

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

Note 1

a. Corporate Information:

Precot Limited has been in the textile industry since 1962 and is engaged in manufacturing of yarn and technical textile product. It started its first production in 1964 with an initial capacity of 12,096 spindles at Kanjikode, Kerala. At present it has units in the four southern states of India viz., Tamil Nadu, Kerala, Andhra Pradesh and Karnataka with a total spinning capacity of 1,63,000 spindles. In 2013, the company has set up a Greenfield technical textile at Hassan in the State of Karnataka. The Subsidiary – Suprem Associates (Partnership Firm) does not have any operations. The Equity shares are listed on the National Stock Exchange of India Limited.

b. Significant Accounting Policies

I. General Information and Statement of Compliance

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

The consolidated financial statements were authorized and approved for issue by the Board of Directors on 26th May 2023.

II. Basis of Preparation and Presentation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013.

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

III. Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31st March 2023. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual agreement with the other vote holders of the investee
- right arising from other contractual agreement
- the company's voting rights and potential voting rights

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the company obtains control over the Subsidiary and ceases when the company loses control over the Subsidiary. Assets, liabilities, Income and Expenditure of a Subsidiary acquired or disposed of during the year are included in Consolidated Financial Statements from the date the Groups gains control until the date the Company ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income (OCI) are attributed to the Equity holders of the Parent of the Group and to the non-controlling interest, even if this results in non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's Accounting Policies. All intra-group assets and liabilities, Equity, Income, Expenses and Cash Flow relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

- derecognizes the assets (including Goodwill) and liability of the subsidiary;
- derecognizes the carrying amount of any non-controlling interest;
- derecognizes the cumulative translation difference recorded in equity

- recognizes the fair value of the consideration received
- recognizes the fair value of any investments retained
- recognizes any surplus or deficit in Profit or Loss
- reclassifies the Parent's share of components previously recognized in OCI to Profit or Loss or Retained earnings, as appropriate, as would be required if the Group has directly disposed of the related Assets or Liabilities.

IV. Use of Estimates

The preparation of consolidated financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgements and the use of assumptions in these consolidated Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumption".

V. Current Vs Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

Deferred tax assets and liabilities are always classified as non-current assets and liabilities.

VI. Revenue recognition

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

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

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

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

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

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

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

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

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

VII. Leases

The Company as a lessor: Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company as a lessee: The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. 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 assesses whether

i. the contract involves the use of an identified asset

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right- of- use (R O U) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in- use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

VIII. Foreign Currency Transactions

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Company.

Initial Recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions or an average rate if the average rate approximates the actual rate at the dates of the transactions.

Conversion

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 based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

IX. Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Class of Assets	Useful Lives
Factory Buildings	30 Years
Non- Factory Buildings	60 Years
Leasehold Buildings	Term of Lease or useful estimate life which ever is earlier
Plant and Equipment	10 Years (on triple shift basis)
Vehicles - Two wheeler	10 Years
Vehicles - Four wheeler	8 years
Furniture and Fixtures	10 Years
Office equipments	5 years
Computer	3 Years

X. Intangible Assets and Amortisation:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and impairment, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the e ect of any changes in estimate being accounted for on a prospective basis.

The Company has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software - Acquired	6 years

XI. Impairment of Non Financial assets:

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

XII. Borrowings:

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

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

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

XIII. Government Grants:

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

XIV. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

XV. Inventories:

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

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

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

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

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

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

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

XVI. Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

XVII. Taxation

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re- assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized 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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

XVIII. Employee Benefits

Retirement benefit costs and termination benefits:

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

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

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

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

b. net interest expense or income; and

c. re-measurement

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

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

Short-term and other long-term employee benefits:

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

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

XIX. Provisions and contingent liabilities

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

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

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

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

XX. Financial Instruments

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

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

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Investment in Subsidiaries, Associates and Joint ventures:

The Company's investment in equity instruments of Subsidiaries, Associates and Joint venture are accounted for at cost as per Ind AS 27.

(iii) Derecognition of financial assets: The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised inprofit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

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

B. Financial liabilities and equity instruments

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

(i) Recognition and initial Measurement:

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

(ii) Subsequent measurement

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

a. Loans and borrowings

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

b. Trade and other payables

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

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

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

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

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

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

(iv) Derivative financial instruments: The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and FE rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d. Compound Financial Instruments

A financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and is subsequently measured at amortized cost. The residual value is recognized as equity component of other financial instrument and is not re-measured after initial recognition.

The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognized directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortized using effective interest method.

XXI. Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- o In the principal market for the asset or liability, or
- o In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Significant accounting judgements, estimates and assumptions:

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

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

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

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

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

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

iv. **Fair Value Measurement:** When the fair values of financial assets or financial liabilities recorded or disclosed in the consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 37.

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

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

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

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

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Ind AS 12, Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company does not expect the amendments to have any significant impact in the consolidated financial statements.

2. PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

Particulars	Freehold Land	Buildings	Plant and equipment	Furnitures including office equipments	Vehicles	Computer	Total
Gross Carrying Value							
As at 31st March 2021	**26,209.62**	**6,845.58**	**25,925.57**	**195.19**	**249.39**	**145.50**	**59,570.85**
Additions / Adjustments	-	4.65	1,932.28	12.55	189.84	90.08	2,229.40
Deductions	-	-	215.32	1.17	12.18	10.15	238.82
As at 31st March 2022	**26,209.62**	**6,850.23**	**27,642.53**	**206.57**	**427.05**	**225.43**	**61,561.43**
Additions	-	24.12	4,763.49	7.49	112.87	26.10	4,934.07
Deductions	-	-	281.63	-	8.70	11.57	301.90
As at 31st March 2023	**26,209.62**	**6,874.35**	**32,124.39**	**214.06**	**531.22**	**239.96**	**66,193.60**
Accumulated depreciation and impairment							
As at 31st March 2021	**-**	**1,715.22**	**13,794.80**	**117.09**	**108.69**	**90.70**	**15,826.50**
Depreciation / Adjustments	-	339.40	2,678.58	23.04	40.22	32.81	3,114.05
Deductions	-	-	156.62	0.84	9.66	7.25	174.37
As at 31st March 2022	**-**	**2,054.62**	**16,316.76**	**139.29**	**139.25**	**116.26**	**18,766.18**
Depreciation	-	334.23	2,761.03	22.37	53.84	28.85	3,200.32
Deductions	-	-	124.25	-	7.02	7.85	139.12
As at 31st March 2023	**-**	**2,388.85**	**18,953.54**	**161.66**	**186.07**	**137.26**	**21,827.38**
Net Carrying Value							
As at 31st March 2022	26,209.62	4,795.62	11,325.76	67.28	287.80	109.17	42795.25
As at 31st March 2023	**26,209.62**	**4,485.50**	**13,170.85**	**52.40**	**345.15**	**102.70**	**44366.22**

Certain Property, Plant and Equipment has been given as security against borrowings availed by the company- (Refer note no:18 & 23)

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

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

3 (a) RIGHT OF USE ASSET:

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 31st March 2021	**390.60**	**383.30**	**773.90**
Additions	-	-	-
Reclassification from Prepayment	-	-	-
Deductions	-	-	-
As at 31st March 2022	**390.60**	**383.30**	**773.90**
Additions	-	-	-
Reclassification from Prepayment	-	-	-
Deductions	-	-	-
As at 31st March 2023	**390.60**	**383.30**	**773.90**
Accumulated Amortization and Impairment			
As at 31st March 2021	**61.04**	**121.67**	**182.71**
Amortization	30.46	97.00	127.46
Deductions	-	-	-
As at 31st March 2021	**91.50**	**218.67**	**310.17**
Amortization	30.50	95.68	126.18
Deductions	-	-	-
As at 31st March 2022	**122.00**	**314.35**	**436.35**
Net Carrying Value			
As at 31st March 2022	299.10	164.63	463.73
As at 31st March 2023	**268.60**	**68.95**	**337.55**

3(b) CAPITAL WORK IN PROGRESS

₹ Lakhs

As at 31st March 2022	3160.28
As at 31st March 2023	**296.76**

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

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	296.15	0.61	-	-	296.76
Projects temporarily suspended	-	-	-	-	-

Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2022

₹ Lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,160.28	-	-	-	3,160.28
Projects temporarily suspended	-	-	-	-	-

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

₹ Lakhs

3(c) INTANGIBLE ASSET

Particulars	Amount
Gross Carrying Value	
As at 31st March 2021	**130.51**
Additions	16.61
Deductions	-
As at 31st March 2022	**147.12**
Additions	-
Deductions	-
As at 31st March 2023	**147.12**
Accumulated Amortization and Impairment	
As at 31st March 2021	**92.04**
Amortization	11.00
Deductions	-
As at 31st March 2022	**103.04**
Amortization	13.24
Deductions	-
As at 31st March 2023	**116.28**
Net Carrying Value	
As at 31st March 2022	44.08
As at 31st March 2023	**30.84**

3 (d) INTANGIBLE ASSETS UNDER DEVELOPMENT

As at 31st March 2022	-
As at 31st March 2023	**9.33**

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

₹ Lakhs

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

Intangible assets under development (IAUD) ageing schedule as at 31st March 2022

₹ Lakhs

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

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

4. INVESTMENTS

₹ Lakhs

Particulars		31.03.2023	31.03.2022
Investment in equity shares at fair value through other comprehensive income			
Trade Investments - Unquoted, fully paid up			
12,06,000 shares	A.P. Gas Power Corporation Limited of ₹10 each (as on 31.03.22 -12,06,000 shares)	**517.62**	1,218.06
2,25,000 shares	Sai Regency Power Corporation Private limited of ₹ 10 each (as on 31.03.22 -2,25,000 shares)	**-**	-
14,000 shares	OPG Energy Private Limited of ₹ 10 each (as on 31.03.22 - 14,000 shares)	**-**	-
1,08,870 shares	Nagai Power Private Limited of ₹10 each (as on 31.03.22 -1,08,870 shares)	**-**	-
83,004 shares	Ind-Bharath Power Gencom Limited of ₹ 10 each (as on 31.03.22 - 83,004 shares)	**-**	-
56,256 shares	Vishnupriya Farms Private Limited of ₹ 10 each (as on 31.03.22 - Nil)	**178.72**	-
	Total Trade Investments	**696.34**	**1,218.06**
	TOTAL INVESTMENTS	**696.34**	**1,218.06**
Aggregate amount of Quoted Investments and Market Value thereof		-	-
Aggregate amount of Unquoted Investments		**696.34**	**1,218.06**
Category-wise Non current investment			
Financial assets carried at amortized cost		**-**	**-**
Financial assets measured at fair value through other comprehensive income		**696.34**	**1,218.06**
	Total Non current investments	**696.34**	**1,218.06**

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

5. OTHER FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Security Deposits	**985.19**	786.32
Margin money	**-**	23.77
	985.19	**810.09**

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

Particulars		31.03.2023	31.03.2022
A. Deferred Tax Assets			
- On disallowances under the income tax act		**96.00**	101.58
- On unused tax losses and benefits		**899.29**	-
- On employee benefit expense		**378.00**	347.41
- On fair value adjustment of financial instruments		**374.97**	198.72
- On lease liability		**21.97**	46.93
	TOTAL (A)	**1,770.23**	**694.64**
B. Deferred Tax Liability			
-On PPE and intangible assets		**1,200.91**	1,149.81
	TOTAL (B)	**1,200.91**	**1,149.81**
Deferred tax Asset/ (liabilities) (Net) (Refer note no.38)	**(A-B)**	**569.32**	**(455.17)**

7. OTHER NON-CURRENT ASSETS

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Capital advances	**1,927.52**	816.87
Advance Tax (net)	**490.09**	179.10
Prepayments	**30.93**	22.70
	2,448.54	**1,018.67**

8. INVENTORIES

Particulars		31.03.2023	31.03.2022
Raw Materials		**12,465.34**	15,300.93
Work-in-progress		**1,702.44**	2,140.50
Finished goods		**8,135.03**	5,337.76
Stock in trade		**2.90**	-
Stores and spares		**1,693.36**	1,269.71
Waste Cotton		**201.82**	92.12
		24,200.89	**24,141.02**
Details of stock in transit			
Raw Materials		**1,500.29**	1,790.83
Stores and spares		**87.50**	93.66
	Total	**1,587.79**	**1,884.49**

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

(ii) Inventory held at net realizable value amounting to ₹ 4428.34 lakhs. (PY ₹ 88.53 Lakhs).

The amount of write down of inventory recognised as an expense during the current year is ₹ 309.82 Lakhs (PY ₹ 13.49 Lakhs).

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

(iv) Inventories have been given as security against certain bank borrowings of the Company - (Refer note nos. 18 & 23)

(v) Cost of inventory recognised as an expense:

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Cost of materials consumed	**64,797.86**	53,216.60
Cost of traded goods sold	**2.90**	-
Consumption of Stores & Spare parts	**4,332.53**	3,563.64
Consumption of Fuel	**946.04**	589.70

9. INVESTMENTS - At Fair Value through Profit and Loss

Particulars	31.03.2023	31.03.2022
Investments under Portfolio Management Scheme		
Aggregate value of Quoted Investments and Market Value thereof	**198.69**	**-**
Aggregate value of Unquoted Investments	**-**	-
Total	**198.69**	**-**

10. TRADE RECEIVABLES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Trade Receivable considered good - Unsecured	**12,150.50**	14,112.97
Less: Allowance for expected credit loss	**279.53**	118.43
	11,870.97	**13,994.54**

Ageing as on 31st March 2023

₹ Lakhs

Particulars	Outstanding for the following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	8,303.42	3,099.08	610.79	82.16	29.05	0.73	12,125.23
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	2.88	22.39	-	-	-	25.27
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Sub total	**8,303.42**	**3,101.96**	**633.18**	**82.16**	**29.05**	**0.73**	**12,150.50**
Less: Allowance for Expected Credit Loss		-	-	-	-	-	(279.53)
Total	**8,303.42**	**3,101.96**	**633.18**	**82.16**	**29.05**	**0.73**	**11,870.97**

Ageing as on 31st March 2022

Particulars		Outstanding for the following period from due date of payment						Total
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered good	8,184.47	5,754.84	110.51	58.02	4.63	0.50	14,112.97
(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	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	Sub total	**8,184.47**	**5,754.84**	**110.51**	**58.02**	**4.63**	**0.50**	**14,112.97**
	Less: Allowance for Expected Credit Loss		-	-	-	-	-	(118.43)
	Total	**8,184.47**	**5,754.84**	**110.51**	**58.02**	**4.63**	**0.50**	**13,994.54**

Movement in Allowance for expected credit loss is as follows:

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Opening	**118.43**	295.57
Additions	**161.10**	85.54
Reversal	**-**	260.81
Other adjustments	**-**	1.87
Closing	**279.53**	**118.43**

The credit period on sales of goods ranges from 21 to 60 days without security. No interest is charged on trade receivables upto the end of the credit period.
Trade receivables have been given as collateral towards borrowings (Refer security note below Note Nos.18 & 23).
The Company's exposure to credit and currency risk related to trade receivables are given in Note No.44.
Expected credit losses are estimated after taking into account historical credit loss experiences of the Company.

11. CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Balances with Banks		
Current accounts	**60.33**	146.18
Cash on hand	**1.06**	2.38
	61.39	**148.56**

12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Earmarked balances		
In Unclaimed dividend accounts	**7.88**	-
In margin money *	**577.46**	916.30
	585.34	**916.30**

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

13. LOANS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Employee Loan / advances	**72.40**	63.87
	72.40	**63.87**

14. OTHERS FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Income accrued	**39.91**	39.07
	39.91	**39.07**

Movement in Allowance for doubtful receivables is as follows:

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Opening	**-**	2,142.64
Additions	**-**	-
Reversal / Utilisation	**-**	(2,142.64)
Closing	**-**	**-**

15. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Advance to Suppliers & others	**1,356.52**	2,109.49
Export incentives receivable	**298.33**	473.82
Indirect tax balances/ recoverable /credits	**1,837.91**	1,743.88
Compensation receivable	**160.00**	-
Unsecured, considered doubtful		
Indirect tax balances/ recoverable /credits	**-**	19.46
Less : Allowance for doubtful advances/ deposits	**-**	(19.46)
Others		
Prepayments	**235.57**	177.24
	3,888.33	**4,504.43**

Movement in Allowance for doubtful advances is as follows:

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Opening	**19.46**	50.04
Additions	**-**	-
Reversal	**(19.46)**	(30.58)
Closing	**-**	**19.46**

16. EQUITY SHARE CAPITAL

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Authorised		
2,13,00,000 Equity Shares of ₹ 10 each	2,130.00	2,130.00
(31-03-23 and 31-03-22 - 2,13,00,000 Equity Shares of ₹10 each)		
Issued, Subscribed & fully Paid up		
1,20,00,000 Equity Shares of ₹ 10 each fully paid up	1,200.00	1,200.00
(31-03-23 and 31-03-22 - 1,20,00,000 Equity Shares of ₹ 10 each)		
	1,200.00	**1,200.00**

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

Particulars	31.03.2023		31.03.2022	
	Number	₹ Lakhs	Number	₹ Lakhs
At the beginning of the year / end of the year	**1,20,00,000**	**1,200.00**	1,20,00,000	1,200.00

(ii) Terms/rights attached to equity shares :

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

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

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

(iii) Shareholding of promoter and promoter group as on 31st March 2023 and 31st March 2022:

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

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

S. No.	Particulars	Equity Shares			
		As at 31.03.2023		As at 31.03.2022	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	D Sarath Chandran (Ind)	**16,42,845**	**13.69%**	16,42,845	13.69%
2	D Sarath Chandran (HUF)	**12,16,251**	**10.14%**	12,16,251	10.14%
3	Ashwin Chandran	**23,22,801**	**19.36%**	23,22,801	19.36%
4	Prashanth Chandran	**1,987,022**	**16.56%**	19,87,022	16.56%

v) Shares allotted for consideration other than cash in the last five years - Nil.

vi) There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2023

17. OTHER EQUITY

₹ Lakhs

Particulars		31.03.2023	31.03.2022
General reserve		**11,796.41**	11,796.41
Capital Reserve		**48.19**	48.19
Capital Redemption Reserve		**355.00**	355.00
Securities Premium		**2,736.46**	2,736.46
	(A)	**14,936.06**	**14,936.06**
Retained earnings			
Opening balance		**26,759.25**	16,217.38
Add/ (Less): Profit/ (loss) for the year		**(2,602.26)**	10,541.87
Less: Dividend for the year		**(720.00)**	-
	(B)	**23,436.99**	**26,759.25**
Other Comprehensive Income:			
Opening balance		**1,516.98**	1,808.13
Add: Additions during the year		**(518.77)**	(291.15)
	(C)	**998.21**	**1,516.98**
	(A+B+C)	**39,371.26**	**43,212.29**

a. General reserve:

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

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

b. Capital Redemption Reserve:

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

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

C. Securities Premium:

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

18. BORROWINGS

₹ Lakhs

Particulars		31.03.2023		31.03.2022	
		Non Current	Current	Non Current	Current
Secured Loans - at amortised cost					
Term loans from Banks		**8,504.12**	**1,999.04**	8,140.30	6,846.30
Less: Unamortised upfront fees on borrowings		**28.49**	**3.77**	13.69	199.75
Less: Amount disclosed under current maturities		**-**	**1,995.27**	-	6,646.55
	(A)	**8,475.63**	**-**	**8,126.61**	**-**
Loans from Others		**83.86**	**30.81**	48.37	20.09
Less: Unmatured finance charges		**9.09**	**6.87**	5.43	4.02
Less: Amount disclosed under current maturities		**-**	**23.94**	-	16.07
	(B)	**74.77**	**-**	**42.94**	**-**
11.55% 700 Non-Convertible Debentures of ₹ 10,00,000/- each		**5,969.37**	**1,056.44**	-	-
Less: Unamortised upfront fees on borrowings		**22.67**	**15.10**	-	-
Less: Amount disclosed under current maturities		**-**	**1,041.34**	-	-
	(C)	**5,946.70**	**-**	**-**	**-**
	Total (A+B+C)	**14,497.10**	**-**	**8,169.55**	**-**

I Term loans from Banks:

a. Repayment Terms

Note	Terms of Loans	Bank	31.03.2023	31.03.2022	Description
1	Repayable in 48 monthly instalments aggregating to ₹ 814.63 lakhs . The interest is payable on monthly basis and the rate of interest is 8.25% per annum.	ICICI Bank	814.63	1,029.00	GECL 2.0 Scheme
1	Repayable in 48 monthly instalments aggregating to ₹ 131 lakhs commencing from July 2023. The interest is payable on monthly basis and the rate of interest is 9.90% per annum.	ICICI Bank	131.00	-	GECL 3.0 Scheme
1	Repayable in 48 monthly instalments aggregating to ₹ 514 lakhs commencing from July 2023. The interest is payable on monthly basis and the rate of interest is 9.95% per annum.	ICICI Bank	514.00	-	GECL 3.0 Scheme
-	These have since been repaid in April 2022 and have been classified under Short term borrowings.	IndusInd Bank	-	2,022.56	Term Loan
-	These have since been repaid in April 2022 and have been classified under Short term borrowings.	IndusInd Bank	-	3,093.51	Term Loan
2	Repayable in 34 monthly instalments aggregating to ₹ 1,408.87 The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	IndusInd Bank	1,408.87	1,906.13	GECL 2.0 Scheme
2	Repayable in 41 monthly instalments aggregating to ₹ 1,247.94 lakhs . The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	IndusInd Bank	1,247.94	1,461.00	GECL 2.0 Scheme
-	Nil	South Indian Bank	-	201.72	Rupee Tuf loan XVI
3	Repayable in 33 monthly instalments aggregating to ₹ 327.90 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum.	State Bank of India	327.90	447.18	GECL 2.0 Scheme
4	Repayable in 48 monthly instalments aggregating to ₹ 420 lakhs commencing from December 2023. The interest is payable on monthly basis and the rate of interest is 9.05% per annum.	State Bank of India	420.00	420.00	GECL 3.0 Scheme
5	Repayable in 55 quarterly instalments aggregating to ₹ 1,186 lakhs The interest is payable on monthly basis and the rate of interest is 9.95 % per annum.	State Bank of India	1,186.00	1,147.54	Term loan - Solar Power Plant

	Terms of Loans	Bank	31.03.2022	31.03.2021	Description
6	Repayable in 56 quarterly instalments aggregating to ₹ 1,524.36 lakhs commencing from July 2023. The interest is payable on monthly basis and the rate of interest is 10.15 % per annum.	State Bank of India	1,524.36		Term loan - Solar Power Plant
-	Nil	Union Bank of India	-	60.56	Term Loan (Covid 19 Emergency Credit Line - CELC)
7	Repayable in 48 monthly instalments aggregating to ₹ 1,787 lakhs commencing from February 2024. The interest is payable on monthly basis and the rate of interest is 7.85% per annum.	Union Bank of India	1,787.00	1,787.00	GECL 3.0 Scheme
8	Repayable in 34 monthly instalments aggregating to ₹ 672.80 lakhs. The interest is payable on monthly basis and the rate of interest is 8.80% per annum.	IDBI Bank	672.80	910.40	Working Capital Term Loan under GECL 2.0 Scheme
9	Repayable in 46 monthly instalments aggregating to ₹ 468.66 lakhs. The interest is payable on monthly basis and the rate of interest is 9.60% per annum.	IDBI Bank	468.66	500.00	Working Capital Term Loan under GECL 2.0 Scheme
	Total		**10,503.16**	**14,986.60**	

b. Security details:

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

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

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

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

Note 5 : Hypothecation of plant & machinery of proposed solar project & first charge over factory land and building at Hindpur and personal guarantee of promoter directors.

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

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

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

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

II Hire purchase loans from financial institution of ₹ 114.67 Lakhs (March 31, 2022 : ₹ 68.46 Lakhs) carries interest @ 7.63% to 10.65% p.a. The loans are repayable in 60 monthly instalments starting from the respective date of finance. The loan is secured by sepcific assets financed (Vehicle)

II Debentures represents 11.55% 700 Non-convertible debentures of ₹ 10,00.000/- each issued for cash at par to ICICI Prudential Corporate Credit Opportunities Fund -1. The interest is payable on quarterly basis.

(a) Terms of Repayment :

The debentures as on 31-03-2023 are redeemable at a premium of 0.50% per annum on the principal amount and are repayable as follows:

- At the end of 12 months from the deemed date of allotment - 7.50% of the principal amount

- At the end of 18 months from the deemed date of allotment - 7.50% of the principal amount
- At the end of 24 months from the deemed date of allotment - 7.50% of the principal amount
- At the end of 30 months from the deemed date of allotment - 7.50% of the principal amount-
- At the end of 36 months from the deemed date of allotment - 10% of the principal amount
- At the end of 42 months from the deemed date of allotment - 10% of the principal amount
- At the end of 45 months from the deemed date of allotment - 50% of the principal amount.

(b) Security details:

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

19. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Lease Liabilities - Non - Current (Refer Note no: 53)	-	90.32
	-	**90.32**

20. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Security deposits	-	**17.22**
	-	**17.22**

21. PROVISIONS

Particulars	31.03.2023	31.03.2022
Provision for expenses	**1,076.54**	1,076.54
Provision for Gratuity (Refer note no: 40)	**1,186.01**	1,076.81
	2,262.55	**2,153.35**

Movement in provision for expenses

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Opening	**1,076.54**	1,093.37
Additions	**-**	-
Reversal	**-**	(16.83)
Closing	**1,076.54**	**1,076.54**

22. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Deferred Government Grant*	**43.06**	112.15
	43.06	**112.15**

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

23. BORROWINGS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Secured loans at amortised cost		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	**9,792.06**	6,530.09
- Foreign Currency Loan	**10,432.88**	13,414.19
Current maturities of long-term borrowings (Refer note no: 18)	**3,060.55**	6,662.62
Unsecured Loans at amortised cost:		
Loans repayable on demand:		
From Others		
- Others	-	1,000.82
	23,285.49	**27,607.72**

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

2 In respect of the above, working capital rupee loans carry interest rate ranging from 8% p.a. to 12.75% p.a. and working capital foreign currency loans carry interest rate ranging from 1.60 % p.a. to 2.01 % p.a. plus applicable SOFR.

3 The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts of the Company of the respective quarters except as disclosed below:

For the quarter ended	Details of discrepancies					
	Nature of current asset / liability	Nature of discrepancy	Amount (₹ in lakhs)			Remarks (including subsequent rectification, if any)
			As per quarterly returns and statement	As per unaudited books of account	Difference	
30.06.2022	Inventory	The difference is on account of adjustment entries passed during limited review.	26,389.98	28,296.24	(1,906.26)	Nil
30.09.2022	Inventory		24,417.53	28,194.57	(3,777.04)	
31.12.2022	Inventory		25,445.26	24,683.87	761.39	

24. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Lease Liabilities - Current (Refer note no. 53)	**90.32**	103.31
	90.32	**103.31**

25. TRADE PAYABLES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Trade payables		
- Total outstanding dues of Micro and Small Enterprises (Refer note no. 48)	**120.00**	282.23
- Total outstanding dues of creditors other than Micro and Small Enterprises	**6,190.10**	3,537.11
	6,310.10	**3,819.34**

The Company's exposure to Currency risk and liquidity risk in relation to Trade Payables are disclosed in note no.44.

Ageing as on 31st March 2023

₹ Lakhs

Particulars	Outstanding for the following period from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
a) Micro and Small	120.00	-	-	-	-	120.00
b) Medium	-	-	-	-	-	-
(ii) Others	3,386.95	2,803.15	-	-	-	6,190.10
(iii) Disputed dues - Micro and Small	-	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-	-
Total	**3,506.95**	**2,803.15**	**-**	**-**	**-**	**6,310.10**

Ageing as on 31st March 2022

Particulars	Outstanding for the following period from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME						
a) Micro and Small	282.23	-	-	-	-	282.23
b) Medium	-	-	-	-	-	-
(ii) Others	2,810.34	718.48	8.23	0.06	-	3,537.11
(iii) Disputed dues - Micro and Small	-	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-	-
Total	**3,092.57**	**718.48**	**8.23**	**0.06**	**-**	**3,819.34**

26. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Interest accrued but not due on borrowings	**229.60**	22.79
Interest accrued and due on borrowings	**-**	8.48
Unpaid dividends	**7.88**	-
Accrued Employee benefits	**707.65**	789.57
Others *	**1,961.32**	4,556.62
	2,906.45	**5,377.46**

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

27. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Statutory Liabilities	**178.04**	189.63
Advance from Customers	**132.34**	162.13
Deferred Government Grant - (Refer note no. 22)	**69.09**	83.14
Others	**0.96**	1.14
	380.43	**436.04**

28. PROVISIONS

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Provision for Gratuity - (Refer note no. 40)	**311.15**	271.65
	311.15	271.65

29. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Sale of Products - Manufactured Goods		
Sale of Yarn	**67,513.45**	79,761.93
Sale of Technical Textile products	**24,355.84**	15,704.41
Total (A)	**91,869.29**	**95,466.34**
Other operating revenue		
Scrap Sales	**3,246.04**	3,000.52
Export Incentive	**220.75**	787.10
Others*	**46.23**	74.16
Total (B)	**3,513.02**	**3,861.78**
Total (A+B)	**95,382.31**	**99,328.12**

* Others include packing charges collected.

30. OTHER INCOME

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Interest Income from financial assets	**94.47**	131.99
Gain/(Loss) on fair value measurement of financial instruments	**4.90**	
Dividend from Financial assets at FVTPL	**0.10**	
Net gain on disposal of property, plant and equipment	**239.00**	44.81
Insurance claim receipts	**8.85**	7.19
Gains on exchange fluctuations (net) - (Refer note no: 51)	**-**	309.75
Government grant - (Refer note no: 22 & 27)	**83.14**	83.14
Compensation received	**160.00**	
Bad debts recovered	**27.55**	
Miscellaneous Income	**105.76**	72.21
	723.77	**649.09**

31. COST OF MATERIALS CONSUMED

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Cotton	**64,797.86**	**53,216.60**
	64,797.86	**53,216.60**

Particulars of Materials consumed	2022 - 23		2021 - 22	
	% of Consumption	₹ Lakhs	% of Consumption	₹ Lakhs
Imported	**30.87**	**20,004.27**	17.18	9,141.69
Indigenous	**69.13**	**44,793.59**	82.82	44,074.91
	100.00	**64,797.86**	**100.00**	**53,216.60**

32. PURCHASE OF STOCK IN TRADE

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Purchase of Stock in Trade	**2.90**	**-**
	2.90	**-**

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

₹ Lakhs

Particulars			2022 - 23	2021-22
Inventory at the end of the year				
Work in Progress				
Yarn and Waste Cotton			**1,594.15**	2,072.46
Technical Textile products			**310.11**	160.16
		a	**1,904.26**	2,232.62
Finished Goods				
Yarn			**7,976.15**	4,994.80
Technical Textile products			**158.88**	342.96
Traded Goods			**2.90**	-
		b	**8,137.93**	**5,337.76**
	Total	**c= (a+b)**	**10,042.19**	**7,570.38**
Inventory at the beginning of the year				
Work in Progress				
Yarn and Waste Cotton			**2,072.46**	1,198.41
Technical Textile products			**160.16**	476.24
		d	**2,232.62**	**1,674.65**
Finished Goods				
Yarn			**4,994.80**	1,300.19
Technical Textile products			**342.96**	237.07
Traded Goods			**-**	-
		e	**5,337.76**	**1,537.26**
	Total	**f = (d+e)**	**7,570.38**	**3,211.91**
(Increase) / decrease in Inventories		**(f-c)**	**(2,471.81)**	**(4,358.47)**

34. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Salaries, Wages and Bonus	**7,299.71**	8,148.20
Contributions to Provident fund and other funds	**625.30**	506.24
Staff welfare expenses	**538.00**	705.72
	8,463.01	**9,360.16**

35. FINANCE COST

₹ Lakhs

Particulars	2022 - 23	2021 - 22
Interest expense	**3,186.39**	2,340.48
Unwinding of interest on financial liabilities	**215.72**	151.79
(includes de-recognition of unamortised portion of finance charges of ₹197.90 lakhs)		
Premium on redemption of debentures	**25.81**	-
Exchange differences regarded as an adjustment to borrowing cost	**-**	130.08
Other borrowing costs *	**185.63**	275.38
	3,613.55	**2,897.73**

*Other borrowing costs represents processing fee in respect of working capital borrowings.

36. DEPRECIATION AND AMORTIZATION

Particulars	2022 - 23	2021 - 22
Depreciation on Property Plant & Equipment - Refer note no: 2	**3,200.32**	3,114.05
Depreciation on Right of Use assets - Refer note no: 3(a)	**126.18**	127.46
Amortization of Intangible asset - Refer note no: 3(c)	**13.24**	11.00
	3,339.74	**3,252.51**

37. OTHER EXPENSES

₹ Lakhs

Particulars	2022 - 23	2021-22
Consumption of Stores & Spare parts	**4,332.53**	3,563.64
Power & Fuel (Net) (Refer note no: 47)	**7,133.54**	7,379.31
Processing Charges	**1,583.51**	1,155.79
Repairs and Maintenance		
- Buildings	**601.28**	440.80
- Machinery	**2,520.57**	2,698.64
- Others	**162.20**	159.30
Rent	**47.70**	18.89
Rates and Taxes	**110.62**	60.44
Foreign Exchange loss (net) - (Refer note no: 51)	**362.54**	-
Selling & Distribution expenses	**3,192.25**	5,739.10
Bank Charges	**185.37**	133.08
Communication Expenses	**63.26**	60.05
Travelling Expenses	**196.38**	41.48
Professional Charges	**650.84**	281.28
Auditor's Remuneration - (Refer note no: 37 (A))	**22.23**	17.59
Expected credit Loss / Advances Written off (Net)	**162.71**	56.44
CSR Expenses - (Refer note no: 50)	**99.09**	3.80
Miscellaneous Expenses	**386.50**	424.09
	21,813.12	**22,233.72**

37 (A): Auditors Remuneration

₹ Lakhs

Particulars	2022- 23	2021 - 22
(a) For Statutory Audit	**15.00**	11.50
(b) For Tax Audit	**4.35**	2.00
(c) For Other services	**2.16**	3.81
(d) For reimbursement of expenses	**0.72**	0.28
	22.23	**17.59**

38. Tax Expense

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

Particulars		2022- 23	2021 - 22
Current Tax			
Current tax on profit for the year		**-**	2,280.00
Charge/ (Credit) in respect of current tax for earlier years		**-**	-
TOTAL	**(A)**	**-**	**2,280.00**
Deferred Tax			
Origination / reversal of temporary differences		**49.27**	553.09
Effect of recognition of deferred tax on tax losses		**(899.30)**	-
TOTAL	**(B)**	**(850.03)**	**553.09**
Total Tax expense recognized in Statement of Profit and Loss -	**(A)+(B)**	**(850.03)**	**2,833.09**

(b) Tax expenses recognised in other comprehensive income

₹ Lakhs

Particulars	2022 - 23	2021-22
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**(15.26)**	**(131.60)**
Net fair value loss on investments in equity instruments at FVTOCI	**(159.22)**	**33.68**
Total Tax expense recognized in other comprehensive income	**(174.48)**	**(97.92)**

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

Particulars	2022 - 23	2021-22
Profit/ (Loss) before tax	**(3,452.29)**	**13,374.96**
Enacted tax rate	**25.17%**	**25.17%**
Expected income tax expense/(benefit) at statutory tax rate	**(868.87)**	**3,366.20**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	**35.44**	**1,214.90**
Income exempt from taxation	**(20.92)**	**(36.43)**
Effect of utilisation of tax losses	**-**	**(779.30)**
Disallowances and reversals - net	**4.32**	**(932.28)**
Charge/ (Credit) in respect of current tax for earlier years		**-**
Tax expense for the year	**(850.03)**	**2,833.09**

Note:

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

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

Particulars	Deferred Tax Assets / (Liabilities) as on 01.04.2022	Recognised in profit or loss	Recognised in OCI	Deferred Tax Assets / (Liabilities) as on 31.03.2023
Deferred tax asset/(liabilities)				
- On PPE and intangible assets	(1,149.81)	(51.10)	-	(1,200.91)
- On disallowances under the income tax act	101.58	(5.58)	-	96.00
- On unused tax losses and benefits	-	899.29	-	899.29
- On employee benefit expense	347.40	15.33	15.26	377.99
- On fair value adjustment of financial instruments	198.73	17.03	159.22	374.98
- On lease liability	46.93	(24.96)	-	21.97
Net Deferred tax asset/(liabilities)	**(455.17)**	**850.03**	**174.48**	**569.32**

Particulars	Deferred Tax Assets / (Liabilities) as on 01.04.2021	Recognised in profit or loss	Recognised in OCI	Deferred Tax Assets / (Liabilities) as on 31.03.2022
Deferred tax asset/(liabilities)				
- On PPE and intangible assets	-	(1,149.81)	-	(1,149.81)
- On disallowances under the income tax act	-	101.58	-	101.58
- On employee benefit expense	-	215.80	131.60	347.40
- On fair value adjustment of financial instruments	-	232.41	(33.68)	198.73
- On lease liability	-	46.93	-	46.93
Net Deferred tax asset/(liabilities)	**-**	**(553.09)**	**97.92**	**(455.17)**

39. EARNINGS PER SHARE

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Profit/ (Loss) for the year	**(2,602.26)**	10,541.87
Weighted Average number of equity shares used in computing EPS (Nos in Lakhs)	**120**	120
Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share)	**(21.69)**	87.85
Face Value per equity share (in ₹)	**10.00**	10.00

40 Employee Benefit Plans

(a) Defined contribution plans - Provident Fund

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2023 and 2022) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The expense recognised during the period towards this defined contribution plan is ₹ 307.07 Lakhs (March 31, 2022 - ₹ 288.84 Lakhs).

(b) Defined contribution plans - Employee State Insurance

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

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

The expense recognised during the period towards this defined contribution plan is ₹ 70.16 Lakhs (March 31, 2022 - ₹ 70.20 Lakhs).

(c) Defined Benefit Plans - Gratuity

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2023 by Mr. Srinivasan Nagasubramanian, Armstrong International Employee Benefits Solution, Fellow of the Institute of Actuaries of India . Company's liability towards gratuity (funded) is actuarially determined at each reporting date using the projected unit credit method.

(i) Risk Exposure:

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

Investment risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ii) **Expense Recognised in Income Statement:**

		31.03.2023	31.03.2022
A)	**Net employee benefit expense (recognised in Employee Benefits Expenses):**		
	Current service cost	**88.10**	84.67
	Prior service cost	**69.66**	-
	Interest cost	**116.28**	87.11
	Expected return on plan assets	**(25.97)**	(24.57)
	Net employee benefit expenses	**248.07**	**147.21**
	Actual return on plan assets	**9.10**	30.04
B)	**Amount recognised in Balance Sheet:**		
	Defined benefit obligation	**1,859.87**	1,724.26
	Fair value of plan assets	**362.71**	375.80
	Surplus/(Deficit)	**1,497.16**	**1,348.46**
C)	**Changes in the present value of the defined benefit obligation:**		
	Opening defined benefit obligation	**1,724.26**	1,422.86
	Current service cost	**88.10**	84.67
	Prior service cost	**69.66**	-
	Interest cost	**116.28**	87.11
	Benefits paid	**(182.19)**	(398.75)
	Net actuarial (gains)/losses on obligation for the year recognised under OCI	**43.76**	528.37
	Closing defined benefit obligation	**1,859.87**	**1,724.26**
D)	**Changes in the fair value of plan assets:**		
	Opening fair value of plan assets	**375.80**	344.51
	Actual return on plan assets	**9.10**	30.04
	Contributions	**160.00**	400.00
	Benefits paid	**(182.19)**	(398.75)
	Closing fair value of plan assets	**362.71**	**375.80**

The Company expects to contribute ₹ 311.15 Lakhs to the gratuity fund in the next year (March 31, 2022: ₹ 271.65 Lakhs) against the short-term liability of ₹ 311.15 Lakhs (March 31, 2022: ₹ 271.65) as per the actuarial valuation.

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

₹ Lakhs

Particulars	31.03.2023	31.03.2022
Investments with HDFC Group Unit Linked Plan - Option B	**100%**	100%

E) Remeasurement adjustments:

₹ Lakhs

	31.03.2023	31.03.2022
a) Actuarial (gains)/losses arising from changes in -		
- demographic assumptions	**-**	-
- financial assumptions	**(28.88)**	(66.70)
- experience adjustments	**72.64**	595.07
b) Return on plan assets, excluding amount included in net interest expense/(income)	**16.87**	(5.47)
Total amount recognised in other comprehensive income	**60.63**	**522.90**

Actuarial assumptions and sensitivity:

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

Particulars	31.03.2023	31.03.2022
Discount rate	**7.46%**	7.12%
Expected rate of return on assets	**7.46%**	7.12%
Salary Escalation	**3.00%**	3.00%
Attrition Rate	**5.00%**	5.00%
Mortality	**Indian Assured Lives Mortality (2012 - 14) Ultimate**	

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

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

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

Expected benefit payments for the year ending:

Year Ending	31.03.2023	31.03.2022
Year 1	**183.53**	194.78
Year 2	**203.68**	146.83
Year 3	**199.74**	162.21
Year 4	**222.55**	187.21
Year 5	**185.49**	177.67
Beyond 5 years	**864.88**	855.56

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.34 years (March 31, 2022: 9.33 years)

(iii) Sensitivity analysis

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

Particulars	31.03.2023	31.03.2022
(a) Effect of 1% change in assumed discount rate on defined benefit obligation		
- 1% increase	**(1,770.89)**	(1,639.83)
- 1% decrease	**1,957.49**	1,817.08
(b) Effect of 1% change in assumed salary escalation rate on defined benefit obligation		
- 1% increase	**(1,958.63)**	(1,816.05)
- 1% decrease	**1,768.54**	1,639.52
(c) Effect of 1% change in assumed attrition rate on defined benefit obligation		
- 1% increase	**(1,878.38)**	(1,740.98)
- 1% decrease	**1,839.88**	1,706.18

iv) Experience adjustments

₹ Lakhs

Particulars	Current Year	2021-22	2020-21	2019-20	2018-19
Defined Benefit Obligation	**1,859.87**	1,724.25	1,422.86	1,203.75	1,219.54
Plan Assets	**362.72**	375.80	344.51	316.72	579.89
Surplus / (Deficit)	**(1,497.15)**	(1,348.45)	(1,078.35)	(887.03)	(639.65)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	**(72.64)**	(595.08)	(53.55)	(254.85)	79.99
Experience Adjustments on Plan Assets – Gain/(Loss)	**(16.87)**	5.48	81.94	(50.20)	1.87

41. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	**4 & 9**	**198.69**	**696.34**	**81.47**	**976.50**
Trade receivables	**10**	**-**	**-**	**11,870.97**	**11,870.97**
Cash and Cash equivalents	**11**	**-**	**-**	**61.22**	**61.22**
Other bank balance	**12**	**-**	**-**	**585.34**	**585.34**
Loans	**13**	**-**	**-**	**72.40**	**72.40**
Other Financial Assets	**5 & 14**	**-**	**-**	**1,025.10**	**1,025.10**
Financial Liabilities:					
Borrowings	**18 & 23**	**-**	**-**	**37,782.59**	**37,782.59**
Lease Liability	**19 & 24**	**-**	**-**	**90.32**	**90.32**
Trade payables	**25**	**-**	**-**	**6,310.10**	**6,310.10**
Other Financial Liabilities	**20 & 26**	**-**	**-**	**2,906.45**	**2,906.45**

The carrying value of financial instruments by categories as at 31st March 2022 were as follows: ₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	4 & 9	-	1,218.06	81.47	1,299.53
Trade receivables	10	-	-	13,994.54	13,994.54
Cash and Cash equivalents	11	-	-	148.39	148.39
Other bank balance	12	-	-	916.30	916.30
Loans	13	-	-	63.87	63.87
Other Financial Assets	5 & 14	-	-	849.16	849.16
Financial Liabilities:					
Borrowings	18 & 23	-	-	35,777.27	35,777.27
Lease Liability	19 & 24	-	-	193.63	193.63
Trade payables	25	-	-	3,819.34	3,819.34
Other Financial Liabilities	20 & 26	-	-	5,394.68	5,394.68

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

Investments in subsidiaries are carried at cost.

Investements in unquoted equity shares are carried at FVTOCI.

Investements through Portfolio Management scheme is carried at FVTPL.

42. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

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

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

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

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

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

Particulars	As at 31st March 2023				As at 31st March 2022			
	Carrying Amt	Level 1	Level 2	Level 3	Carrying Amt	Level 1	Level 2	Level 3
Financial assets measured at fair value through Profit and Loss account (FVTPL)								
Trade investments through Portfolio Management scheme	**198.69**	**198.69**	**-**	**-**	-	-	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)								
Trade Investments in unquoted equity shares	**696.34**	**-**	**-**	**696.34**	1,218.06	-	-	1,218.06
Financial assets measured at amortised cost								
Other Investments	**81.47**	**-**	**-**	**81.47**	81.47	-	-	81.47
Trade receivables	**11,870.97**	**-**	**-**	**-**	13,994.54	-	-	-
Cash and Cash equivalents	**61.22**	**-**	**-**	**-**	148.39	-	-	-
Other bank balance	**585.34**	**-**	**-**	**-**	916.30	-	-	-
Loans	**72.40**	**-**	**-**	**-**	63.87	-	-	-
Other Financial Assets	**1,025.10**	**-**	**-**	**-**	849.16	-	-	-
Financial liabilities measured at amortised cost								
Borrowings	**37,782.59**	**-**	**-**	**-**	35,777.27	-	-	-
Lease Liability	**90.32**	**-**	**-**	**-**	193.63	-	-	-
Trade payables	**6,310.10**	**-**	**-**	**-**	3,819.34	-	-	-
Other Financial Liabilities	**2,906.45**	**-**	**-**	**-**	5,394.68	-	-	-

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

(c) Measurement of fair values:

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

43. CAPITAL MANAGEMENT:

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

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

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

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

The following table summarizes the capital of the company

₹ Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Cash and cash equivalents	**61.39**	148.56
Other bank balances	**585.34**	916.30
Current investments	**198.69**	-
Total cash (a)	**845.42**	**1,064.86**
Non-current borrowings	**14,497.10**	8,169.55
Current borrowings	**23,285.49**	27,607.72
Total borrowings (b)	**37,782.59**	**35,777.27**
Net debt c=(b-a)	**36,937.17**	**34,712.41**
Total equity (d)	**40,571.36**	**44,412.39**
Gearing ratio (c/d)	**0.91**	**0.78**

44. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

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

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

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

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

i) Market Risk

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

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest.

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

₹ Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Fixed rate borrowings	**7,086.75**	1,120.39
Floating rate borrowings	**30,695.84**	34,656.88
Total borrowings	**37,782.59**	**35,777.27**
Total Net borrowings	**37,782.59**	35,777.27
Add: Upfront fees	**85.99**	222.89
Total borrowings	**37,868.58**	**36,000.16**

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

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit/ (loss) for the year ended 31 March 2023 would decrease / increase by ₹ 378.68 Lakhs (for the year ended 31 March 2022 : decrease / increase by ₹ 360.00 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

b) Foreign Currency Risk

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

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

₹ Lakhs

Particulars	As at 31st March 2023			As at 31st March 2022		
	USD	Euro	GBP/CHF	USD	Euro	GBP /CHF
Trade Receivables	**2,537.24**	**973.22**	**50.12**	5,744.83	813.40	93.51
Trade Payables	**(16.36)**	**(3.27)**	**-**	(325.46)	(0.60)	-
Packing Credit	**(10,168.76)**	**(264.12)**	**-**	(12,308.59)	(177.17)	-
TOTAL	**(7,647.88)**	**705.83**	**50.12**	**(6,889.22)**	**635.63**	**93.51**

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

Particulars	As at 31st March 2023			As at 31st March 2022		
	USD	Euro	GBP/ CHF	USD	Euro	GBP / CHF
Packing Credit	-			(928.43)	-	-
TOTAL	**-**	**-**	**-**	**(928.43)**	**-**	**-**

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

₹ Lakhs

Change in Exchange Rate(+5% / -5%)		Effect on PAT	
		2022-23	2021 -22
USD	+5%	**(382.39)**	(344.46)
	-5%	**382.39**	344.46
EURO	+5%	**35.29**	31.78
	-5%	**(35.29)**	(31.78)
GBP/CHF	+5%	**2.51**	4.68
	-5%	**(2.51)**	(4.68)

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

As at	No. of Contracts	Type	USD Equivalent (₹ in Lakhs)	INR Equivalent (₹ in Lakhs)
31-Mar-23	**-**	**Buy**	**-**	**-**
	-	**Sell**	**-**	**-**
31-Mar-22	-	Buy	-	-
	18	Sell	12.25	928.43

c) Commodity Price Risk

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

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

₹ Lakhs

Commodity	Increase		Decrease	
	2022-23	2021-22	2022-23	2021-22
Cotton	**(3,240.04)**	(2,660.83)	**3,240.04**	2,660.83

2) Credit Risk

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

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

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

Information about major customers

Customers with more than 5% of the total value of trade receivables as at 31st March 2023 and 31st March 2022 are as follows:

₹ Lakhs

Particulars	As at 31st March 2023			As at 31st March 2022		
	No. of Parties	Amount Outstanding	%	No of Parties	Amount outstanding	%
Customers						
- within India	**3**	**2,855.29**	**23.50%**	3	3,555.51	25.41%
- Outside India	**1**	**843.88**	**6.95%**	2	1,936.73	13.84%

3) Liquidity Risk

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

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

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

₹ Lakhs

Particulars	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31st March, 2023						
Long term borrowings		**-**	**12,743.51**	**1,753.59**	**14,497.10**	**14,497.10**
Short term borrowings	**20,224.94**	**3,060.55**	**-**	**-**	**23,285.49**	**23,285.49**
Trade payables	**-**	**6,310.10**	**-**	**-**	**6,310.10**	**6,310.10**
Lease Liability	**-**	**90.32**	**-**	**-**	**90.32**	**90.32**
Other financial liabilities		**2,899.24**	**7.21**	**-**	**2,906.45**	**2,906.45**
At 31st March, 2022						
Long term borrowings	-	-	7,265.55	904.00	8,169.55	8,169.55
Short term borrowings	20,945.10	6,662.62	-	-	27,607.72	27,607.72
Trade payables	-	3,819.34	-	-	3,819.34	3,819.34
Lease Liability	-	103.31	90.32	-	193.63	193.63
Other financial liabilities	-	5,371.39	23.29	-	5,394.68	5,394.68

₹ Lakhs

	As at 31st March 2023	As at 31st March 2022
45 Estimated amount of contracts remaining to be executed on capital account and not provided for	**10,705.45**	503.61
Estimated amount of contracts remaining to be executed on commitment towards capitive power consumption agreement	**355.92**	-
Total	**11,061.37**	**503.61**

46. Contingent Liabilities:	As at 31st March 2023	As at 31st March 2022
Contingent liabilities in respect of :		
Bills discounted	**1,144.19**	2,868.25
Guarantees	**261.23**	242.81
Letters of credit outstanding	**1,423.13**	377.45
Contingent liabilities under litigation :		
Disputed Statutory Liabilities not provided for	**393.06**	412.34
Disputed Other Liabilities not provided for	**65.41**	65.41

47 Power and Fuel is net of wind power income of ₹ 208.64 lakhs (PY ₹ 211.50 lakhs) representing power supplied to the grid against which equivalent consumption was made in house.

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

₹ Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:		
Principal amount due to Micro & Small Enterprises	**120.00**	282.23
Interest due on above	**-**	-
Total	**120.00**	**282.23**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	**0.22**	1.14
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**7.43**	7.21
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	**-**	-
The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have identified on the basis of information available with the Company in respect of the registration status of its vendors.		

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

₹ Lakhs

Particulars	31.03.2023	31.03.2022
a. Exchange difference capitalized during the year	**-**	-
b. Depreciation charged to Profit & Loss a/c thereon	**25.15**	25.15
c. Exchange difference pertaining to assets sold during the year	**-**	-
d. Remaining amount to be amortized*	**169.60**	194.75

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

50. Corporate Social Responsibility (CSR) activities :

Particulars	31.03.2023	31.03.2022
a) Gross amount required to be spent by the Company during the year	**98.80**	3.80
b) Unspent amount pertaining to earlier years	**-**	-
c) Total amount required to be spent by the Company - (a+b)	**98.80**	3.80
d) Amount spent during the year		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**99.09**	3.80
e) Balance amount to be spent / (Excess spent) - (c-d)	**(0.29)**	-
f) Nature of CSR activities	Promoting education and Health care	
g) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
- Contribution to Narayanaswamy Naidu Charity Trust for Education in relation to CSR expenditure	**49.75**	0.40

51. Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities / derivatives amounting to ₹ 45.22 lakhs (PY - ₹ 238.20 lakhs)

52. Related Party Disclosure :

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

Holding Co	:	Nil
Subsidiaries	:	Suprem Associates (Partnership firm)
Key Management Personnel (KMP)	:	Mr. Ashwin Chandran (Chairman and Managing Director)
		Mr. Prashanth Chandran (Vice Chairman & Managing Director)
		Mr.T.Kumar (Executive Director)
		Mr.Sumanth Ramamurthi (Non Executive Director)
		Mr.Jairam Varadaraj (Non Executive Director)
		Mr.C.N.Srivatsan (Non Executive Director)
		Mrs. R.Bhuvaneshwari (Non Executive Director)
		Mr.P.Vijay Raghunath ((Non Executive Director)
		Mr.Arun Selvaraj (Non Executive Director)
		Mr. Vinay Balaji Naidu (Non Executive Director)
		Mr. J Govindraju (Chief Financial Officer) - Till 21.11.2022
		Mr. M K Ravindra Kumar (Chief Financial Officer) - From 22.11.2022 onwards
		Mrs.S. Kavitha (Company Secretary)

Others

-Relative of KMP	Mr.Sarath Chandran
-Enterprise in which KMP has control/ significant influence	Ashwanth Primarius Enterprises. LLP
	Suprem Enterprises
	Narayanaswamy Naidu charity trust for Education
	N Damotharan Welfare trust

Nature of transactions	FY 2022-23			FY 2021 - 22		
	Subsidiaries	KMP	Others	Subsidiaries	KMP	Others
Remuneration paid	-	**343.02**	**1.00**	-	272.21	0.12
Commission paid	-	-	-	-	487.63	29.88
Sitting fees paid	-	**11.90**	-	-	7.20	-
Interest paid	-	-	-	-	-	36.39
Royalty paid	-	-	**12.70**	-	-	8.75
Donation paid	-	-	**49.75**	-	-	0.40
Amount payable	-	-	**1.61**	-	487.63	31.52
Amount receivable	-	-	-	-	-	-

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

53. Leases

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

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

Particulars	31.03.2023	31.03.2022
Balance at the beginning of the year	**193.63**	285.12
Additions during the year	**-**	-
Reclassification from prepayment	**-**	-
Finance cost accrued during the year	**13.34**	22.60
Payment of lease liabilities	**(116.65)**	(114.09)
Balance at the end of the year	**90.32**	**193.63**
Current lease liabilities	**90.32**	103.31
Non-current lease liabilities	**-**	90.32
Amount recognised in Statement of Profit & Loss for the year ended :		
Interest on lease liabilities	**13.34**	22.60
Depreciation on right-of-use assets	**126.18**	127.46

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

Particulars	31.03.2023	31.03.2022
Less than one year	**90.32**	103.31
One to five years	**-**	90.32
More than five years	**-**	-
Total	**90.32**	**193.63**

(iii) Detailed leasing arrangements:

Particulars	31.03.2023	31.03.2022
Expenses relating to short-term leases	**9.00**	4.22
Expenses relating to leases of low-value assets	**1.81**	12.28

54. Operating Segments

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

Information about Geographical revenue and non current assets :

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

a) Revenue from Operations

₹ Lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
Within India	**53,746.80**	50,577.34
Outside India	**38,122.49**	44,889.00
Total	**91,869.29**	**95,466.34**

b) Non current assets:

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

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

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

Investments made are given under the respective head.

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

Particulars	As at 31st March 2023	Maximum balance outstanding during the year	Investment by the loanee in the shares of Parent Company
Loans and Advances in the nature of loans given to subsidiaries	-	-	-

57. Additional information as required under Schedule III to the Companies Act, 2013 of entities Consolidated as Subsidiaries

₹ Lakhs

Name of the Entity	Net Assets		Share in Profit & Loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit / (Loss)	Amount
Parent Company				
Precot Limited	94.23%	38,231.26	100.00%	(3,121.03)
Subsidiary				
Suprem Associates	5.77%	2,340.00	-	-

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

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

(i) Details of Benami property:

No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions

(ii) Utilisation of borrowed funds and share premium:

A) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermedicary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner, whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

B) The company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner, whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

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

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previus year in the tax assessments under the Income

(v) Details of crypto currency or virtual currency:

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

(vi) Valuation of Property, Plant and Equipment, Intangible Asset and investment Property :

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

(vii) Struck off Companies:

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

(viii) Wilful Defaulter:

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

(ix) The Company does not have any charges or satisfaction which is yet to be register the Registrar of Companies (ROC) beyond the statutory period.

60. The amounts and disclosures included in the financial statements of the previous year have been reclassified wherever necessary to conform to the current year classification.

61. All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

M K Ravindra Kumar
Chief Financial Officer

C.S.Sathyanarayanan
Partner
M.No. : 028328

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

S Kavitha
Company Secretary
(FCS No. 8710)

Place : Coimbatore
Date :26-May-2023

Notice is hereby given that the 61st Annual General Meeting of the shareholders of the Company will be held on, Wednesday, 27th September, 2023 at 3.00 PM through Video Conference ("VC") / Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

Ordinary Business:

1. **Adoption of Audited Annual financial statements**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   RESOLVED THAT the audited annual financial statements of the Company for the year ended 31st March, 2023 including audited balance sheet as at 31st March, 2023, statement of profit and loss, cash flow statement and consolidated financial statements for the year ended on that date, together with the Directors' report and the auditors' report thereon as presented to the meeting, be and are hereby, approved and adopted.

2. **To appoint a Director in place of Mr T Kumar (DIN:07826033), who retires by rotation and being eligible, offers himself for reappointment**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr T Kumar (DIN: 07826033), who retires by rotation and being eligible offers himself for reappointment, as a Director.

3. **To reappoint the Statutory Auditors**

   To re-appoint M/s VKS Aiyer & Co., (ICAI Firm Registration No 000066S), Chartered Accountants as Statutory Auditors of the Company for a second term of five years and in this regard pass the following resolution as an **Ordinary Resolution:**

   RESOLVED THAT pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any amendments and statutory modification(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and board M/s VKS Aiyer & Co., Chartered Accountants (ICAI Firm Registration No 000066S), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of 61st Annual General Meeting till the conclusion of 66th Annual General Meeting on such remuneration plus taxes and reimbursement of out of pocket expenses as may be incurred by them in connection with audit of accounts of the Company, as may be mutually agreed upon between the Board of Directors and the Statutory Auditors of the Company.

Special Business:

4. **Ratification of remuneration payable to cost auditor**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution :**

   RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendments thereof, for the time being in force), the remuneration of Rs.3.50 lakhs, in addition to reimbursement of travel and out-of-pocket expenses, payable to Mr R Krishnan, Cost Accountant (Registration 7799), who was appointed as Cost Auditor of the Company to conduct the audit of the cost records for the financial year 2023-24 as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified.

By order of the Board

Coimbatore **S Kavitha**

26-May-2023 Company Secretary

NOTES:

1. Ministry of Corporate Affairs ("MCA") has vide its Circular No. 10 dated December 28, 2022 read with Circular No.20 dated May 05, 2020 Circular No.02 dated January 13, 2021, Circular No.19 dated December 08, 2021, Circular No.21 dated December 14, 2021 and Circular No. 3 dated May 5, 2022 permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.

2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to csduraifcs@gmail.com, with copies marked to the Company at kavitha@precot.com and to its RTA at coimbatore@linkintime.co.in.

4. The Register of Members and Share Transfer books of the Company will remain closed from 21th September, 2023 to 27th September,2023 (both days inclusive).

5. The explanatory statement pursuant to section 102 of the Act, with respect to Businesses set out in the Item Nos. 3 to 4 above are annexed hereto.

6. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses/change of bank account, either to the company or its registrar and share transfer agent Link Intime India Private Limited.

7. Members who are holding shares in Electronic form are requested to intimate immediately their change of address/change of bank account, if any to their respective Depository Participant.

8. Members who hold shares in physical form in multiple accounts in identical names or joint accounts in the same order of names are requested to send the share certificates to the company's registrar and share transfer agent, Link Intime India Private Limited for consolidation into a single account.

9. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated January 5, 2023. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2022-23 will also be available on the Company's website https: //www. precot. com/ investors/ websites of the National Stock Exchange of India Ltd at www.nse.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

10. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

11. **Registration of email ID and Bank Account details:**

    In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

    In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

    (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit.

    OR

    (ii) In the case of Shares held in Demat mode:

    The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

12. The physical copies of the documents will also be available at the company's registered office for inspection during normal business hours on working days.

13. In compliance with section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) amendment rules, 2015, and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Link Intime India Private Limited.

    Mr K Duraisami, Company Secretary has been appointed as the scrutinizer to scrutinize remote e-voting process in a fair and transparent manner. The results of e-voting along with voting by ballot at the Annual General Meeting to be held on 27th September, 2023 will be announced by the Chairman of the meeting within 48 hours of the Annual General Meeting. The results of the voting will be hosted on the website of the company, i.e., www.precot.com, website of Link Intime and will also be intimated to stock exchange after declaration of results by the Chairman.

14. The voting period begins at 9.00 AM on 24-September-2023 and ends at 5.00 PM on 26-September-2023. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20-September-2023, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India for voting thereafter.

General Guidelines for shareholders:

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

Remote e-Voting Instructions for shareholders

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL

   1. Existing IDeAS user can visit the e-Services website of NSDL viz.https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.

   2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

   3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

   1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

   2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.

3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

   You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

*Shareholders holding shares in **NSDL form,** shall provide 'D' above

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click "confirm" (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.

4. Enter your User ID, Password and Image Verification **(CAPTCHA)** Code and click on **'Submit'.**

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.

2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

4. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https: //instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022- 4886 7000 and 022-2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

➟ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

➟ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

➟ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in & Click on “Login”.

▶ Select the **“Company**” and **‘Event Date’** and register with your following details: -

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company by sending their request mentioning their name demat account number folio number, email Id, mobile number at secretary@ precot.com from 24.09.2023 9 a.m to 25.09.2023 5 p.m.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Coimbatore
26-May-2023

By order of the Board
S Kavitha
Company Secretary

Explanatory Statement
(pursuant to Section 102 of the Companies Act, 2013)

Item No. 3

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required under Section 102 of the Companies Act,2013.

The Members at the 56th Annual General Meeting ('AGM') of the Company held on 7th September, 2018, had approved appointment of M/s VKS Aiyer & Co., (ICAI Firm Registration No 000066S), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the 56th AGM till the conclusion of the 61st AGM of the Company to be held in the year 2023.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the reappointment of M/s VKS Aiyer & Co., as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of 61st AGM till the conclusion of 66th AGM of the Company to be held in the year 2028, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

M/s VKS Aiyer & Co., have consented to their re-appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

M/s. VKS Aiyer & Co, Chartered Accountants, based in Coimbatore, have more than 50 years of experience and are presently managed by 5 partners. They have extensive experience in Audit & Assurance, Taxation, Risk Advisory, Corporate Due Diligence, Valuation and Transaction advisory of Listed and unnlisted entities. It consist of a team of 60+ members is representing Partners and Managers, Associates executives & Article Trainees. The team is a combination of qualified and experienced professionals and includes CA, CWA, CS, MBA, CISA & DISA.

M/s VKS Aiyer & Co, also holds valid Peer Review certificate issued by peer Review board of ICAI.

M/s VKS Aiyer & Co., was paid a fee of Rs 15.00 lakhs for the audit of standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023 plus applicable taxes out-of-pocket expenses. The increase in fee proposed to be paid to M/s VKS Aiyer & Co., for the financial year ending March 31, 2024 will be mutually agreed based on the efforts involved and shall not exceed Rs.16 lakhs excluding taxes and out-of-pocket expenses. The Board, in consultation with the Audit Committee, shall approve revisions in the remuneration of the Statutory Auditors for the remaining part of the tenure.

Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No.3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives, is concerned or interested in the resolution as set out at Item No.3.

Item No.4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the company for the financial year 2023-24.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the members of the company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out at Item No. 4 of the notice, for ratification of the remuneration payable to the cost auditor for the financial year 2023-24. The Board of Directors recommends the resolution for approval of the members.

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

Corporate Identification Number (CIN) : L17111TZ1962PLC001183

Registered Office: SF No.559/4, D Block, 4th Floor, Hanudev Info Park, Nava India Road, Udaiyampalayam,Coimbatore -641028 Tamil Nadu, India Phone : 0422-4321100.

Email : secretary@precot.com

Website : www.precot.com

By order of the Board
S Kavitha
Company Secretary

Coimbatore
26-May-2023

Notes

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If undelivered please return to :

Precot Limited
(CIN: L17111TZ1962PLC001183)
S.F. No. 559/4, D Block, 4th Floor, Hanudev Info Park,
Nava India Road, Udaiyampalayam,Coimbatore - 641028.
Tel: 0422-4321100 Email: secretary@precot.com
Website: www.precot.com