Precot

July 25, 2022

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 2021-22

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit 60th Annual Report for the financial year 2021-22 along with the Notice.

The Company has also sent Annual Report to the shareholders on 25th July, 2022 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

S Kavitha
Company Secretary

Precot Limited (Formerly Precot Meridian Limited)
Regd Office, D Block, 4th Floor, Hanudev Info Park, Nava India Road,
Udaiyampalayam, Coimbatore - 641 028
Tel: 0091 422 4321100 | Fax: 0091 422 4321200 | Email: co@precot.com
CIN: L17111TZ1962PLC001183 | Website: www.precot.com

Precot

Annual Report - 2022

Precot

Directors	Sumanth Ramamurthi Jairam Varadaraj C N Srivatsan R Bhuvaneshwari P Vijay Raghunath
Chairman and Managing Director	Ashwin Chandran
Vice Chairman and Managing Director	Prashanth Chandran
Executive Director	T Kumar
Chief Financial Officer	J Govind Raju
Company Secretary	S Kavitha
Statutory Auditors	M/s VKS Aiyer & Co., Coimbatore
Registered Office	S.F.No. 559/4, D Block, 4th Floor, Hanudev Info Park Nava India Road, Udaiyampalayam Coimbatore - 641028. Email : secretary@precot.com Website : www.precot.com CIN : L17111TZ1962PLC001183
Registrar and Share transfer agent	Link Intime India Pvt Limited, "Surya", 35, Mayflower Avenue, Senthil Nagar, Sowripalayam Road, Coimbatore - 641028. E-mail : coimbatore@linkintime.co.in

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Dear Shareholders,

Your Directors hereby present the 60th Annual Report of your Company along with the financial results for the year ended 31st March, 2022.

State of affairs of the company

a. Financial results (₹ In lakhs)

Particulars	**31.03.2022**	**31.03.2021**
Revenue from operations	**99,328**	**66,514**
PBIDT	**18,877**	**9,314**
Less: Finance cost	2,898	3,272
Profit from Operations	**15,979**	**6,042**
Other Income	649	570
PBDT	**16,628**	**6,612**
Less: Depreciation and Amortisation	3,253	3,317
PBT (Before Exceptional item)	**13,375**	**3,295**
Exceptional item	**-**	**-**
PBT (After Exceptional item)	**13,375**	**3295**
Less: Tax expenses	2,280	-
Deferred Tax	553	-
Profit After Tax	**10,542**	**3,295**
Other Comprehensive Income	(291)	(149)
Total Comprehensive Income	**10,251**	**3,146**
Add: Opening balance in Retained Earnings including OCI	15,685	12,539
Less: Transfer to General Reserve	-	-
Closing balance in Retained Earnings including OCI	**25,936**	**15,685**

b. Dividend

The Board is glad to recommend a dividend of Rs 6 /-per share (60% on face value of Rs.10/-each) for the financial year 2021-22.

Industry Overview

FY 2021-22 was a good year for your Company, as well as the Indian Textile and Clothing Industry. Despite the impact of the second wave of the pandemic in the first quarter of the financial year, demand remained robust for textile products throughout the year. That led a to a sustained demand for yarn from both the export and domestic markets which resulted in significantly better price realization and operating margins for spinners. While the utilization of our capacities was affected in the first quarter due to the impact of the second wave of Covid in India, performance remained strong in the other quarters.

The technical textile division continues to grow in revenues although the sharp escalation in freight, logistics and packaging costs impacted the bottom line. The company has entered new markets, notably Canada and Vietnam and expanded its market share in countries such as Australia and the UK. With utilization of current machines at close to optimal capacity utilisation, the Company is investing in modern machinery to increase capacity of finished products.

Review of operations

Your Company registered a turnover of Rs.99,328 Lakhs during FY 2021-22, an increase of 49% compared to the previous year. Turnover increased on account of better capacity utilization in all units and higher yarn prices. Profit from operations increased to Rs. 15,978 Lakhs compared to Rs.6,042 Lakhs in the previous year. During the year under review, Precot has continued to reap the benefits of the improvements in productivity and product mix that were done in the spinning business during the past few years. The spinning division continues to reduce reliance on commodity products and increase production of value-added yarns. Your company has completed the planned investments in compact spinning and spindle monitoring systems. The technical textiles division achieved a turnover of Rs.15,704 Lakhs as compared to Rs.13,887 Lakhs in the previous year.

Outlook for the current year

The abnormal increase in cotton prices is a serious cause for concern. Lower production in India, logistics problems for shippers and merchants and the 10% duty levied on the import of cotton are the major reasons for the doubling of Indian cotton prices in less than a year. Margins of spinning mills are being squeezed as they are not able to pass on increases in cotton prices since March, 2022 to their buyers. Demand destruction is also happening for cotton products as retailers are hesitant or unable to proportionately increase prices and are looking at cheaper alternatives to cotton products.

Price of commodities other than cotton have also registered sharp increases which have resulted in higher transport, power, packaging and warehousing costs. With inflation on the rise, central banks around the world are raising interest rates. With higher borrowing costs and lower consumer confidence, consumption is bound to be affected. With most economies and countries opening up post Covid, the service industry especially travel and hospitality has rebounded sharply. Services will garner a bigger share of expenditure going forward which will in turn affect spending on manufactured goods.

Personnel

The Company has been able to continuously maintaining cordial relations with its labour force in all its units. The Company has 1445 permanent employees on the roll as on 31st March, 2022.

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. A.P Ramkumar, Chief Financial Officer, resigned on 31st August, 2021 and Mr. Kuppu Dhandapani was appointed as Chief Financial Officer effective from 1st September, 2021. However, Mr Kuppu Dhandapani sadly passed away on 5th November, 2021 due to complications after heart surgery. Thereafter Mr J Govind Raju, Head - Accounts, Audit and Tax has been designated as the Chief Financial Officer of the company effective from 10th February 2022.

There is no change in the constitution of the board during the year under review. However, Mr Prashanth Chandran, Managing Director retired by rotation, and being eligible, offered himself for reappointment and was reappointed as Director at the AGM held on 17.09.2021.

The Board of Directors at their meeting held on 25th May, 2022 on the recommendation of the Nomination and Remuneration committee re-appointed Mr Ashwin Chandran, as the Chairman and Managing Director, Mr Prashanth Chandran as Vice Chairman and Managing Director and Mr T Kumar as Executive Director of the company for a term of three years effective from 01-Apr-2023. Necessary resolutions are being moved at the ensuing annual general meeting for shareholders' approval.

Mr Arun Selvaraj and Dr Vinay Balaji Naidu have been appointed as Additional Directors (Non-Executive and Independent) of the company by the Board of Directors at their meeting held on 25th May, 2022 on the recommendation of the Nomination and Remuneration committee. The Board has recommended the appointment of Mr Arun Selvaraj and Dr Vinay Balaji Naidu as Additional Directors of the company to hold office till the conclusion of the ensuing Annual General Meeting. Suitable resolutions are also moved for the approval of the shareholders for their appointment as Independent Directors for a period of five years from the date of AGM. Detailed explanatory statement and brief bio data of the directors are annexed to the notice of AGM.

The following are the whole-time key managerial personnel of the Company as per Section 203 of the Act as on 31st March,2022, (i) Mr Ashwin Chandran, Chairman and Managing Director (ii) Mr J Govind Raju, Chief Financial Officer & (iii) Mrs S Kavitha, Company Secretary.

Performance Evaluation

The Board of Directors at their meeting held on 9th February, 2022, 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 23rd March, 2022 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 commission by Whole Time Directors from the Company or receipt of commission/remuneration from subsidiary Company

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

Annual Return

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

Secretarial Standards

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

Particulars of Employees

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

Consolidation of Accounts

The Company has control over "Suprem Associates", a partnership firm by holding majority of the 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 2021-22, the Company spent Rs.3.8 lakhs 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

Your 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. They have confirmed that they are not disqualified and are eligible to continue in the office for the year 2022-23.

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 2022-23.

Accordingly, a resolution seeking member's ratification for the remuneration payable to Mr R Krishnan, Cost Auditor is included as Item No.12 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 2022-23.

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.

Debentures

In April, 2022 your company has issued 700 Nos of Unlisted Secured Redeemable Non-convertible Debentures of ₹10 lakh each aggregating to ₹ 70 crores on private placement basis to refinance existing term loans and to meet capital expenditure and for general corporate purpose.

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, 2022) 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-2021	231	44725
Number of shareholders approached the Company for transfer of shares from suspense account during the year	25	3975
Number of shareholders to whom shares were transferred from suspense account during the year	25	3975
Aggregate number of shareholders and outstanding shares in the suspense account as on 31-Mar-2022.	206	40750

The voting rights on the shares outstanding in the suspense account as on 31st March, 2022 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 for the contributions made by Employees at all levels towards the growth of the Company.

By order of the Board
Ashwin Chandran
Chairman and Managing Director

Coimbatore
25-May-2022

ANNEXURE A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2022

[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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** 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. Based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company

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.

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 which are circulated less than 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 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, 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 that 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

Place : Coimbatore
Date : 18th May, 2022
ICSI UDIN : F006792D000339784
Peer Review Certificate No.: 1862 /2022

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

Place : Coimbatore
Date : 18th May, 2022
ICSI UDIN : F006792D000339784
Peer Review Certificate No.: 1862 /2022

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 2021-22:

Name	Ratio	% increase in remuneration*
Mr Ashwin Chandran	153.84	130.90
Mr Prashanth Chandran	148.80	148.92
Mr Sumanth Ramamurthi	1.01	-
Dr Jairam Varadaraj	0.40	-
Mr C N Srivatsan	0.74	-
Ms R Bhuvaneshwari	0.74	-
Mr T Kumar	73.52	95.83
Mr P Vijay Raghunath	0.67	-
Mr A P Ramkumar **	NA	NA
Mr Kuppu Dhandapani **	NA	NA
Mr Govind Raju **	NA	NA
Mrs S Kavitha (CS)	NA	31.09

* 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. There is no change in sitting fee during the FY 2021-22.

** Mr A P Ramkumar resigned from the company effective from 31st August, 2021 and and Mr. Kuppu Dhandapani was appointed as Chief Financial Officer effective from 1st September, 2021. Mr Kuppu Dhandapani sadly passed away on 5th November, 2021 due to complications after heart surgery. Thereafter Mr J Govind Raju, Head - Accounts, Audit and Tax has been designated as the Chief Financial Officer of the company effective from 10th February, 2022.Hence the ratio of their remuneration to median remuneration are not comparable as the remuneration was paid only for part of the year.

b) Percentage of remuneration increased to whole time Directors due to receipt of commission from the Company.

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

d) The Company has 1445 permanent employees on the rolls as on 31st March, 2022

e) Average percentage increase already made in the salaries of employees other than key managerial personnel in the last financial year-10%. The average increase in the key managerial remuneration was 101.69%. (due to payment of commission). The increments are based on individual performance, industry benchmark and current compensation trends.

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

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

Name	Date of Joining	Designation	Qualification	Age	Experience (Years)	Remuneration (₹ in lakhs)	Last Employed
Mr Ashwin Chandran	01.08.1997	Chairman and Managing Director	B. Sc (Hons), MBA	46	25	310.75	-
Mr Prashanth Chandran	14.07.2003	Vice Chairman and Managing Director	B. Engg	41	19	300.57	-
Mr T Kumar	26.02.2016	Executive Director	DTT	53	34	148.52	GTN Textiles
Mr Ravikumar	20.12.2018	GM	B Tech	51	27	49.61	Concorde Textiles
Mr K V John	23.11.2009	Vice President	DTT	56	38	33.57	Ambika Cotton Mills Ltd
Mr Annadurai	02.07.2018	Head - Corporate HR	BSc, DLL, BL, PGDPM&IR, MBA, MLM	55	29	30.51	Lucas TVS Ltd
Mr V Shanmugam	20.04.1997	GM	DTT, MA	54	34	25.92	Schlafhorst Mrktg Co
Mr Nagarajan S	06.11.2019	AGM	DTT, B Tech	51	29	25.91	Sri Lakshmi Ganesh Spinning Mills
Mr N Subbu Raj	08.02.2021	GM	DTT	55	31	24.93	S K S Mills Limited
Ms Jyoti	15.06.2020	Head - Business Development	M Tech	33	8	19.79	Ashvatha Consulting Private Limited

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 ₹ 102 Lakhs per annum :

1. Mr Ashwin Chandran - Rs.310.75 lakhs
2. Mr Prashanth Chandran - Rs.300.57 lakhs
3. Mr T Kumar - Rs. 148.52 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 gensets,
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 under review 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 - 448.89

Outflow - 125.06

Net Earnings - 323.83

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, suppliers and the government.

II. Board of directors - composition, category and attendance

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

The Board comprises of eight Directors including three (3) executive and five (5) non-executive Directors.

During the year 2021-22, the Board of Directors met four times at the Registered Office of the Company on 10-June-2021, 13-Aug-2021, 12-Nov-2021 and 9-Feb-2022. The last annual general meeting (AGM) was held through Video Conference on 17-Sep-2021.

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	4	No	5	3	3	Kovilpatti Lakshmi Roller Flour Mills Limited (Non-Executive Independent Director)
Mr Prashanth Chandran (DIN:01909559)	Vice Chairman - Executive - Promoter	4	Yes	1	1	-	-
Mr Sumanth Ramamurthi (DIN:00002773)	Non-Executive - Independent	4	Yes	7	4	1	Super Spinning Mills Limited (Executive Director)
Dr Jairam Varadaraj (DIN:00003361)	Non-Executive - Independent	2	No	9	10	2	Elgi Equipments Limited (Executive Director) Thermax Limited (Non-Executive Independent Director) Magna Electro Castings Limited (Non-Executive Independent Director) Elgi Rubber Company Limited (Non-Executive Director Non Independent Director)
Mr C N Srivatsan (DIN:00002194)	Non-Executive - Independent	4	Yes	1	3	3	Rane Engine Valve Limited (Non-Executive Independent Director)
Ms R Bhuvaneshwari (DIN:01628512)	Non-Executive - Independent	4	No	3	7	-	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	4	Yes	-	-	-	-
Mr P Vijay Raghunath (DIN:00002963)	Non Executive - Independent	4	No	3	4	-	Elgi Rubber Company Limited (Non-Executive Independent Director)

* 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 20 years of experience in the textile industry.
Mr Prashanth Chandran (DIN:01909559)	B.E (Hons.)	He has almost 18 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 25 years of experience in the field of engineering.
Mr C N Srivatsan (DIN:00002194)	Chartered Accountant	He has more than 25 years of experience in the field of management consultancy.
Ms R Bhuvaneshwari (DIN:01628512)	B.Com, B.L	She has more than 20 years experience specializing in Corporate laws.
Mr T Kumar (DIN:07826033)	DTT	He has over 25 years experience in textile industry (Spinning Division)
Mr P Vijay Raghunath (DIN:00002963)	B.Com, B.L	He has over 26 years of experience in the legal profession.

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 10-June-2021, 13-Aug-2021, 12-Nov-2021 and 9-Feb-2022. 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	2
Ms R Bhuvaneshwari	Non-Executive - Independent	4
Mr Sumanth Ramamurthi	Non-Executive - Independent	4
Mr P Vijay Raghunath	Non-Executive - Independent	4

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 any share based 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 for their appointment / removal

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

c) To formulate and recommend to the Board, a policy for 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 3 times on 10-June-2021, 13-Aug-2021 and 9-Feb-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	3
Dr Jairam Varadaraj	Non-Executive - Independent	1
Ms R Bhuvaneshwari	Non-Executive - Independent	3

The Company paid a sitting fee of Rs.15000 per meeting to its non-executive directors for attending meetings of the board of directors and the audit committee and Rs. 5,000 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-2022

The remuneration paid/payable to the Executive Directors of the Company for the year ended 31-Mar-2022, are as under:

(₹ in Lakhs)

Name of the director	Salary and Perks	Commission	Total	Service contract
Mr Ashwin Chandran Chairman and Managing Director	101.76	208.99	310.75	01.04.2020 to 31.03.2023
Mr Prashanth Chandran Vice Chairman and Managing Director	91.58	208.99	300.57	01.04.2020 to 31.03.2023
Mr T Kumar Executive Director	78.86	69.66	148.52	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	2,05,000	8557
Dr Jairam Varadaraj	80,000	75
Mr C N Srivatsan	1,50,000	-
Ms R Bhuvaneshwari	1,50,000	-
Mr P Vijay Raghunath	1,35,000	-

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 17-Sep-2021.

Terms of reference

a) To resolve the grievances of the security 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.

Three meetings of the stakeholders relationship committee were held during the year under review i.e. 15-Jun-2021, 19-Oct-2021 and 03-Dec-2021. 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	2
Mr Ashwin Chandran	Executive - Non Independent	3
Mr Prashanth Chandran	Executive - Non Independent	3

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

Opening balance	Received during the year	Redressed during the year	Closing balance
Nil	1	1	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 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, 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 23-Mar-2022 without the attendance of non-independent Directors and members of the Management.

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

Address for Correspondence
Precot Limited,
Regd Office: SF. No. 559/4, 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 discussion and 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
2019, 57th AGM	19-Sep-2019 at 4.30 pm, held at Ardra Hall, "Kaanchan" 9, North Huzur Road , Coimbatore 641 018.	1. Revision of remuneration payable to Mr T Kumar. (DIN: 07826033)
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)

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, 2023 are as follows. However these dates are subject to change according to availability of Directors.

1) First quarter results	-	First week of August 2022,
2) Second quarter and Half yearly results	-	First week of November 2022,
3) Third quarter results	-	First week of February 2023,
4) Fourth and Annual results	-	Last week of May 2023.

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	:	Monday, 22- August -2022 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 2021 to 31st March,2022
Date of book closure	:	17-Aug-2022 to 22-Aug-2022 (Both days inclusive)

Dividend payment date : Within thirty days from the date of annual general meeting.

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 2021	97.10	119.95	14151.40	15044.35
May 2021	112.00	171.00	14416.25	15606.65
June 2021	158.10	241.00	15450.90	15915.65
July 2021	214.70	308.00	15513.45	15962.25
August 2021	215.00	304.00	15834.65	17153.50
September 2021	215.30	248.00	17055.05	17947.65
October 2021	235.35	315.05	17452.90	18604.45
November 2021	272.20	374.90	16782.90	18210.15
December 2021	256.90	293.90	16410.20	17639.50
January 2022	272.05	400.00	16836.80	18350.95
February 2022	311.00	397.50	16203.25	17794.60
March 2022	312.00	316.30	16593.10	17559.80

Annual listing fee for the financial year 2022-23 was paid to National Stock Exchange of India Limited.

The Company has paid custodial fees for the year 2022-23 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 certificates received for dematerialisation have been mutilated and cancelled after due verification by the depository participants and the name of the depositories have been substituted in the register of members as registered owner within 30 days of its receipt and that the securities comprised in the said certificates have been listed on the Stock Exchange where the earlier issued securities are listed.

Share holding pattern as on 31-Mar-2022:

Category	No. of shares held	Percentage of holding
Promoters and Promoters group		
Indian	7380600	61.50
Public		
Mutual funds/UTI	100	0.00
Financial Inst/ Banks	300	0.00
Bodies corporate	406206	3.39
Public and others	4212794	35.11
Total	**12000000**	**100.00**

Distribution of shareholding as on 31-Mar-2022

Shareholding range	No. of holders	Percentage of holders	No. of shares	Percentage of shares
1-500	5282	83.89	686938	5.73
501-1000	493	7.82	365105	3.04
1001-2000	260	4.13	378224	3.15
2001-3000	78	1.24	194140	1.62
3001-4000	45	0.71	158259	1.32
4001-5000	29	0.46	131249	1.09
5001-10000	58	0.92	411988	3.43
10001 & Above	52	0.83	9674097	80.62
Total	**6297**	**100.00**	**12000000**	**100.00**

Dematerialisation status of shares as on 31-Mar-2022:

Particulars	No. of Shares	% to Share capital
National Securities Depository Limited	9692635	80.77
Central Depository Services (India) Limited	1958114	16.32
Total	**11584450**	**97.09**

There are no outstanding GDR/ADR/Warrants or any convertible instruments as on 31st March, 2022

Plant locations:

1 Kanjikode, Palakkad, Kerala

2 Kodigenahalli, Hindupur, Andhra Pradesh

3 Nanjegoundanpudur,Pollachi, Tamil Nadu

4 & 5 Chandrapuram, Walayar, Kerala

6 Gowribidnur, 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	2021-22
(a) Audit fee	**11.50**
(b) Taxation matters	**2.00**
(c) Other services - Certification	**3.81**
(d) For reimbursement of expenses	**0.28**
	17.59

Significant Changes in Key Financial Ratios and change in Net Worth for the financial year 2020-21 and 2021-22

Key Financial Ratios	2021-22	2020-21	% of Change	Explanation
Debtors Turnover	7.89	6.71	17.59	Not applicable
Inventory Turnover (in times)	5.12	5.03	1.79	
Current Ratio	1.16	0.99	17.17	
Interest Coverage	1.98	3.16	(37.34)	Increase in principal repayment and increase in profits
Debt Equity Ratio	0.85	1.03	(17.48)	Not applicable
Return on Net Worth	25.06	10.35	142	Increase in sales and improved Net profits
Net Profit Margin	11.04	5.13	115.20	
Operating Profit Margin	16.29	8.94	82.21	

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,2022.

2. Details of transactions with related parties are provided in note no. 51 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:43 of the financial statements.

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

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

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

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

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

11. The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with forex policy of the Company. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposure as on 31st March, 2022 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
25-May-2022

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,2022.

Coimbatore
25-May-2022

By order of the Board
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, 2022 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, 2021 to 31st March, 2022.

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

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

Place : Coimbatore
Date : 04.05.2022
ICSI UDIN :F006792D000268229
Peer Review Certificate No.: 1862 /2022

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,2022, 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	25.11.2014
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

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

Place : Coimbatore
Date : 04.05.2022
ICSI UDIN: F006792D000268240
Peer Review Certificate No.: 1862 /2022

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

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	2
2	Mr. Prashanth Chandran	Vice Chairman and Managing Director	2	1
3	Mr. Sumanth Ramamurthi	Independent Director	2	2

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
	Not Applicable		
	Total		

6. Average net profit of the company as per section 135(5) Rs.1,90,00,000

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 3,80,000

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Not Applicable

   (c) Amount required to be set off for the financial year, if any Not applicable

   (d) Total CSR obligation for the financial year (7a+7b-7c). Rs. 3,80,000

8. (a) 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 Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,80,000	Nil	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Safe Drinking water	(i)	Yes	Tamilnadu	Pollachi	1,00,000	No	Jal Jeevan Mission	
2.	Health care	(i)	Yes	Tamilnadu	Coimbatore	2,40,000	No	Coimbatore Masonic Charity Trust	CSR00007806
3.	Education	(ii)	Yes	Tamilnadu	Coimbatore	40,000	No	The Naraya naswamy Naidu Charity Trust for education	CSR00012126
	Total					3,80,000			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 3,80,000

(g) Excess amount for set off, if any : Not Applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	3,80,000
(ii)	Total amount spent for the Financial Year	3,80,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (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.)**	**Amount spent in the reporting 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.)**
				Name of the Fund	**Amount (in Rs).**	**Date of transfer.**	
1.	-	-	-	-	-	-	-
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): No amount was spent for ongoing projects

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S.No	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in Rs.)**	**Amount spent on the project in the reporting Financial Year (in Rs)**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing**
1.	-	-	-	-	-	-	-	-
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

    (a) Date of creation or acquisition of the capital asset(s): Nil

    (b) Amount of CSR spent for creation or acquisition of capital asset: Nil

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Nil

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

J.Govind Raju	**Ashwin Chandran**	**Prashanth Chandran**
Chief Financial Officer	Chairman of CSR Committee	Vice Chairman and Managing Director
	(DIN : 00001884)	(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**:

   The Company has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during the financial year 2021-22. The Company has laid down policies and processes/ procedures so as to ensure compliance to the Companies Act, 2013 ("Act") and the corresponding Rules. All the transactions with interested parties are placed before the Audit Committee on quarterly 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) 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:**

   No material related party transactions have taken place during the financial year 2021 - 2022

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
25-May-2022

Ashwin Chandran
Chairman and
Managing Director

₹ Lakhs							
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
	IGAAP	IndAS					
Operating Results							
Total revenue	69,468	70,441	71,456	79,641	73,667	67,084	**99,977**
PBIDT	2,079	5,330	6,759	6,363	4,897	9,884	**19,526**
Interest	3,830	4,273	4,079	4,053	3,919	3,272	**2,898**
PBDT	(1,751)	1,057	2,680	2,310	1,978	6,612	**16,628**
Depreciation	3,800	3,420	3,257	3,137	3,274	3,317	**3,253**
Income Tax	-	-	-	-	357	-	**2,280**
Other Taxes	-	-	-	-	-	-	**553**
PAT	(5,551)	(2,363)	(577)	(827)	(1,652)	3,295	**10,542**
Dividend & Dividend Tax	-	-	-	-	-	-	**-**
Retained cash earnings	(1,751)	1,057	2,680	2,310	1,978	6,612	**16,628**
Performance Parameters							
Net Fixed Assets (WDV)	31,388	53,732	50,997	48,986	44,733	42,217	**44,042**
Share Capital	1,200	1,200	1,200	1,200	1,200	1,200	**1,200**
Free Reserves	6,714	31,343	30,809	30,026	27,476	30,622	**40,872**
Net worth	7,914	32,543	32,009	31,226	28,676	31,822	**42,072**
Long Term Borrowings	20,615	17,801	17,934	17,697	13,462	15,712	**14,832**
Debt:Equity	2.6	0.5	0.6	0.6	0.5	1.03	**0.85**
Dividend (%)	-	-	-	-	-	-	**60%**
Earnings per share (Rs.)	(46)	(20)	(5)	(7)	(14)	27	**88**

INDEPENDENT AUDITOR'S REPORT

To the Members of PRECOT LIMITED (formerly PRECOT MERIDIAN LIMITED)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Precot Limited (formerly Precot Meridian Limited)** ("the Company") which comprise the Standalone Balance Sheet as at March 31, 2022, 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, 2022, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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 these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of inventory: As at 31st March 2022, the Company's inventories amounted to ₹ 24,141.02 lakhs representing 27% of the Company's total assets as at 31st March, 2022. 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'). There is a risk that inventories may be stated at values that are more than their net realizable value ('NRV'). We identified the valuation of inventories as a key audit matter because the Company held significant inventories at the reporting date and significant degree of management judgement and estimation was involved in valuing the inventories.	**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. • 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.

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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of the Management and Board of 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, 2022 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, 2014, 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 2022 on its financial position in its standalone financial statements - Refer Note 45 to the standalone financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. 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 2022;

(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.

(iv) As stated in note no.58 of the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

(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:22028328AJNXMK6269

Place: Coimbatore
Date: 25th May, 2022

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 (formerly Precot Meridian Limited) on the Standalone Financial Statements for the year ended March 31, 2022]

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) Property, Plant and Equipment have been physically verified by the management during the year as per the regular programme of verification which, in our opinion, 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 2022 (₹ 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 currently known as Multiflora Processing Coimbatore 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) (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. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(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 and penalties	3.74	2015-16	Appellate Tribunal
Central Excise Act, 1944	Excise duty, penalties and interest	19.28	2008 - 09	CBIC, New Delhi
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

Place: Coimbatore
Date: 25th May, 2022

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN:22028328AJNXMK6269

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 (formerly Precot Meridian Limited) on the Standalone Financial Statements for the year ended March 31, 2022]

We have audited the internal financial controls with reference to standalone financial statements of **Precot Limited (formerly Precot Meridian Limited)** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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.

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, 2022, 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.

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

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN:22028328AJNXMK6269

Place: Coimbatore
Date: 25th May, 2022

STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non - Current assets			
(a) Property, Plant and Equipment	2	**40,373.85**	41,322.95
(b) Right of use Asset	3 (a)	**463.73**	591.19
(c) Capital work-in-progress	3 (b)	**3,160.28**	256.20
(d) Intangible assets	3 (c)	**44.08**	38.47
(e) Intangible assets under development	3 (c)	**-**	7.94
(f) Financial Assets			
(i) Investments	4	**1,299.53**	1,085.78
(ii) Loans	5	**-**	71.47
(iii) Other Financial Assets	6	**810.09**	989.45
(g) Other non-current assets	7	**1,018.67**	460.05
Total Non Current Assets		**47,170.23**	**44,823.50**
(2) Current assets			
(a) Inventories	8	**24,141.02**	13,119.89
(b) Financial Assets			
(i) Trade receivables	9	**13,994.54**	10,206.93
(ii) Cash and cash equivalents	10	**148.39**	109.38
(iii) Bank balances other than (ii) above	11	**916.30**	787.41
(iv) Loans	12	**63.87**	77.56
(v) Other Financial Assets	13	**39.07**	47.14
(c) Other current assets	14	**4,504.43**	4,263.49
Total Current Assets		**43,807.62**	**28,611.80**
TOTAL ASSETS		**90,977.85**	**73,435.30**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	15	**1,200.00**	1,200.00
(b) Other Equity	16	**40,872.29**	30,621.57
Total Equity		**42,072.29**	**31,821.57**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	**8,169.55**	10,459.89
(ii) Lease Liability	18	**90.32**	193.62
(iii) Other Financial Liabilities	19	**17.22**	19.31
(b) Provisions	20	**2,153.35**	1,946.99
(c) Deferred tax liabilities (Net)	21	**455.17**	-
(d) Other non-current liabilities	22	**112.15**	195.29
Total Non Current Liabilities		**10,997.76**	**12,815.10**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**27,607.72**	22,172.56
(ii) Lease Liability	24	**103.31**	91.50
(iii) Trade payables	25		
- Outstanding dues of Micro & Small Enterprises		**289.44**	190.11
- Outstanding dues of Creditors other than Micro & Small Enterprises		**3,537.11**	2,766.49
(iv) Other Financial Liabilities	26	**5,370.25**	2,918.27
(b) Other current liabilities	27	**436.04**	434.97
(c) Provisions	28	**271.65**	224.73
(d) Current tax liabilities (net)		**292.28**	-
Total Current Liabilities		**37,907.80**	**28,798.63**
TOTAL LIABILITIES		**48,905.56**	**41,613.73**
TOTAL EQUITY AND LIABILITIES		**90,977.85**	**73,435.30**

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 : 25-May-2022

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J.Govind Raju
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 2022	For the year ended 31st March 2021
I	Revenue From Operations	29	**99,328.12**	66,513.83
II	Other income	30	**649.09**	570.17
III	**Total Income (I+II)**		**99,977.21**	**67,084.00**
IV	**Expenses**			
	Cost of materials consumed	31	**53,216.60**	34,052.46
	Purchase of Stock-in-Trade		**-**	76.83
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	**(4,358.47)**	1,725.41
	Employee benefits expense	33	**9,360.16**	7,357.89
	Finance costs	34	**2,897.73**	3,272.06
	Depreciation and amortization expenses	35	**3,252.51**	3,317.22
	Other expenses	36	**22,233.72**	13,987.36
	Total Expenses (IV)		**86,602.25**	**63,789.23**
V	**Profit before exceptional items and Tax (III - IV)**		**13,374.96**	**3,294.77**
VI	**Exceptional item**		**-**	**-**
VII	**Profit before tax (V - VI)**		**13,374.96**	**3,294.77**
VIII	**Tax expense:**			
	(1) Current tax		**2,280.00**	-
	(2) Deferred tax	37(d)	**553.09**	-
IX	**Profit after Tax (VII - VIII)**		**10,541.87**	**3,294.77**
X	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss			
	a) Remeasurement of the defined benefit plans		**(522.90)**	(135.61)
	b) Gains / (Losses) on fair value of Equity instruments measured at fair value through OCI		**133.83**	(13.48)
	c) Income tax relating to items that will not be reclassified to profit or loss		**97.92**	-
	Total Other Comprehensive Income		**(291.15)**	**(149.09)**
XI	**Total Comprehensive Income for the year (IX + X)**		**10,250.72**	**3,145.68**
XII	Earnings per equity share of face value of Rs.10/- each			
	- Basic and Diluted (In ₹)	38	**87.85**	27.46

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 : 25-May-2022

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J Govind Raju
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 2022

A. EQUITY SHARE CAPITAL

₹ 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

₹ Lakhs

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
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, 2021	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**13,877.38**	**2,062.86**	**(254.73)**	**30,621.57**
Profit 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**
Balance as at 01st April, 2020	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**10,582.61**	**2,076.34**	**(119.12)**	**27,475.89**
Profit for the year					3,294.77			**3,294.77**
Other Comprehensive Income for the year (net of tax)						(13.48)	(135.61)	**(149.09)**
Balance as at 31st March, 2021	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**13,877.38**	**2,062.86**	**(254.73)**	**30,621.57**

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 : 25-May-2022

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J Govind Raju
Chief Financial Officer

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

S Kavitha
Company Secretary
(FCS No. 8710)

Particulars		For the year ended 31.03.2022		₹ Lakhs For the year ended 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		**13,374.96**		**3,294.77**
Adjustments for :				
Depreciation and amortization expenses	**3,252.51**		3,317.22	
Interest income (including fair value change in financial instruments)	**(131.99)**		(154.48)	
(Profit)/Loss on sale of Property, Plant and Equipment (net)	**(44.81)**		(74.86)	
Unrealised foreign exchange loss/(gain)	**(238.20)**		(288.77)	
Liabilities no more payable	**(5.92)**		(6.98)	
Finance cost (including fair value change in financial instruments)	**2,897.73**		3,272.06	
Allowance for credit loss (net)	**(175.27)**		239.66	
Provision/(reversal) of doubtful advances	**(2,173.22)**		(24.49)	
Bad debts written off	**262.29**		-	
Irrecoverable Advances written off	**2,142.64**		22.44	
Other adjustments	**71.38**		116.30	
Assets Discarded written off	**35.01**		-	
		5,892.15		6,418.10
Operating Profit before working capital changes		**19,267.11**		**9,712.87**
Adjustments for :				
(Increase) / Decrease in Inventories	**(11,021.13)**		(687.84)	
(Increase) / Decrease in Trade Receivables	**(3,835.66)**		(1,637.50)	
(Increase) / Decrease in Loans and Other Financial Assets	**193.05**		(255.85)	
(Increase) / Decrease in Other Assets	**(255.12)**		(2,553.67)	
Increase / (Decrease) in Trade Payable	**853.69**		(1,528.71)	
Increase / (Decrease) in Other Financial Liabilities	**2,617.08**		(284.67)	
Increase / (Decrease) in Other Liabilities and Provisions	**(268.55)**		(141.00)	
		(11,716.64)		**(7,089.24)**
Cash generated from Operations		**7,550.47**		2,623.63
Direct Taxes		**(1,996.61)**		(23.43)
Net Cash Flow from operating activities		**5,553.86**		**2,600.20**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment (Including CWIP)	**(5,142.15)**		(891.56)	
Advance settled for purchase of Property, Plant and Equipment	**(540.09)**		(254.36)	
Sale of Property, Plant and Equipment	**74.26**		160.59	
(Purchase)/ Sale of Non - Current Investments	**(10.89)**		-	
Interest Received	**140.06**		158.20	
Net Cash flow used in Investing activities		**(5,478.81)**		**(827.13)**
C. CASH FLOW FROM FINANCING ACTIVITIES:-				
Unclaimed dividends paid	**(4.91)**		(1.77)	
Interest Paid	**(2,682.10)**		(3,298.64)	
Proceeds / (Repayment) of Long Term Borrowings	**(1,031.44)**		2,054.84	
Repayment of lease liability	**(114.09)**		(109.39)	
Proceeds / (Repayments) of Unsecured Loan	**(731.52)**		119.49	
Proceeds / (Repayments) of loans repayable on demand	**4,656.91**		(443.04)	

Particulars	For the year ended 31.03.2022	₹ Lakhs For the year ended 31.03.2021
Net Cash Flow from / (used in) Financing Activities	**92.85**	**(1,678.51)**
Net Increase/ (Decrease) in Cash and Cash Equivalent	**167.90**	94.56
Cash and Bank Balances as at 01.04.2021 and 01.04.2020 (Opening balance)	**896.79**	802.23
Less: Bank balances not considered as Cash and Cash Equivalents as per Indian Accounting Standard 7	**916.30**	787.41
Cash and Cash Equivalents as at 31.03.2022 and 31.03.2021 (Closing balance) (Refer Note no. 10)	**148.39**	**109.38**

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 31.03.2022			
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	(24.85)	99.68	-
Amortisation	176.04	-	-
Closing Balance as at 31st March, 2022	**14,832.17**	**20,945.10**	**193.63**
As on 31.03.2021			
Opening Balance as at 01st April, 2020	**13,462.64**	**17,345.16**	**368.28**
Cash Flows (Net) - Proceeds/(Repayment)	2,054.84	(323.55)	(109.39)
Additions during the year - Impact on account of Ind AS 116	-	-	26.23
Other adjustments	(0.23)	(101.58)	-
Amortisation	195.17	-	-
Closing Balance as at 31st March, 2021	**15,712.42**	**16,920.03**	**285.12**

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

For and on behalf of the Board of Directors

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J Govind Raju
Chief Financial Officer

C.S.Sathyanarayanan
Partner
M. No: 028328
Place : Coimbatore
Date : 25-May-2022

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 2022

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 1,88,112 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 Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The Standalone financial statements were authorized and approved for issue by the Board of Directors on 25th May 2022.

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 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. 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, which generally coincides with the delivery of the goods.

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 (ROU) 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.

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)
Vehicles – Two wheeler	10 Years
Vehicles – Four wheeler	8 years
Furniture and Fixtures	10 Years
Office equipments	5 years
Computers	3 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 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.

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 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.

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.

(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 flows and selling financial assets; and

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

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

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

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

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

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

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

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

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

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

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 profit or 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 profit or 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:

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Business Combinations

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS 16 – Property, Plant and Equipments

The amendment clarifies that excess of net sale proceeds of items tested over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable cost of an items of Property, Plant and Equipments.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the above amendments to have any significant impact in the 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 2020	**23,788.22**	**6,844.97**	**25,442.97**	**187.11**	**221.49**	**130.62**	**56,615.38**
Additions / Adjustments	-	1.27	633.56	8.13	57.99	16.47	717.42
Deductions	-	-	151.62	0.05	30.09	1.59	183.35
As at 31st March 2021	**23,788.22**	**6,846.24**	**25,924.91**	**195.19**	**249.39**	**145.50**	**57,149.45**
Additions	-	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**	**6,850.89**	**27,641.87**	**206.57**	**427.05**	**25.43**	**59,140.03**
Accumulated depreciation and impairment							
As at 31st March 2020	**-**	**1,372.98**	**11,151.36**	**93.70**	**102.62**	**66.65**	**12,787.31**
Depreciation / Adjustments	-	342.55	2,721.15	23.39	25.37	24.35	3,136.81
Deductions	-	-	78.02	-	19.30	0.30	97.62
As at 31st March 2021	**-**	**1,715.53**	**13,794.49**	**117.09**	**108.69**	**90.70**	**15,826.50**
Depreciation expense	-	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	**-**	**2,054.93**	**16,316.45**	**139.29**	**139.25**	**116.26**	**18,766.18**
Net Carrying Value							
As at 31st March 2021	23,788.22	5,130.71	12,130.42	78.10	140.70	54.80	41,322.95
As at 31st March 2022	**23,788.22**	**4,795.96**	**11,325.42**	**67.28**	**287.80**	**109.17**	**40,373.85**

Certain Property, Plant and Equipment has been given as security against borrowings availed by the company- (Refer note no:17 & 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 currently known as Multiflora Processing Coimbatore Limited that was merged with the Company vide NCLT, Chennai Order Dt.18.09.2017.
PPE	Freehold Land	51.00	Meridian Industries Limited	No	01.09.2006	The title deeds are in the name of Meridian Industries Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order dt. 01.09.2006.

3 (a) RIGHT TO USE ASSET:

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 31st March 2020	**390.60**	**387.85**	**778.45**
Additions	-	-	-
Reclassification from Prepayment	-	(4.55)	(4.55)
Deductions	-	-	-
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**
Accumulated Amortization and Impairment			
As at 31st March 2020	**30.36**	**24.57**	**54.93**
Amortization	30.68	97.10	127.78
Deductions	-	-	-
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**
Net Carrying Value			
As at 31st March 2021	329.56	261.63	591.19
As at 31st March 2022	**299.10**	**164.63**	**463.73**

3(b) CAPITAL WORK IN PROGRESS

₹ Lakhs

As at 31st March 2021	256.20
As at 31st March 2022	**3160.28**

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	-	-	-	-	-

Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2021

₹ 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	256.20	-	-	-	256.20
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

Particulars	Intangible Assets Computer Software	Intangible Assets Under Development
Gross Carrying Value		
As at 31st March 2020	**125.79**	-
Additions	4.72	7.94
Deductions	-	-
As at 31st March 2021	**130.51**	**7.94**
Additions	16.61	1.05
Deductions	-	8.99
As at 31st March 2022	**147.12**	-
Accumulated Amortization and Impairment		
As at 31st March 2020	**83.54**	-
Amortization	8.50	-
Deductions	-	-
As at 31st March 2021	**92.04**	**-**
Amortization	11.00	-
Deductions	-	-
As at 31st March 2022	**103.04**	**-**
Net Carrying Value		
As at 31st March 2021	38.47	7.94
As at 31st March 2022	**44.08**	**-**

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	-	-	-	-	-

Intangible assets under development (IAUD) ageing schedule as at 31st March 2021

₹ 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	7.94	-	-	-	7.94
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		31.03.2022	31.03.2021
Investment in Partnership Firm - at Amortized cost			
Investment in Partnership Firm - Suprem Associates *		81.47	10.00
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 Rs.10 each (as on 31.03.21 - 12,06,000 shares)	1,218.06	1,073.34
2,25,000 shares	Sai Regency Power Corporation Private limited of Rs.10 each (as on 31.03.21 - 2,25,000 shares)	-	-
14,000 shares	OPG Energy Private Limited of Rs.10 each (as on 31.03.21 - 14,000 shares)	-	1.40
1,08,870 shares	Nagai Power Private Limited of Rs.10 each (as on 31.03.21 - Nil)	-	-
83,004 shares	Ind-Bharath Power Gencom Limited of Rs.10 each (as on 31.03.21 - 83,004 shares)	-	-
	Total Trade Investments	**1,218.06**	**1,074.74**
Other Investment - Unquoted, fully paid-up			
100 shares	Precot Mills Employees Cooperative Credit Society of Rs.10 each (as on 31.03.21 - 100 shares)	-	0.01
100 shares	Precot Mills Multi purpose stores of Rs.10 each (as on 31.03.21 - 100 shares)	-	0.01
10 shares	Precot Workers Credit Co-operative Stores of Rs.10 each (as on 31.03.21 - 10 shares)	-	0.00
10,000 shares	Cotton Sourcing Company Ltd of Rs.10 each (as on 31.03.21 - 10,000 shares)	-	1.00
	Total Other Investments	**-**	**1.02**
	In Government Securities	-	0.02
	TOTAL INVESTMENTS	**1,299.53**	**1,085.78**
Aggregate amount of Quoted Investments and Market Value thereof		-	-
Aggregate amount of Unquoted Investments		**1,299.53**	**1,085.78**
Category-wise Non current investment			
Financial assets carried at amortized cost		**81.47**	**10.00**
Financial assets measured at fair value through other comprehensive income		**1,218.06**	**1,075.78**
	Total Non current investment	**1,299.53**	**1,085.78**

₹ 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 2022	Capital as at 31st March 2021
Precot Ltd	**99.9%**	**81.47**	10.00
V.Subramanian	**0.1%**	**0.10**	0.10

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

5. LOANS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Dues from Partnership firm in which the company is a partner (Refer note no.51)	**-**	71.47
	-	**71.47**

6. OTHER FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Security Deposits	**786.32**	989.45
Margin money*	**23.77**	-
	810.09	**989.45**

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

7. OTHER NON-CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Capital advances	**816.87**	276.78
Advance Tax (net)	**179.10**	170.20
Prepayments	**22.70**	13.07
	1,018.67	**460.05**

8. INVENTORIES (at lower of cost and net realisable value)

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Raw Materials	**15,300.93**	8,994.75
Work-in-progress	**2,140.50**	1,617.72
Finished goods	**5,337.76**	1,537.26
Stores and spares	**1,269.71**	913.23
Waste Cotton	**92.12**	56.93
	24,141.02	**13,119.89**
Details of stock in transit		
Raw Materials	**1,790.83**	826.85
Stores and spares	**93.66**	63.29
Total	**1,884.49**	**890.14**

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

(ii) Inventory held at net realizable value amounting to ₹ 88.53 Lakhs

The amount of write down of inventory recognised as an expense during the year is CY ₹ 13.49 Lakhs (PY ₹ 16.50 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 no. 17 & 23)

(v) Cost of inventory recognised as an expense:

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Cost of materials consumed	**53,216.60**	34,052.46
Cost of traded goods sold	**-**	76.83
Consumption of Stores & Spare parts	**3,563.64**	2,685.11
Consumption of Fuel	**589.70**	443.19

9. TRADE RECEIVABLES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Trade Receivable considered good - Unsecured	**14,112.97**	10,239.19
Less: Allowance for expected credit loss	**118.43**	34.76
A	**13,994.54**	**10,204.43**
Trade Receivable which have significant increase in credit risk - Unsecured	**-**	263.31
Less: Allowance for expected credit loss	**-**	260.81
B	**-**	**2.50**
Total - A+B	**13,994.54**	**10,206.93**

Ageing as on 31st March 2022

Particulars	Outstanding for the following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	13,939.31	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	**13,939.31**	**110.51**	**58.02**	**4.63**	**0.50**	**14,112.97**
Less: Allowance for Expected Credit Loss	-	-	-	-	-	(118.43)
Total	**13,939.31**	**110.51**	**58.02**	**4.63**	**0.50**	**13,994.54**

Ageing as on 31st March 2021

Particulars	Outstanding for the following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	10,093.49	99.45	40.35	5.42	0.48	10,239.19
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	15.01	0.23	-	18.92	-	34.16
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	5.14	0.26	219.08	-	4.67	229.15
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Sub total	**10,113.64**	**99.94**	**259.43**	**24.34**	**5.15**	**10,502.50**
Less: Allowance for Expected Credit Loss	-	-	-	-	-	(295.57)
Total	**10,113.64**	**99.94**	**259.43**	**24.34**	**5.15**	**10,206.93**

Movement in Allowance for expected credit loss is as follows:

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Opening	**295.57**	55.91
Additions	**85.54**	248.66
Reversal	**260.81**	9.00
Other adjustments	**1.87**	-
Closing	**118.43**	**295.57**

The credit period on sales of goods ranges from 21 to 70 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. 17 & 23).
The Company's exposure to credit and currency risk related to trade receivable are given in note no.43.
Expected credit losses are estimated after taking into account historical credit loss experiences of the Company.

10 CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Balances with Banks		
Current accounts	**146.11**	105.56
Cash on hand	**2.28**	3.82
	148.39	**109.38**

11. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Earmarked balances		
In Unclaimed dividend accounts	**-**	4.91
In margin money *	**916.30**	782.50
	916.30	**787.41**

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

12. LOANS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Employee Loans / advances	**63.87**	77.56
	63.87	**77.56**

13. OTHERS FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Income accrued	**39.07**	47.14
With significant increase in credit risk		
Interest Subsidy Receivable	**-**	2,142.64
Less : Allowance for doubtful receivables	**-**	(2,142.64)
	39.07	**47.14**

Movement in Allowance for doubtful receivables is as follows:

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Opening	**2,142.64**	2,142.64
Additions	**-**	-
Reversal / Utilisation	**(2,142.64)**	-
Closing	**-**	**2,142.64**

14. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Advance to Trade Suppliers	**2,109.49**	2,795.61
Export incentives receivable	**473.82**	438.07
Indirect tax balances/ recoverable /credits	**1,743.88**	853.08
Unsecured, considered doubtful		
Indirect tax balances/ recoverable /credits	**19.46**	50.04
Less : Allowance for doubtful advances/ deposits	**(19.46)**	(50.04)
Others		
Prepayments	**177.24**	176.73
	4,504.43	**4,263.49**

Movement in Allowance for doubtful advances is as follows:

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Opening	**50.04**	74.53
Additions	**-**	-
Reversal	**30.58**	24.49
Closing	**19.46**	**50.04**

15. EQUITY SHARE CAPITAL

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Authorised		
2,13,00,000 Equity Shares of Rs.10 each	**2,130.00**	2,130.00
(31-03-22 and 31-03-21 - 2,13,00,000 Equity Shares of Rs.10 each)		
Issued, Subscribed & fully Paid up		
1,20,00,000 Equity Shares of Rs.10 each fully paid up	**1,200.00**	1,200.00
(31-03-22 and 31-03-21 - 1,20,00,000 Equity Shares of Rs.10 each)		
	1,200.00	**1,200.00**

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

Particulars	31.03.2022		31.03.2021	
	Number	₹ Lakhs	Number	₹ Lakhs
At the beginning of the year	**1,20,00,000**	**1,200.00**	1,20,00,000	1,200.00
Add: Issued during the year	**-**	**-**	-	-
At the 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 2022 and 31st March 2021:

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 31.03.2022		As at 31.03.2021	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	D Sarath Chandran (Ind)	**16,42,845**	**13.69%**	16,42,845	13.69%
2	D Sarath Chandran (HUF)	**12,16,251**	**10.14%**	12,16,251	10.14%
3	Ashwin Chandran	**23,22,801**	**19.36%**	23,22,801	19.36%
4	Prashanth Chandran	**19,87,022**	**16.56%**	19,87,022	16.56%

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

vi) There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March, 2022.

₹ Lakhs

16. OTHER EQUITY

Particulars		31.03.2022	31.03.2021
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		**13,877.38**	10,582.61
Add: Profit for the year		**10,541.87**	3,294.77
	(B)	**24,419.25**	**13,877.38**
Other Comprehensive Income:			
Opening balance		**1,808.13**	1,957.22
Add: Additions during the year		**(291.15)**	(149.09)
	(C)	**1,516.98**	**1,808.13**
	(A+B+C)	**40,872.29**	**30,621.57**

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 buy back of 5,50,000 equity shares in July '2002 as per statutory requirement and

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

17. BORROWINGS

₹ Lakhs

Particulars	31.03.2022		31.03.2021	
	Non Current	Current	Non Current	Current
Secured Loans - at amortised cost				
Term loans from Banks	**8,140.30**	**6,846.30**	10,654.18	5,422.88
Less: Unamortised upfront fees on borrowings	**13.69**	**199.75**	197.91	175.38
Less: Amount disclosed under current maturities	**-**	**6,646.55**	-	5,247.50
(A)	**8,126.61**	**-**	**10,456.27**	**-**
Loans from Others	**48.37**	**20.09**	3.75	5.69
Less: Unmatured finance charges	**5.43**	**4.02**	0.13	0.66
Less: Amount disclosed under current maturities	**-**	**16.07**	-	5.03
(B)	**42.94**	**-**	**3.62**	**-**
Total (A+B)	**8,169.55**	**-**	**10,459.89**	**-**

I Term loans from Banks:

a. Repayment Terms

Note	Terms of Loans	Bank	31.03.2022	31.03.2021	Description
-		ICICI Bank	-	266.30	Rupee Corporate Loan
-		ICICI Bank	-	2,244.14	Rupee Tuf loan XIII
1	Repayable in 48 monthly instalments aggregating to ₹ 1,029 lakhs commencing from May 2022. The interest is payable on monthly basis and the rate of interest is 8.70% per annum.	ICICI Bank	1,029.00	-	GECL 2.0 Scheme
-	These have since been repaid in April 2022 and have been classified as current maturities.	IndusInd Bank	3,093.51	6,290.27	Term Loan
-	These have since been repaid in April 2022 and have been classified as current maturities.	IndusInd Bank	2,022.56	3,983.84	Term Loan
2	Repayable in 46 monthly instalments aggregating to ₹ 1,906.13 lakhs. The interest is payable on monthly basis and the rate of interest is 8.25% per annum.	IndusInd Bank	1,906.13	1,000.00	GECL 2.0 Scheme
2	Repayable in 48 monthly instalments aggregating to ₹ 1,461 lakhs commencing from September 2022. The interest is payable on monthly basis and the rate of interest is 8.25% per annum.	IndusInd Bank	1,461.00	-	GECL 2.0 Scheme

	Terms of Loans	Bank	31.03.2022	31.03.2021	Description
-	These have since been repaid in April 2022 and have been classified under Short term borrowings.	South Indian Bank	201.72	282.41	Rupee Tuf loan XVI
-		State Bank of India	-	161.13	Term Loan (Covid 19 Emergency Credit Line - CELC)
3	Repayable in 45 monthly instalments aggregating to ₹ 447.18 lakhs. The interest is payable on monthly basis and the rate of interest is 7.95% per annum.	State Bank of India	447.18	475.07	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 7.95% per annum.	State Bank of India	420.00	-	GECL 3.0 Scheme
5	Repayable in 56 quarterly instalments aggregating to ₹ 1,147.54 lakhs commencing from Januaray 2023. The interest is payable on monthly basis and the rate of interest is 8.50% per annum.	State Bank of India	1,147.54	-	Term loan - Solar Power Plant
7	Repayable in 2 monthly instalments aggregating to ₹ 60.56 lakhs. The interest is payable on monthly basis and the rate of interest is 8.00% per annum.	Union Bank of India	60.56	423.90	Term Loan (Covid 19 Emergency Credit Line - CELC)
6	Repayable in 48 monthly instalments aggregating to ₹ 1,787 lakhs commencing from January 2023. The interest is payable on monthly basis and the rate of interest is 7.85% per annum.	Union Bank of India	1,787.00	-	GECL 3.0 Scheme
7	Repayable in 46 monthly instalments aggregating to ₹ 910.40 lakhs. The interest is payable on monthly basis and the rate of interest is 8.80% per annum.	IDBI Bank	910.40	950.00	Working Capital Term Loan under GECL 2.0 Scheme
8	Repayable in 48 monthly instalments aggregating to ₹ 500 lakhs commencing from January 2023. The interest is payable on monthly basis and the rate of interest is 8.60% per annum.	IDBI Bank	500.00	-	Working Capital Term Loan under GECL 2.0 Scheme
	Total		**14,986.60**	**16,077.06**	

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 ranking 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 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 building at Hindupur, second charge over the entire fixed assets of the Company on Pari passu basis with other multiple banking arrangement banks excluding fixed assets exclusively charged to other banks including Land and Building at various locations, hyphothecaton of fixed asset and personal guarantee of directors.

Note 6: Second charge with the existing credit facilities in terms of cash flows (including repayments) and securities

Note 7: 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 8: 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. Loans from others :

Hire purchase loans from financial institution of ₹ 68.46 Lakhs (March 31, 2021 : ₹ 9.44 Lakhs) carries interest @ 7.63% to 10.65 % p.a. The loans are repayable in 36 and 60 monthly instalments starting from the respective date of finance. The loans are secured by specific assets financed (vehicle).

18. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Lease Liabilities - Non - Current (Refer Note no: 52)	**90.32**	193.62
	90.32	**193.62**

19. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Security deposits	**17.22**	19.31
	17.22	**19.31**

20. PROVISIONS

Particulars	31.03.2022	31.03.2021
Provision for expenses	**1,076.54**	1,093.37
Provision for employee benefits		
Gratuity (Refer note no: 39)	**1,076.81**	853.62
	2,153.35	**1,946.99**

Movement in provision for expenses

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Opening	**1,093.37**	1,093.37
Additions	**-**	-
Reversal	**(16.83)**	-
Closing	**1,076.54**	**1,093.37**

21. DEFERRED TAX LIABILITIES (NET)

₹ Lakhs

Particulars		31.03.2022	31.03.2021
Deferred Tax Liability			
-On PPE and intangible assets		**1,149.81**	-
	A	**1,149.81**	**-**
Deferred Tax Assets			
- On disallowances under the income tax act		**101.58**	-
- On employee benefit expense		**347.41**	
- On fair value adjustment of financial instruments		**198.72**	
- On lease liability		**46.93**	-
	B	**694.64**	**-**
Deferred tax liabilities (Net) (Refer note no. 37(d))	**(A-B)**	**455.17**	**-**

22. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Deferred Government Grant*	**112.15**	195.29
	112.15	**195.29**

* 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	31.03.2022	31.03.2021
Secured loans at amortised cost		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	**6,530.09**	6,279.17
- Foreign Currency Loan	**13,414.19**	8,908.53
Current maturities of long-term borrowings (Refer note no: 17)	**6,662.62**	5,252.53
Unsecured Loans at amortised cost:		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	**-**	482.33
From Others		
- Loan from related party (Refer note no. 51)	**-**	1,000.00
- Others	**1,000.82**	250.00
	27,607.72	**22,172.56**

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 entire immovable assets of the Company and are repayable on demand.

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

3 Unsecured loan from others represents loan from financial institutions carrying interest rate @ 13% p.a. and is repayable within 90 days from the date of disbursement.

4 The Statement of Current Assets filed by the company with the banks are in agreement with the books of account and there are no material deviations.

24. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Lease Liabilities - Current (Refer note no. 52)	**103.31**	91.50
	103.31	**91.50**

25. TRADE PAYABLES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Trade payables		
- Total outstanding dues of Micro and Small Enterprises (Refer note no. 47)	**289.44**	190.11
- Total outstanding dues of creditors other than Micro and Small Enterprises	**3,537.11**	2,766.49
	3,826.55	**2,956.60**

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

Ageing as on 31st March 2022

Particulars	Outstanding for the following period due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
a) Micro and Small	283.37	1.40	4.67	-	289.44
b) Medium	59.94	-	-	-	59.94
(ii) Others	3,468.88	8.23	0.06	-	3,477.17
(iii) Disputed dues - Micro and Small	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-
Total	**3,812.19**	**9.63**	**4.73**	**-**	**3,826.55**

Ageing as on 31st March 2021

Particulars	Outstanding for the following period due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
a) Micro and Small	185.45	4.67	-	-	190.12
b) Medium	58.63	-	-	-	58.63
(ii) Others	2,707.79	0.06	-	-	2,707.85
(iii) Disputed dues - Micro and Small	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-
Total	**2,951.87**	**4.73**	**-**	**-**	**2,956.60**

26. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Interest accrued but not due on borrowings	**22.79**	6.60
Interest accrued and due on borrowings	**8.48**	-
Unpaid dividends	**-**	4.91
Accrued Employee benefits	**789.57**	741.35
Derivative liability - at FVTPL	**-**	186.95
Others *	**4,549.41**	1,978.46
	5,370.25	**2,918.27**

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

27. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Statutory Liabilities	**189.63**	124.71
Advance from Customers	**162.13**	224.46
Deferred Government Grant - (Refer note no. 22)	**83.14**	83.14
Others	**1.14**	2.66
	436.04	**434.97**

28. PROVISIONS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Provision for employee benefits - Gratuity - (Refer note no. 39)	**271.65**	224.73
	271.65	224.73

29. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Sale of Products - Manufactured Goods		
Sale of Yarn	**79,761.93**	50,270.37
Sale of Technical Textile products	**15,704.41**	13,887.05
Sale of Products - Traded Goods		
Sale of Yarn	**-**	79.14
Total (A)	**95,466.34**	**64,236.56**
Other operating revenue		
Scrap Sales	**3,000.52**	1,913.79
Export Incentive	**787.10**	313.75
Others*	**74.16**	49.73
Total (B)	**3,861.78**	**2,277.27**
Total (A+B)	**99,328.12**	**66,513.83**

* Others include packing charges collected.

30. OTHER INCOME

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Interest Income from financial assets at amortised cost	**131.99**	154.48
Net gain on disposal of property, plant and equipment	**44.81**	74.86
Insurance claim receipts	**7.19**	60.40
Gains on exchange fluctuations (net) - (Refer note no: 50)	**309.75**	187.14
Government grant - (Refer note no: 22 & 27)	**83.14**	83.14
Miscellaneous Income	**72.21**	10.15
	649.09	**570.17**

31. COST OF MATERIALS CONSUMED

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Cotton	**53,216.60**	34,052.46
	53,216.60	**34,052.46**

Particulars of Materials consumed	2021 - 22		2020 - 21	
	% of Consumption	**₹ Lakhs**	% of Consumption	**₹ Lakhs**
Imported	**17.18**	**9,141.69**	13.87	4,721.52
Indigenous	**82.82**	**44,074.91**	86.31	29,330.94
	100.00	**53,216.60**	**100.00**	**34,052.46**

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

₹ Lakhs

Particulars		2021 - 22	2020-21
Inventory at the end of the year			
Work in Progress and Waste Cotton			
Yarn		**2,072.46**	1,198.41
Technical Textile products		**160.16**	476.24
	a	**2,232.62**	**1,674.65**
Finished Goods			
Yarn		**4,994.80**	1,300.19
Technical Textile products		**342.96**	237.07
	b	**5,337.76**	**1,537.26**
Total	**c = a + b**	**7,570.38**	**3,211.91**
Inventory at the beginning of the year			
Work in Progress and Waste Cotton			
Yarn		**1,198.41**	1,071.17
Technical Textile products		**476.24**	213.67
	d	**1,674.65**	**1,284.84**
Finished Goods			
Yarn		**1,300.19**	3,389.29
Technical Textile products		**237.07**	263.19
	e	**1,537.26**	**3,652.48**
Total	**f = d+e**	**3,211.91**	**4,937.32**
(Increase) / decrease in Inventories	**f-c**	**(4,358.47)**	**1,725.41**

33. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Salaries, Wages and Bonus	**8,148.20**	6,317.98
Contributions to Provident fund and other funds	**506.24**	470.17
Staff welfare expenses	**705.72**	569.74
	9,360.16	**7,357.89**

34. FINANCE COST

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Interest expense	**2,340.48**	2,857.26
Unwinding of interest on financial liabilities	**151.79**	167.30
Exchange differences regarded as an adjustment to borrowing cost	**130.08**	-
Other borrowing costs*	**275.38**	247.50
	2,897.73	**3,272.06**

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

35. DEPRECIATION AND AMORTIZATION

Particulars	2021 - 22	2020 - 21
Depreciation on Property Plant & Equipment - Refer note no: 2	**3,114.05**	3,180.94
Depreciation on Right of Use assets - Refer note no: 3(a)	**127.46**	127.78
Amortization of Intangible asset - Refer note no: 3(c)	**11.00**	8.50
	3,252.51	**3,317.22**

36. OTHER EXPENSES

₹ Lakhs

Particulars	2021 - 22	2020-21
Consumption of Stores & Spare parts	**3,563.64**	2,685.11
Power & Fuel (Net) (Refer note no: 46)	**7,379.31**	5,712.36
Processing Charges	**1,155.79**	67.79
Repairs		
Building	**440.80**	318.10
Machinery	**2,698.64**	1,830.61
Others	**159.30**	133.47
Rent	**18.89**	31.09
Rates and Taxes	**60.44**	50.05
Selling & Distribution expenses	**5,739.10**	2,302.17
Bank Charges	**133.08**	97.65
Communication Expenses	**60.05**	53.52
Travelling Expenses	**41.48**	26.57
Professional Charges	**281.28**	119.12
Auditor's Remuneration - (Refer note: 36 (A))	**17.59**	16.24
Expected Credit Loss / Advances Written off (Net)	**56.44**	237.61
CSR Expenses - (Refer note no.: 49)	**3.80**	-
Miscellaneous Expenses	**424.09**	305.90
	22,233.72	**13,987.36**

36 (A): Auditors Remuneration

₹ Lakhs

Particulars	2021- 22	2020 - 21
(a) For Statutory Audit	**11.50**	10.50
(b) For Tax Audit	**2.00**	2.00
(c) For Other services	**3.81**	3.00
(d) For reimbursement of expenses	**0.28**	0.74
	17.59	**16.24**

37. Tax Expense

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

Particulars		2021- 22	2020 - 21
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		553.09	-
Effect of recognition of deferred tax on tax losses		-	-
TOTAL	**(B)**	**553.09**	**-**
Total Tax expense recognized in Statement of Profit and Loss -	**(A)+(B)**	**2,833.09**	**-**

(b) Tax expenses recognised in other comprehensive income

₹ Lakhs

Particulars	2021 - 22	2020-21
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**(131.60)**	-
Net fair value loss on investments in equity instruments at FVTOCI	**33.68**	-
Total Tax expense recognized in other comprehensive income	**(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	2021 - 22	2020-21
Profit before tax	**13,374.96**	3,294.77
Enacted tax rate	**25.17%**	25.17%
Expected income tax expense/(benefit) at statutory tax rate	**3,366.20**	829.22
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	**1,214.90**	289.53
Income exempt from taxation	**(36.43)**	(20.92)
Effect of utilisation of tax losses	**(779.30)**	(968.50)
Disallowances and reversals - net	**(932.28)**	(129.33)
Charge/ (Credit) in respect of current tax for earlier years	**-**	-
Tax expense for the year	**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 01.04.2021	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)**

38. EARNINGS PER SHARE

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Profit for the year	**10,541.87**	3,294.77
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)	**87.85**	27.46
Face Value per equity share (in ₹)	**10.00**	10.00

39 Employee Benefit Plans

(a) Defined contribution plans - Provident Fund

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2022 and 2021) 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 ₹ 288.84 Lakhs (March 31, 2021 - ₹ 270.31 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 ₹ 70.20 Lakhs (March 31, 2021 - ₹ 64.16 Lakhs).

(c) Defined Benefit Plans - Gratuity

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

Each year, the Board of Trustees and the Company review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review.The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2022 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

A	Components of Employer expense	31.03.2022	31.03.2021
	Service Cost		
1	Current service Cost	**84.67**	82.08
2	Past service cost - Plan Amendment	**-**	-
3	Curtailement Cost/(Credit)	**-**	-
4	Settlement Cost/(Credit)	**-**	-
5	**Total Service Cost**	**84.67**	**82.08**
	Net Interest Cost		
6	Interest Expense on DBO	**87.11**	71.39
7	Interest (Income on Plan Asset)	**(24.57)**	(17.77)
8	Interest income on reimbursement rights	**-**	-
9	Interest expense on effect of (asset ceiling)	**-**	-
10	**Total Net Interest**	**62.54**	**53.62**
11	Immediate Recognition of (Gain)/Losses- Other Long Term Benefits	**-**	-
12	Cost of Termination Benefits		
13	Administrative Expenses and Taxes		
14	**Defined Benefits cost included in P&L**	**147.21**	**135.70**
	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	**(66.70)**	164.00
	Actuarial (Gain)/ Losses due to Experience on DBO	**595.08**	53.55
	Return on Plan Assets (Greater) / Less than Discount rate	**(5.48)**	(81.94)
	Total actuarial (gain)/loss included in OCI	**522.90**	**135.61**
	Total cost recognised in P&L and OCI (Defined Benefit Cost)		
	Cost Recognised in P&L	**147.20**	135.70
	Remeasurement Effect Recognised in OCI	**522.90**	135.61
	Total Defined Benefit Cost	**670.10**	**271.31**

Net Asset/(Liability) Recognised in Balance Sheet

₹ Lakhs

Particulars	**31.03.2022**	**31.03.2021**
Present value of DBO at beginning	**1,422.85**	1,203.75
Current Service Cost	**84.67**	82.08
Interest Cost	**87.11**	71.39
Benefit payments from plan	**(398.75)**	(151.92)
Actuarial (Gains)/Loss	**528.37**	**217.55**
Present Value Of DBO at the ending period	**1,724.25**	**1,422.85**

(iii) Reconciliation of Opening & Closing of Plan Assets (Ind AS 19 Para 120 (e) (i) to (viii)

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Fair Value of Plan Assets at the beginning	**344.51**	316.72
Interest income of assets	**24.57**	17.77
Total employer contributions	**400.00**	80.00
Benefits Payouts from plan	**(398.75)**	(151.92)
Actuarial gain/(Loss)	**5.47**	81.94
Fair Value of assets at the End	**375.80**	**344.51**
Actual Return on Plan Assets	**30.05**	99.71

Net Asset/(Liability) Recognised in Balance Sheet	31.03.2022	31.03.2021
Present value of Benefit Obligation	1,724.25	1,422.85
Fair Value of Plan Assets	375.80	344.51
Funded status [Surplus/(Deficit)]	(1,348.45)	(1,078.34)
Net Assets/(Liability) Recognised in balance sheet	**(1,348.45)**	**(1,078.34)**

₹ Lakhs

Amounts Recognized in Other Comprehensive Income	31.03.2022	31.03.2021
Opening cumulative other comprehensive Income	254.72	119.11
Actuarial Loss / (Gain) On DBO	528.37	217.55
Actuarial Loss /(Gain) On Assets	(5.47)	(81.94)
Net increase in OCI	522.90	135.61
Total Recognised In Other Comprehensive Income	**777.62**	**254.72**

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

Assumptions	31.03.2022	31.03.2021
Discount rate	**7.12%**	6.33%
Expected return on assets	**7.12%**	6.33%
Salary Escalation	**3.00%**	3.00%
Attrition Rate	**5.00%**	5.00%
Mortality	**Indian Assured Lives Mortality (2012 - 14) Ultimate**	

Major Category of Plan Assets as a % of the Total Plan Assets

	31.03.2022	31.03.2021
HDFC GROUP Unit Linked Plan - option B	**100.00%**	100.00%

The fair value of Mutual funds is determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the Company.

** In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

(iv) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31.03.2022	31.03.2021
Defined Benefit Obligation - Discount Rate + 100 basis points	**1,639.83**	1,345.46
Defined Benefit Obligation - Discount Rate - 100 basis points	**1,817.08**	1,508.75
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	**1,816.05**	1,506.72
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	**1,639.52**	1,346.11
Defined Benefit Obligation - Attrition Rate + 100 basis points	**1,740.98**	1,436.18
Defined Benefit Obligation - Attrition Rate - 100 basis points	**1,706.18**	1,408.34
Mortality rate 10% up	**1,724.85**	1,423.30

(v) Enterprise's Best Estimate of Contribution during Next Year

The Company expects to contribute ₹ 271.65 Lakhs (previous year ₹ 400 Lakhs) to its gratuity plan for the next year.

vi) Experience adjustments

₹ Lakhs

Particulars	Current Year	2020-21	2019-20	2018-19	2017-18
Defined Benefit Obligation	1,724.25	1,422.86	1,203.75	1,219.54	1,339.83
Plan Assets	375.80	344.51	316.72	579.89	885.96
Surplus / (Deficit)	(1,348.45)	(1,078.34)	(887.03)	(639.65)	(453.88)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	(595.08)	(53.55)	(254.85)	79.99	(75.66)
Experience Adjustments on Plan Assets – Gain/(Loss)	5.48	81.94	(50.20)	1.87	0.24

40. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

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**	**-**	**1,218.06**	**81.47**	**1,299.53**
Trade receivables	**9**	**-**	**-**	**13,994.54**	**13,994.54**
Cash and Cash equivalents	**10**	**-**	**-**	**148.39**	**148.39**
Other bank balance	**11**	**-**	**-**	**916.30**	**916.30**
Loans	**5 & 12**	**-**	**-**	**63.87**	**63.87**
Other Financial Assets	**6 & 13**	**-**	**-**	**849.16**	**849.16**
Financial Liabilities:					
Borrowings	**17 & 23**	**-**	**-**	**35,777.27**	**35,777.27**
Lease Liability	**18 & 24**	**-**	**-**	**193.63**	**193.63**
Trade payables	**25**	**-**	**-**	**3,826.55**	**3,826.55**
Other Financial Liabilities	**19 & 26**	**-**	**-**	**5,387.47**	**5,387.47**

The carrying value of financial instruments by categories as at 31st March 2021 were as follows: ₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	4	-	1,075.78	10.00	1,085.78
Trade receivables	9	-	-	10,206.93	10,206.93
Cash and Cash equivalents	10	-	-	109.38	109.38
Other bank balance	11	-	-	787.41	787.41
Loans	5 & 12	-	-	149.03	149.03
Other Financial Assets	6 & 13	-	-	1,036.59	1,036.59
Financial Liabilities:					
Borrowings	17 & 23	-	-	32,632.45	32,632.45
Lease Liability	18 & 24	-	-	285.12	285.12
Trade payables	25	-	-	2,956.60	2,956.60
Other Financial Liabilities	19 & 26	-	-	2,937.58	2,937.58

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.

41. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

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

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

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

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

(b) Level wise disclosure of financial instruments:

₹ Lakhs

Particulars	As at 31st Mar 2022				As at 31st Mar 2021			
	Carrying Amt	Level 1	Level 2	Level 3	Carrying Amt	Level 1	Level 2	Level 3
Financial assets measured at fair value through other comprehensive income (FVTOCI)								
Trade Investments in unquoted equity shares	**1,218.06**			**1,218.06**	1,075.78			1,075.78
Financial assets measured at amortised cost								
Other Investments	**81.47**			**81.47**	10.00			10.00
Trade receivables	**13,994.54**			**-**	10,206.93			-
Cash and Cash equivalents	**148.39**			**-**	109.38			-
Other bank balance	**916.30**			**-**	787.41			-
Loans	**63.87**			**-**	149.03			-
Other Financial Assets	**849.16**			**-**	1,036.59			-
Financial liabilities measured at amortised cost								
Borrowings	**35,777.27**			**-**	32,632.45			-
Lease Liability	**193.63**				285.12			
Trade payables	**3,826.55**			**-**	2,956.60			-
Other Financial Liabilities	**5,387.47**			**-**	2,937.58			-

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

(c) Measurement of fair values:

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

42. CAPITAL MANAGEMENT:

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

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

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

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

The following table summarizes the capital of the company

₹ Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents	**148.39**	109.38
Other bank balances	**916.30**	787.41
Total cash (a)	**1,064.69**	**896.79**
Non-current borrowings	**8,169.55**	10,459.89
Current borrowings	**27,607.72**	22,172.56
Total borrowings (b)	**35,777.27**	**32,632.45**
Net debt c=(b-a)	**34,712.58**	**31,735.66**
Total equity (d)	**42,072.29**	**31,821.57**
Gearing ratio (c/d)	**0.83**	1.00

43. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

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

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

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimize 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 2022	As at 31st March 2021
Fixed rate borrowings	**1,120.39**	1,843.67
Floating rate borrowings	**34,656.88**	30,788.78
Total borrowings	**35,777.27**	32,632.45
Total Net borrowings	**35,777.27**	32,632.45
Add: Upfront fees	**222.89**	374.08
Total borrowings	**36,000.16**	33,006.53

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 for the year ended 31 March 2022 would decrease / increase by ₹ 360 Lakhs (for the year ended 31 March 2021 : decrease / increase by ₹ 330.06 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

b) Foreign Currency Risk

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

At the time of borrowing decisions, appropriate sensitivity analysis is carried out for domestic borrowings vis-à-vis overseas borrowings. The carrying amounts of the Company's Unhedged monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ Lakhs

Particulars	As at 31st March 2022			As at 31st March 2021		
	USD	Euro	GBP/CHF	USD	Euro	GBP /CHF
Trade Receivables	5,744.83	813.40	93.51	4,260.14	472.68	31.39
Trade Payables	(325.46)	(0.60)	-	-	(3.17)	(5.51)
Packing Credit	(12,308.59)	(177.17)	-	(7,812.87)	(432.69)	(151.21)
Derivatives	-	-	-	-	(1,066.95)	-
TOTAL	**(6,889.22)**	**635.63**	**93.51**	**(3,552.73)**	**(1,030.13)**	**(125.33)**

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 2022			As at 31st March 2021		
	USD	Euro	GBP/ CHF	USD	Euro	GBP / CHF
Trade & Other Payables	-	-	-	(981.23)	-	-
Packing Credit	(928.43)			(511.77)	-	-
TOTAL	**(928.43)**	**-**	**-**	**(1,493.00)**	**-**	**-**

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	
		2021-22	2020 -21
USD	+5%	**(344.46)**	(177.64)
	-5%	**344.46**	177.64
EURO	+5%	**31.78**	(51.51)
	-5%	**(31.78)**	51.51
GBP/CHF	+5%	**4.68**	(5.99)
	-5%	**(4.68)**	5.99

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-22	**-**	**Buy**	**-**	**-**
	18	**Sell**	**12.25**	**928.43**
31-Mar-21	6	Buy	(19.28)	(1,409.44)
	3	Sell	7.00	511.77

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	
	2021-22	2020-21	2021-22	2020-21
Cotton	**(2,660.83)**	(1,706.45)	**2,660.83**	1,706.45

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 70 days. However, it has been extended to 90 days due to the Global pandemic. 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

₹ Lakhs

Customers with more than 5% of the total value of trade receivables as at 31st March 2022 and 31st March 2021 are as follows:

Particulars	As at 31st March 2022			As at 31st March 2021		
	No. of Parties	Amount Outstanding	Percent	No of Parties	Amount outstanding	Percent
Customers						
- within India	**3**	**3555.51**	**25.41%**	2	1672.78	15.94%
- Outside India	**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, 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	**-**	**3,826.55**	**-**	**-**	**3,826.55**	**3,826.55**
Lease Liability		**103.31**	**90.32**		**193.63**	**193.63**
Other financial liabilities		**5,370.25**	**17.22**	**-**	**5,387.47**	**5,387.47**
At 31st March, 2021						
Long term borrowings	-	-	10,459.89	-	10,459.89	10,459.89
Short term borrowings	16,920.03	5,252.53	-	-	22,172.56	22,172.56
Trade payables	-	2,956.60	-	-	2,956.60	2,956.60
Derivative financial liabilities	-	186.95	-	-	186.95	186.95
Lease Liability	-	91.50	193.62	-	285.12	285.12
Other financial liabilities	-	2,731.32	19.31	-	2,750.63	2,750.63

₹ Lakhs

	As at 31st March 2022	As at 31st March 2021
44 Estimated amount of contracts remaining to be executed on capital account and not provided for	**503.61**	44.11

45. Contingent Liabilities:

Contingent liabilities in respect of :	**As at 31st March 2022**	**As at 31st March 2021**
Bills discounted	**2868.25**	873.11
Guarantees	**242.81**	219.21
Letters of credit outstanding	**377.45**	940.48
Contingent liabilities under litigation :		
Disputed Statutory Liabilities not provided for	**412.34**	294.29
Disputed Other Liabilities not provided for	**67.83**	66.65

46. Power and Fuel is net of wind power income of ₹ 211.50 lakhs (PY ₹ 180.99 lakhs) representing power supplied to the grid against which equivalent consumption was made in house.

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

₹ Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
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 and Small Enterprises	**282.23**	184.04
Interest due on above	**7.21**	6.07
Total	**289.44**	**190.11**
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.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**7.21**	6.07
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.		

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

₹ Lakhs

Particulars	31.03.2022	31.03.2021
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*	**194.75**	219.89

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

49. Corporate Social Responsibility (CSR) activities :

Particulars	31.03.2022	31.03.2021
a) Gross amount required to be spent by the Company during the year	**3.80**	-
b) Unspent amount pertaining to earlier years	**-**	-
c) Total amount required to be spent by the Company - (a+b)	**3.80**	-
d) Amount spent during the year		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**3.80**	-
e) Balance amount to be spent - (c-d)	**-**	-
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	0.40	-

50. Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities / derivatives amounting to ₹. 238.20 lakhs (PY - ₹. 288.77 lakhs)

51. 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 Excecutive Director)
Mr.Jairam Varadaraj (Non Excecutive Director)
Mr.C.N.Srivatsan (Non Executive Director)
Mrs. R.Bhuvaneshwari (Non Executive Director)
Mr.P.Vijay Raghunath ((Non Executive Director)

Others

-Relative of KMP — Mr.Sarath Chandran

-Enterprise in which KMP has control — Ashwanth Primarius Enterprises. LLP
Suprem Enterprises
Narayanaswamy Naidu Charity Trust for Education

₹ Lakhs

Nature of transactions	FY 2021-22			FY 2020 - 21		
	Subsidiaries	KMP	Others	Subsidiaries	KMP	Others
Remuneration paid	**-**	**272.21**	**0.12**	-	210.72	0.56
Commission paid	**-**	**487.63**	**29.88**	-	120.45	29.44
Sitting fees paid	**-**	**7.20**	**-**	-	6.78	-
Interest paid	**-**	**-**	**36.39**	-	-	125.00
Royalty paid	**-**	**-**	**8.75**	-	-	2.31
CSR expenses	**-**	**-**	**0.40**	-	-	-
Amount payable	**-**	**487.63**	**31.52**	-	120.45	1,030.04
Amount receivable	**-**	**-**	**-**	71.47	-	-

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.

52. 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	31.03.2022	31.03.2021
Balance at the beginning of the year	**285.12**	368.28
Additions during the year	**-**	-
Reclassification from prepayment	**-**	(4.55)
Finance cost accrued during the year	**22.60**	30.78
Payment of lease liabilities	**(114.09)**	(109.39)
Balance at the end of the year	**193.63**	285.12
Current lease liabilities	**103.31**	91.50
Non-current lease liabilities	**90.32**	193.62
Amount recognised in Statement of Profit & Loss for the year ended :		
Interest on lease liabilities	**22.60**	30.78
Depreciation on right-of-use assets	**127.46**	127.78

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

Particulars	31.03.2022	31.03.2021
Less than one year	**103.31**	91.50
One to five years	**90.32**	193.62
More than five years	**-**	-
Total	**193.63**	**285.12**

(iii) Detailed leasing arrangements:

Particulars	31.03.2022	31.03.2021
Expenses relating to short-term leases	**4.22**	15.95
Expenses relating to leases of low-value assets	**12.28**	10.97

53. 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 2022	As at 31st March 2021
Within India	**50,577.34**	37,013.82
Outside India	**44,889.00**	27,222.75
Total	**95,466.34**	**64,236.56**

b) Non current assets:

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

54. 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.

55. 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 2022	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	-	-	-

56. 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.

57. Ratio analysis and its elements

Ratio	Numerator	Denominator	2021-22	2020-21	Var %	Reasons for Variance (If change is > than 25%)
Current Ratio (in times)	Total current assets	Total current liabilities	1.16	0.99	17.17%	Not Applicable
Debt-equity ratio (in times)	Total Debt	Shareholders Equity	0.85	1.03	(17.48%)	Not Applicable
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest + Lease Payments+ Principal repayments	1.98	3.16	(37.34%)	Increase in Principal repayments and increase in profits
Return on equity ratio (%)	Net profit after taxes	Average Shareholders Equity	28.53%	10.89%	161.98%	Improvement in Net Profit
Inventory turnover ratio (in times)	Net Sales= Sales - Sales Return	Average Inventory	5.12	5.03	1.79%	Not Applicable
Trade receivables turnover ratio (in times)	Net Sales= Sales - Sales Return	Average Trade Receivables	7.89	6.71	17.59%	Not Applicable
Trade payables turnover ratio (in times)	Cost of materials consumed+ Purchase of Stock-in-Trade + Changes in inventories of finished goods and work-in-progress	Average Trade Payables	14.41	9.58	50.42%	Increase in Consumption consequent to increase in Sales
Net capital turnover ratio (in times)	Net Sales= Sales - Sales Return	Working capital = Total current assets - Total current liabilities	16.18	(343.82)	(104.71%)	Increase in Sales and Improvement in Working Capital Management
Net profit ratio (%)	Net profit	Net Sales= Sales - Sales Return	11.04%	5.13%	115.20%	Increase in Sales and Improved Net Profit
Return on capital employed (%)	Earnings before interest and taxes	Capital Employed= Total Tangible Networth + Total Debt + Deferred Tax Liability	20.79%	10.26%	103.82%	Improvement in Net Profit
Return on investment (%)	Interest (Finance Income)	Investment	0.00	0.00	0.00	Not Applicable

58. Events after the reporting period:

The Board of Directors, in its meeting held on 25th May, 2022, has recommended a dividend of 60% (₹ 6 per fully paid up equity shares of ₹ 10 each) for the year ended 31st March, 2022 subject to the approval of the shareholders at the ensuing Annual General Meeting.

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 (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Utilisation of borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act,2013.

(iv) Undisclosed income:

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

(v) Details of crypto currency or virtual currency:

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

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

The Company has not revalued its property, plant and equipment (including Right of Use Assets) or intangible assets or both during the current or 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 with 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 :25-May-2022

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J Govind Raju
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 (formerly Precot Meridian Limited)

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Precot Limited (formerly Precot Meridian 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, 2022, 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, 2022, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of inventory: As at 31st March 2022, the Company's inventories amounted to ₹ 24,141.02 lakhs representing 27% of the Company's total assets as at 31st March, 2022. 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'). There is a risk that inventories may be stated at values that are more than their net realizable value ('NRV'). We identified the valuation of inventories as a key audit matter because the Company held significant inventories at the reporting date and significant degree of management judgement and estimation was involved in valuing the inventories.	**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. • 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.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in 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 respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective 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, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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, 2022, 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

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, 2022 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, 2014, 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 2022 on the consolidated financial position of the Group - Refer Note 44 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 2022;

(iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.58 (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.58 (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.

(ii) As stated in note no.57 of the Consolidated Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General

Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

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.

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

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN: 22028328AJNXMY2515

Place: Coimbatore
Date: 25-May-2022

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 (formerly Precot Meridian Limited) on the Consolidated Financial Statements for the year ended March 31, 2022]

In conjunction with our audit of the consolidated financial statements of **Precot Limited (formerly Precot Meridian Limited)** (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2022, 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.

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.

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, 2022, 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.

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

C.S.Sathyanarayanan
Partner
Membership No. 028328
UDIN: 22028328AJNXMY2515

Place: Coimbatore
Date: 25-May-2022

CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non - Current assets			
(a) Property, Plant and Equipment	2	**42,795.25**	43,744.35
(b) Right of use Asset	3 (a)	**463.73**	591.19
(c) Capital work-in-progress	3 (b)	**3,160.28**	256.20
(d) Intangible assets	3 (c)	**44.08**	38.47
(e) Intangible assets under development	3 (c)	**-**	7.94
(f) Financial Assets			
(i) Investments	4	**1,218.06**	1,075.78
(ii) Other Financial Assets	5	**810.09**	989.45
(g) Other non-current assets	6	**1,018.67**	460.05
Total Non Current Assets		**49,510.16**	**47,163.43**
(2) Current assets			
(a) Inventories	7	**24,141.02**	13,119.89
(b) Financial Assets			
(i) Trade receivables	8	**13,994.54**	10,206.93
(ii) Cash and cash equivalents	9	**148.56**	109.55
(iii) Bank balances other than (ii) above	10	**916.30**	787.41
(iv) Loans	11	**63.87**	77.56
(v) Other Financial Assets	12	**39.07**	47.14
(c) Other current assets	13	**4,504.43**	4,263.49
Total Current Assets		**43,807.79**	**28,611.97**
TOTAL ASSETS		**93,317.95**	**75,775.40**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	14	**1,200.00**	1,200.00
(b) Other Equity	15	**43,212.29**	32,961.57
EQUITY ATTRIBUTABLE TO OWNERS OF PRECOT LTD		**44,412.29**	34,161.57
Non-controlling interest		**0.10**	0.10
Total Equity		**44,412.39**	**34,161.67**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	**8,169.55**	10,459.89
(ii) Lease Liability	17	**90.32**	193.62
(iii) Other Financial Liabilities	18	**17.22**	19.31
(b) Provisions	19	**2,153.35**	1,946.99
(c) Deferred tax liabilities (Net)	20	**455.17**	-
(d) Other non-current liabilities	21	**112.15**	195.29
Total Non Current Liabilities		**10,997.76**	**12,815.10**
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	**27,607.72**	22,172.56
(ii) Lease Liability	23	**103.31**	91.50
(iii) Trade payables	24		
- Outstanding dues of Micro & Small Enterprises		**289.44**	190.11
- Outstanding dues of Creditors other than Micro & Small Enterprises		**3,537.11**	2,766.49
(iv) Other Financial Liabilities	25	**5,370.25**	2,918.27
(b) Other current liabilities	26	**436.04**	434.97
(c) Provisions	27	**271.65**	224.73
(d) Current tax liabilities (net)		**292.28**	-
Total Current Liabilities		**37,907.80**	**28,798.63**
TOTAL LIABILITIES		**48,905.56**	**41,613.73**
TOTAL EQUITY AND LIABILITIES		**93,317.95**	**75,775.40**

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 : 25-May-2022

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J Govind Raju
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 2022	For the year ended 31st Mar 2021
I	Revenue From Operations	28	**99,328.12**	66,513.83
II	Other income	29	**649.09**	570.17
III	**Total Income (I+II)**		**99,977.21**	**67,084.00**
IV	**Expenses**			
	Cost of materials consumed	30	**53,216.60**	34,052.46
	Purchase of Stock-in-Trade		**-**	76.83
	Changes in inventories of finished goods,	31	**(4,358.47)**	1,725.41
	Employee benefits expenses	32	**9,360.16**	7,357.89
	Finance costs	33	**2,897.73**	3,272.06
	Depreciation and amortization expenses	34	**3,252.51**	3,317.22
	Other expenses	35	**22,233.72**	13,987.36
	Total Expenses (IV)		**86,602.25**	**63,789.23**
V	**Profit before exceptional items and Tax (III - IV)**		**13,374.96**	**3,294.77**
VI	**Exceptional item**		**-**	**-**
VII	**Profit before tax (V - VI)**		**13,374.96**	**3,294.77**
VIII	**Tax expense:**			
	(1) Current tax		**2,280.00**	-
	(2) Deferred tax	36(d)	**553.09**	-
IX	**Profit after Tax (VII - VIII)**		**10,541.87**	**3,294.77**
X	**Other Comprehensive Income (OCI)**		**-**	**-**
	Items that will not be reclassified to profit or loss			
	a) Remeasurement of the defined benefit plans		**(522.90)**	(135.61)
	b) Gains / (Losses) on fair value of Equity instruments measured at fair value through OCI		**133.83**	(13.48)
	c) Income tax relating to items that will not be reclassified to profit or loss		**97.92**	-
	Total Other Comprehensive Income		**(291.15)**	**(149.09)**
XI	**Total Comprehensive Income for the year (IX + X)**		**10,250.72**	**3,145.68**
XII	Earnings per equity share of face value of Rs.10/- each			
	- Basic and Diluted (In ₹)	37	**87.85**	27.46

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 : 25-May-2022

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J Govind Raju
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 2022

A. EQUITY SHARE CAPITAL

₹ 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

₹ Lakhs

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
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, 2021	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**16,217.38**	**2,062.86**	**(254.73)**	**32,961.57**
Profit 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**	**26,759.25**	**2,163.01**	**(646.03)**	**43,212.29**
Balance as at 01st April, 2020	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**12,922.61**	**2,076.34**	**(119.12)**	**29,815.89**
Profit for the year					3,294.77			**3,294.77**
Other Comprehensive Income for the year (net of tax)						(13.48)	(135.61)	**(149.09)**
Balance as at 31st March, 2021	**48.19**	**355.00**	**2,736.46**	**11,796.41**	**16,217.38**	**2,062.86**	**(254.73)**	**32,961.57**

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 : 25-May-2022

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J Govind Raju
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 31.03.2022		For the year ended 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		**13,374.96**		**3,294.77**
Adjustments for :				
Depreciation and amortization expense	**3,252.51**		3,317.22	
Interest income (including fair value change in financial instruments)	**(131.99)**		(154.48)	
(Profit)/Loss on sale of Property, Plant and Equipment (net)	**(44.81)**		(74.86)	
Unrealised foreign exchange loss/(gain)	**(238.20)**		(288.77)	
Liabilities no more payable	**(5.92)**		(6.98)	
Finance cost (including fair value change in financial instruments)	**2,897.73**		3,272.06	
Allowance for credit loss (net)	**(175.27)**		239.66	
Provision/(reversal) of doubtful advances	**(2,173.22)**		(24.49)	
Bad debts written off	**262.29**		-	
Irrecoverable Advances written off	**2,142.64**		**22.44**	
Other adjustments	**71.38**		**116.30**	
Assets Discarded / Written off	**35.01**		-	
		5,892.15		**6,418.10**
Operating Profit before working capital changes		**19,267.11**		**9,712.87**
Adjustments for :				
(Increase) / Decrease in Inventories	**(11,021.13)**		(687.84)	
(Increase) / Decrease in Trade Receivables	**(3,835.66)**		(1,637.50)	
(Increase) / Decrease in Loans and Other Financial Assets	**193.05**		(255.85)	
(Increase) / Decrease in Other Assets	**(255.12)**		(2,553.67)	
Increase / (Decrease) in Trade Payable	**853.69**		(1,528.71)	
Increase / (Decrease) in Other Financial Liabilities	**2,617.08**		(284.67)	
Increase / (Decrease) in Other Liabilities and Provisions	**(268.55)**		(141.00)	
		(11,716.64)		**(7,089.24)**
Cash generated from Operations		**7,550.47**		**2,623.63**
Direct Taxes		**(1,996.61)**		**(23.43)**
Net Cash Flow from operating activities		**5,553.86**		**2,600.20**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment (Including CWIP)	**(5,142.15)**		(891.56)	
Advance settled for purchase of Property, Plant and Equipment	**(540.09)**		(254.36)	
Sale of Property, Plant and Equipment	**74.26**		160.59	
(Purchase)/ Sale of Non - Current Investments	**(10.89)**		-	
Interest Received	**140.06**		158.20	
Net Cash used in investing activities		**(5,478.81)**		**(827.13)**
C. CASH FLOW FROM FINANCING ACTIVITIES:-				
Unclaimed dividends paid	**(4.91)**		(1.77)	
Interest Paid	**(2,682.10)**		(3,298.64)	
Proceeds / (Repayment) of Long Term Borrowings	**(1,031.44)**		2,054.84	
Repayment of lease liability	**(114.09)**		(109.39)	
Proceeds / (Repayments) of Unsecured Loan	**(731.52)**		119.49	
Proceeds / (Repayments) of loans repayable on demand	**4,656.91**		(443.04)	

₹ Lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Net Cash Flow from / (used in) Financing Activities	**92.85**	**(1,678.51**
Net Increase/Decrease in Cash and Cash Equivalent	**167.90**	94.56
Cash and Bank Balances as at 01.04.2021 and 01.04.2020 (Opening balance)	**896.96**	802.40
Less: Bank balances not considered as Cash and Cash Equivalents as per Indian Accounting Standard 7	**916.30**	787.41
Cash and Cash Equivalents as at 31.03.2022 and 31.03.2021 (Closing balance) (Refer note no. 9)	**148.56**	109.55

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 31.03.2022			
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	(24.85)	99.68	-
Amortisation	176.04	-	-
Closing Balance as at 31st March, 2022	**14,832.17**	**20,945.10**	**193.63**
As on 31.03.2021			
Opening Balance as at 01st April, 2020	**13,462.64**	**17,345.16**	**368.28**
Cash Flows (Net) - Proceeds/(Repayment)	2,054.84	(323.55)	(109.39)
Additions during the year - Impact on account of Ind AS 116	-	-	26.23
Other adjustments	(0.23)	(101.58)	-
Amortisation	195.17	-	-
Closing Balance as at 31st March, 2021	**15,712.42**	**16,920.03**	**285.12**

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

For and on behalf of the Board of Directors

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

J Govind Raju
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 : 25-May-2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 1,88,112 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 25th May 2022.

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 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 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 2022. 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 off 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 di erence 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, which generally coincides with the delivery of the goods.

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 e ect 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 r ight- 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 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

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 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.

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.

(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 flows and selling financial assets; and

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

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

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

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

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

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

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

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

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

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

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 profit or 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 profit or 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:

- 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 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:

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Business Combinations

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS 16 – Property, Plant and Equipments

The amendment clarifies that excess of net sale proceeds of items tested over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable cost of an items of Property, Plant and Equipments.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the above amendments to have any significant impact in the 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 2020	**26,209.62**	**6,844.97**	**25,442.97**	**187.11**	**221.49**	**130.62**	**59,036.76**
Additions / Adjustments	-	1.27	633.56	8.13	57.99	16.47	717.42
Deductions	-	-	151.62	0.05	30.09	1.59	183.35
As at 31st March 2021	**26,209.62**	**6,846.24**	**25,924.91**	**195.19**	**249.39**	**145.50**	**59,570.83**
Additions	-	4.65	1,932.28	12.55	189.83	90.08	2,229.40
Deductions	-	-	215.32	1.17	12.18	10.15	238.82
As at 31st March 2022	**26,209.62**	**6,850.89**	**27,641.87**	**206.57**	**427.05**	**225.43**	**61,561.40**
Accumulated depreciation and impairment							
As at 31st March 2020	**-**	**1,372.98**	**11,151.36**	**93.70**	**102.62**	**66.65**	**12,787.31**
Depreciation / Adjustments	-	342.55	2,721.15	23.39	25.37	24.35	3,136.81
Deductions	-	-	78.02	-	19.30	0.30	97.62
As at 31st March 2021	**-**	**1,715.53**	**13,794.49**	**117.09**	**108.69**	**90.70**	**15,826.50**
Depreciation expense	-	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	**-**	**2,054.93**	**16,316.45**	**139.29**	**139.25**	**116.26**	**18,766.18**
Net Carrying Value							
As at 31st March 2021	26,209.62	5,130.71	12,130.42	78.10	140.70	54.80	43,744.35
As at 31st March 2022	**26,209.62**	**4,795.96**	**11,325.42**	**67.28**	**287.80**	**109.17**	**42,795.25**

Certain Property, Plant and Equipment has been given as security against borrowings availed by the company- (Refer note no:16 & 22)

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

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

3 (a) RIGHT TO USE ASSET:

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 31st March 2020	**390.60**	**387.85**	**778.45**
Additions	-	-	-
Reclassification from Prepayment	-	(4.55)	(4.55)
Deductions	-	-	-
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**
Accumulated Amortization and Impairment			
As at 31st March 2020	**30.36**	**24.57**	**54.93**
Amortization	30.68	97.10	127.78
Deductions	-	-	-
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**
Net Carrying Value			
As at 31st March 2021	329.56	261.63	591.19
As at 31st March 2022	**299.10**	**164.63**	**463.73**

3(b) CAPITAL WORK IN PROGRESS

₹ Lakhs

As at 31st March 2021	256.20
As at 31st March 2022	**3160.28**

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	-	-	-	-	-

Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2021

₹ 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	256.20	-	-	-	256.20
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	Intangible Assets Computer Software	Intangible Assets Under Development
Gross Carrying Value		
As at 31st March 2020	**125.79**	-
Additions	4.72	7.94
Deductions	-	-
As at 31st March 2021	**130.51**	**7.94**
Additions	16.61	1.05
Deductions	-	8.99
As at 31st March 2022	**147.12**	-
Accumulated Amortization and Impairment		
As at 31st March 2020	**83.54**	-
Amortization	8.50	-
Deductions	-	-
As at 31st March 2021	**92.04**	**-**
Amortization	11.00	-
Deductions	-	-
As at 31st March 2022	**103.04**	**-**
Net Carrying Value		
As at 31st March 2021	38.47	7.94
As at 31st March 2022	**44.08**	**-**

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	-	-	-	-	-

Intangible assets under development (IAUD) ageing schedule as at 31st March 2021

₹ 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	7.94	-	-	-	7.94
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		31.03.2022	31.03.2021
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 Rs.10 each (as on 31.03.21 -12,06,000 shares)	1,218.06	1,073.34
2,25,000 shares	Sai Regency Power Corporation Private limited of Rs.10 each (as on 31.03.21 -2,25,000 shares)	-	-
14,000 shares	OPG Energy Private Limited of Rs.10 each (as on 31.03.21 - 14,000 shares)	-	1.40
1,08,870 shares	Nagai Power Private Limited of Rs.10 each (as on 31.03.21 -Nil)	-	-
83,004 shares	Ind-Bharath Power Gencom Limited of Rs.10 each (as on 31.03.21 - 83,004 shares)	-	-
	Total Trade Investments	**1,218.06**	**1,074.74**
Other Investment - Unquoted, fully paid-up			
100 shares	Precot Mills Employees Cooperative Credit Society of Rs.10 each (as on 31.03.21 - 100 shares)	-	0.01
100 shares	Precot Mills Multi purpose stores of Rs.10 each (as on 31.03.21 - 100 shares)	-	0.01
10 shares	Precot Workers Credit Co-operative Stores of Rs.10 each (as on 31.03.21 - 10 shares)	-	0.00
10,000 shares	Cotton Sourcing Company Ltd of Rs.10 each (as on 31.03.21 - 10,000 shares)	-	1.00
	Total Other Investments	**-**	**1.02**
	In Government Securities	-	0.02
	TOTAL INVESTMENTS	**1,218.06**	**1,075.78**
Aggregate amount of Quoted Investments and Market Value thereof		-	-
Aggregate amount of Unquoted Investments		**1,218.06**	**1,075.78**
Category-wise Non current investment			
Financial assets carried at amortized cost		**-**	**-**
Financial assets measured at fair value through other comprehensive income		**1,218.06**	**1,075.78**
	Total Non current investments	**1,218.06**	**1,075.78**

The other investments included in investments are valued at cost approach to arrive at 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	31.03.2022	31.03.2021
Unsecured, considered good		
Security Deposits	**786.32**	989.45
Margin money*	**23.77**	-
	810.09	**989.45**

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

6. OTHER NON-CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Capital advances	**816.87**	276.78
Advance Tax (net)	**179.10**	170.20
Prepayments	**22.70**	13.07
	1,018.67	**460.05**

7. INVENTORIES (at lower of cost and net realisable value)

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Raw Materials	**15,300.93**	8,994.75
Work-in-progress	**2,140.50**	1,617.72
Finished goods	**5,337.76**	1,537.26
Stores and spares	**1,269.71**	913.23
Waste Cotton	**92.12**	56.93
	24,141.02	**13,119.89**
Details of stock in transit		
Raw Materials	**1,790.83**	826.85
Stores and spares	**93.66**	63.29
Total	**1,884.49**	**890.14**

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

(ii) Inventory held at net realizable value amounting to ₹ 88.53 Lakhs.

The amount of write down of inventory recognised as an expense during the year is CY ₹ 13.49 Lakhs (PY ₹ 16.50 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 no. 16 & 22)

(v) Cost of inventory recognised as an expense:

Particulars	31.03.2022	31.03.2021
Cost of materials consumed	**53,216.60**	34,052.46
Cost of traded goods sold	**-**	76.83
Consumption of Stores & Spare parts	**3,563.64**	2,685.11
Consumption of Fuel	**589.70**	443.19

8. TRADE RECEIVABLES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Trade Receivable considered good - Unsecured	**14,112.97**	10,239.19
Less: Allowance for expected credit loss	**118.43**	34.76
A	**13,994.54**	**10,204.43**
Trade Receivable which have significant increase in credit risk - Unsecured	**-**	263.31
Less: Allowance for expected credit loss	**-**	260.81
B	**-**	**2.50**
Total A+B	**13,994.54**	**10,206.93**

Ageing as on 31st March 2022

Particulars	Outstanding for the following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	13,939.31	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	**13,939.31**	**110.51**	**58.02**	**4.63**	**0.50**	**14,112.97**
Less: Allowance for Expected Credit Loss	-	-	-	-	-	(118.43)
Total	**13,939.31**	**110.51**	**58.02**	**4.63**	**0.50**	**13,994.54**

Ageing as on 31st March 2021

Particulars	Outstanding for the following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	10,093.49	99.45	40.35	5.42	0.48	10,239.19
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	15.01	0.23	-	18.92	-	34.16
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	5.14	0.26	219.08	-	4.67	229.15
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Sub total	**10,113.64**	**99.94**	**259.43**	**24.34**	**5.15**	**10,502.50**
Less: Allowance for Expected Credit Loss	-	-	-	-	-	(295.57)
Total	**10,113.64**	**99.94**	**259.43**	**24.34**	**5.15**	**10,206.93**

Movement in Allowance for expected credit loss is as follows:

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Opening	**295.57**	55.91
Additions	**85.54**	248.66
Reversal	**260.81**	9.00
Other adjustments	**1.87**	-
Closing	**118.43**	**295.57**

The credit period on sales of goods ranges from 21 to 70 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. 16 & 22).

The Company's exposure to credit and currency risk related to trade receivable are given in note no.42.

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

9. CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Balances with Banks		
Current accounts	**146.18**	105.63
Cash on hand	**2.38**	3.92
	148.56	**109.55**

10. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Earmarked balances		
In Unclaimed dividend accounts	**-**	4.91
In margin money *	**916.30**	782.50
	916.30	**787.41**

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

11. LOANS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Employee Loans / advances	**63.87**	77.56
	63.87	**77.56**

12. OTHER FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Income accrued	**39.07**	47.14
With significant increase in credit risk		
Interest Subsidy Receivable	**-**	2,142.64
Less : Allowance for doubtful receivables	**-**	(2,142.64)
	39.07	**47.14**

Movement in Allowance for doubtful receivables is as follows:

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Opening	**2,142.64**	2,142.64
Additions	**-**	**-**
Reversal / Utilisation	**(2,142.64)**	-
Closing	**-**	**2,142.64**

13. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Unsecured, considered good		
Advance to Trade Suppliers	**2,109.49**	2,795.61
Export incentives receivable	**473.82**	438.07
Indirect tax balances/ recoverable /credits	**1,743.88**	853.08
Unsecured, considered doubtful		
Indirect tax balances/ recoverable /credits	**19.46**	50.04
Less : Allowance for doubtful advances/ deposits	**(19.46)**	(50.04)
Others		
Prepayments	**177.24**	176.73
	4,504.43	**4,263.49**

Movement in Allowance for doubtful advances is as follows:

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Opening	**50.04**	**74.53**
Additions	**-**	-
Reversal	**30.58**	24.49
Closing	**19.46**	**50.04**

14. EQUITY SHARE CAPITAL

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Authorised		
2,13,00,000 Equity Shares of Rs.10 each	**2,130.00**	2,130.00
(31-03-22 and 31-03-21 - 2,13,00,000 Equity Shares of Rs.10 each)		
Issued, Subscribed & fully Paid up		
1,20,00,000 Equity Shares of Rs.10 each fully paid up	**1,200.00**	1,200.00
(31-03-22 and 31-03-21 - 1,20,00,000 Equity Shares of Rs.10 each)		
	1,200.00	**1,200.00**

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

Particulars	31.03.2022		31.03.2021	
	Number	₹ Lakhs	Number	₹ Lakhs
At the beginning of the year	**1,20,00,000**	**1,200.00**	1,20,00,000	1,200.00
Add: Issued during the year	**-**	**-**	-	-
At the 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 2022 and 31st March 2021:

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 31.03.2022		As at 31.03.2021	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	D Sarath Chandran (Ind)	**16,42,845**	**13.69%**	16,42,845	13.69%
2	D Sarath Chandran (HUF)	**12,16,251**	**10.14%**	12,16,251	10.14%
3	Ashwin Chandran	**23,22,801**	**19.36%**	23,22,801	19.36%
4	Prashanth Chandran	**19,87,022**	**16.56%**	19,87,022	16.56%

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

vi) There are no Shares held by Holding Company/Subsidiaries of ultimate Holding Company as on 31st March, 2022.

15. OTHER EQUITY

₹ Lakhs

Particulars		31.03.2022	31.03.2021
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		**16,217.38**	12,922.61
Add: Profit for the year		**10,541.87**	3,294.77
	(B)	**26,759.25**	**16,217.38**
Other Comprehensive Income:			
Opening balance		**1,808.13**	1,957.22
Add: Additions during the year		**(291.15)**	(149.09)
	(C)	**1,516.98**	**1,808.13**
	(A+B+C)	**43,212.29**	**32,961.57**

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 buy back of 5,50,000 equity shares in July 2002 as per statutory requirement and

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

16. BORROWINGS

₹ Lakhs

Particulars	31.03.2022		31.03.2021	
	Non Current	Current	Non Current	Current
Secured Loans - at amortised cost				
Term loans from Banks	**8,140.30**	**6,846.30**	10,654.18	5,422.88
Less: Unamortised upfront fees on borrowings	**13.69**	**199.75**	197.91	175.38
Less: Amount disclosed under current maturities		**6,646.55**		5,247.50
(A)	**8,126.61**	**-**	**10,456.27**	**-**
Loans from Others	**48.37**	**20.09**	3.75	5.69
Less: Unmatured finance charges	**5.43**	**4.02**	0.13	0.66
Less: Amount disclosed under current maturities	**-**	**16.07**		5.03
(B)	**42.94**	**-**	**3.62**	**-**
Total (A+B)	**8,169.55**	**-**	**10,459.89**	**-**

I Term loans from Banks:

a. Repayment Terms

Note	Terms of Loans	Bank	31.03.2022	31.03.2021	Description
-		ICICI Bank	-	266.30	Rupee Corporate Loan
-		ICICI Bank	-	2,244.14	Rupee Tuf loan XIII
1	Repayable in 48 monthly instalments aggregating to ₹ 1,029 lakhs commencing from May 2022. The interest is payable on monthly basis and the rate of interest is 8.70% per annum.	ICICI Bank	1,029.00	-	GECL 2.0 Scheme
-	These have since been repaid in April 2022 and have been classified as current maturities.	IndusInd Bank	3,093.51	6,290.27	Term Loan
-	These have since been repaid in April 2022 and have been classified as current maturities.	IndusInd Bank	2,022.56	3,983.84	Term Loan
2	Repayable in 46 monthly instalments aggregating to ₹ 1,906.13 lakhs. The interest is payable on monthly basis and the rate of interest is 8.25% per annum.	IndusInd Bank	1,906.13	1,000.00	GECL 2.0 Scheme
2	Repayable in 48 monthly instalments aggregating to ₹ 1,461 lakhs commencing from September 2022. The interest is payable on monthly basis and the rate of interest is 8.25% per annum.	IndusInd Bank	1,461.00	-	GECL 2.0 Scheme

	Terms of Loans	Bank	31.03.2022	31.03.2021	Description
-	These have since been repaid in April 2022 and have been classified under Short term borrowings.	South Indian Bank	201.72	282.41	Rupee Tuf loan XVI
-		State Bank of India	-	161.13	Term Loan (Covid 19 Emergency Credit Line - CELC)
3	Repayable in 45 monthly instalments aggregating to ₹ 447.18 lakhs. The interest is payable on monthly basis and the rate of interest is 7.95% per annum.	State Bank of India	447.18	475.07	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 7.95% per annum.	State Bank of India	420.00	-	GECL 3.0 Scheme
5	Repayable in 56 quarterly instalments aggregating to ₹ 1,147.54 lakhs commencing from Januaray 2023. The interest is payable on monthly basis and the rate of interest is 8.50% per annum.	State Bank of India	1,147.54	-	Term loan - Solar Power Plant
7	Repayable in 2 monthly instalments aggregating to ₹ 60.56 lakhs. The interest is payable on monthly basis and the rate of interest is 8.00% per annum.	Union Bank of India	60.56	423.90	Term Loan (Covid 19 Emergency Credit Line - CELC)
6	Repayable in 48 monthly instalments aggregating to ₹ 1,787 lakhs commencing from January 2023. The interest is payable on monthly basis and the rate of interest is 7.85% per annum.	Union Bank of India	1,787.00	-	GECL 3.0 Scheme
7	Repayable in 46 monthly instalments aggregating to ₹ 910.40 lakhs. The interest is payable on monthly basis and the rate of interest is 8.80% per annum.	IDBI Bank	910.40	950.00	Working Capital Term Loan under GECL 2.0 Scheme
8	Repayable in 48 monthly instalments aggregating to ₹ 500 lakhs commencing from January 2023. The interest is payable on monthly basis and the rate of interest is 8.60% per annum.	IDBI Bank	500.00	-	Working Capital Term Loan under GECL 2.0 Scheme
	Total		**14,986.60**	**16,077.06**	

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 ranking 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 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 building at Hindupur, second charge over the entire fixed assets of the Company on Pari passu basis with other multiple banking arrangement banks excluding fixed assets exclusively charged to other banks including Land and Building at various locations, hyphothecaton of fixed asset and personal guarantee of directors.

Note 6: Second charge with the existing credit facilities in terms of cash flows (including repayments) and securities

Note 7: 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 8: 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. Loans from others:

Hire purchase loans from financial institution of ₹ 68.46 Lakhs (March 31, 2021 : ₹ 9.44 Lakhs) carries interest @ 7.63% to 10.65 % p.a. The loans are repayable in 36 and 60 monthly instalments starting from the respective date of finance. The loans are secured by specific assets financed (vehicle).

17. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Lease Liabilities - Non-Current (Refer Note no: 51)	**90.32**	**193.62**
	90.32	**193.62**

18. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Security deposits	**17.22**	**19.31**
	17.22	**19.31**

19. PROVISIONS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Provision for expenses	**1,076.54**	1,093.37
Provision for employee benefits		
Gratuity (Refer note no: 38)	**1,076.81**	853.62
	2,153.35	**1,946.99**

Movement in provision for expenses

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Opening	**1,093.37**	1,093.37
Additions	**-**	-
Reversal	**(16.83)**	-
Closing	**1,076.54**	**1,093.37**

20. DEFERRED TAX LIABILITIES (NET)

₹ Lakhs

Particulars		31.03.2022	31.03.2021
Deferred Tax Liability			
-On PPE and intangible assets		**1,149.81**	-
	A	**1,149.81**	**-**
Deferred Tax Assets			
- On disallowances under the income tax act		**101.58**	-
- On employee benefit expense		**347.41**	
- On fair value adjustment of financial instruments		**198.72**	
- On lease liability		**46.93**	-
	B	**694.64**	**-**
Deferred tax liabilities (Net) (Refer note no. 36(d)	**A-B**	**455.17**	**-**

21. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Deferred Government Grant*	**112.15**	195.29
	112.15	**195.29**

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

22. BORROWINGS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Secured loans at amortised cost		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	6,530.09	6,279.17
- Foreign Currency Loan	13,414.19	8,908.53
Current maturities of long-term borrowings (Refer note no: 16)	6,662.62	5,252.53
Unsecured Loans at amortised cost:		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	-	482.33
From Others		
- Loan from related party (Refer note no. 50)	-	1,000.00
- Others	1,000.82	250.00
	27,607.72	**22,172.56**

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 entire immovable assets of the Company and are repayable on demand.

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

3 Unsecured loan from others represents loan from financial institutions carrying interest rate @ 13% p.a. and is repayable within 90 days from the date of disbursement.

4 The Statement of Current Assets filed by the company with the banks are in agreement with the books of account and there are no material deviations.

23. LEASE LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Lease Liabilities - Current (Refer note no. 51)	**103.31**	91.50
	103.31	**91.50**

24. TRADE PAYABLES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Trade payables		
- Total outstanding dues of Micro and Small Enterprises (Refer note no. 46)	**289.44**	190.11
- Total outstanding dues of creditors other than Micro and Small Enterprises	**3,537.11**	2,766.49
	3,826.55	**2,956.60**

The Company's exposure to currency risk in relation to Trade Payables are disclosed in note no.42

Ageing as on 31st March 2022

Particulars	Outstanding for the following period due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
a) Micro and Small	283.37	1.40	4.67	-	289.44
b) Medium	59.94	-	-	-	59.94
(ii) Others	3,468.88	8.23	0.06	-	3,477.17
(iii) Disputed dues - Micro and Small	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-
Total	**3,812.19**	**9.63**	**4.73**	**-**	**3,826.55**

Ageing as on 31st March 2021

Particulars	Outstanding for the following period due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
a) Micro and Small	185.45	4.67	-	-	190.12
b) Medium	58.63	-	-	-	58.63
(ii) Others	2,707.79	0.06	-	-	2,707.85
(iii) Disputed dues - Micro and Small	-	-	-	-	-
(iv) Disputed dues - Medium	-	-	-	-	-
(v) Disputed dues - Others	-	-	-	-	-
Total	**2,951.87**	**4.73**	**-**	**-**	**2,956.60**

25. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Interest accrued but not due on borrowings	**22.79**	6.60
Interest accrued and due on borrowings	**8.48**	-
Unpaid dividends	**-**	4.91
Accrued Employee benefits	**789.57**	741.35
Derivative liability - at FVTPL	**-**	186.95
Others *	**4,549.41**	1,978.46
	5,370.25	**2,918.27**

* Other Payables include Creditors for Capital Goods, Creditors for expenses and Outstanding Expenses.

26. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2022	31.03.20201
Statutory Liabilities	**189.63**	124.71
Advance from Customers	**162.13**	224.46
Deferred Government Grant - (Refer note no. 21)	**83.14**	83.14
Others	**1.14**	2.66
	436.04	**434.97**

27. PROVISIONS

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Provision for employee benefits - Gratuity - (Refer note no. 38)	**271.65**	224.73
	271.65	**224.73**

28. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Sale of Products - Manufactured Goods		
Sale of Yarn	**79,761.93**	50,270.37
Sale of Technical Textile products	**15,704.41**	13,887.05
Sale of Products - Traded Goods		
Sale of Yarn & Cotton	**-**	79.14
Total (A)	**95,466.34**	**64,236.56**
Other operating revenue		
Scrap Sales	**3,000.52**	1,913.79
Export Incentive	**787.10**	313.75
Others*	**74.16**	49.73
Total (B)	**3,861.78**	**2,277.27**
Total (A+B)	**99,328.12**	**66,513.83**

* Others include packing charges collected.

29. OTHER INCOME

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Interest Income from financial assets at amortised cost	**131.99**	154.48
Net gain on disposal of property, plant and equipment	**44.81**	74.86
Insurance claim receipts	**7.19**	60.40
Gains on exchange fluctuations (net) - (Refer note no: 49)	**309.75**	187.14
Government grant - (Refer note no: 21 & 26)	**83.14**	83.14
Miscellaneous Income	**72.21**	10.15
	649.09	**570.17**

30. COST OF MATERIALS CONSUMED

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Cotton	**53,216.60**	34,052.46
	53,216.60	**34,052.46**

Particulars of Materials consumed	2021 - 22		2020 - 21	
	% of Consumption	₹ Lakhs	% of Consumption	₹ Lakhs
Imported	**17.18**	**9,141.69**	13.87	4,721.52
Indigenous	**82.82**	**44,074.91**	86.31	29,330.94
	100.00	**53,216.60**	**100.00**	**34,052.46**

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

₹ Lakhs

Particulars		2021 - 22	2020-21
Inventory at the end of the year			
Work in Progress and Waste Cotton			
Yarn		**2,072.46**	1,198.41
Technical Textile products		**160.16**	476.24
	a	**2,232.62**	**1,674.65**
Finished Goods			
Yarn		**4,994.80**	1,300.19
Technical Textile products		**342.96**	237.07
	b	**5,337.76**	**1,537.26**
Total	**c = a + b**	**7,570.38**	**3,211.91**
Inventory at the beginning of the year			
Work in Progress and Waste Cotton			
Yarn		**1,198.41**	1,071.17
Technical Textile products		**476.24**	213.67
	d	**1,674.65**	**1,284.84**
Finished Goods			
Yarn		**1,300.19**	3,389.29
Technical Textile products		**237.07**	263.19
	e	**1,537.26**	**3,652.48**
Total	**f = d+e**	**3,211.91**	**4,937.32**
(Increase) / decrease in Inventories	**f-c**	**(4,358.47)**	**1,725.41**

32. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Salaries, Wages and Bonus	**8,148.20**	6,317.98
Contributions to Provident fund and other funds	**506.24**	470.17
Staff welfare expenses	**705.72**	569.74
	9,360.16	**7,357.89**

33. FINANCE COST

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Interest expense	**2,340.48**	2,857.26
Unwinding of interest on financial liabilities	**151.79**	167.30
Exchange differences regarded as an adjustment to borrowing cost	**130.08**	-
Other borrowing costs*	**275.38**	247.50
	2,897.73	**3,272.06**

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

34. DEPRECIATION AND AMORTIZATION

₹ Lakhs

Particulars	2021 - 22	2020 - 21
Depreciation on Property Plant & Equipment - Refer note no: 2	**3,114.05**	3,180.94
Depreciation on Right of Use assets - Refer note no: 3(a)	**127.46**	127.78
Amortization of Intangible asset - Refer note no: 3(c)	**11.00**	8.50
	3,252.51	**3,317.22**

35. OTHER EXPENSES

₹ Lakhs

Particulars	2021 - 22	2020-21
Consumption of Stores & Spare parts	**3,563.64**	2,685.11
Power & Fuel (Net) (Refer note no: 46)	**7,379.31**	5,712.36
Processing Charges	**1,155.79**	67.79
Repairs		
Building	**440.80**	318.10
Machinery	**2,698.64**	1,830.61
Others	**159.30**	133.47
Rent	**18.89**	31.09
Rates and Taxes	**60.44**	50.05
Selling & Distribution expenses	**5,739.10**	2,302.17
Bank Charges	**133.08**	97.65
Communication Expenses	**60.05**	53.52
Travelling Expenses	**41.48**	26.57
Professional Charges	**281.28**	119.12
Auditor's Remuneration - (Refer note: 35 (A))	**17.59**	16.24
Expected Credit Loss / Advances Written off (Net)	**56.44**	237.61
CSR Expenses - (Refer note no.: 48)	**3.80**	-
Miscellaneous Expenses	**424.09**	305.90
	22,233.72	**13,987.36**

35 (A): Auditors Remuneration

₹ Lakhs

Particulars	2021- 22	2020 - 21
(a) For Statutory Audit	**11.50**	10.50
(b) For Tax Audit	**2.00**	2.00
(c) For Other services	**3.81**	3.00
(d) For reimbursement of expenses	**0.28**	0.74
	17.59	**16.24**

36. Tax Expense

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

Particulars		2021- 22	2020 - 21
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		553.09	-
Effect of recognition of deferred tax on tax losses		-	-
TOTAL	**(B)**	**553.09**	**-**
Total Tax expense recognized in Statement of Profit and Loss -	**(A)+(B)**	**2,833.09**	**-**

(b) Tax expenses recognised in other comprehensive income

₹ Lakhs

Particulars	2021 - 22	2020-21
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**(131.60)**	-
Net fair value loss on investments in equity instruments at FVTOCI	**33.68**	-
Total Tax expense recognized in other comprehensive income	**(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	2021 - 22	2020-21
Profit before tax	**13,374.96**	3,294.77
Enacted tax rate	**25.17%**	25.17%
Expected income tax expense/(benefit) at statutory tax rate	**3,366.20**	829.22
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses not deductible in determining taxable profits	**1,214.90**	289.53
Income exempt from taxation	**(36.43)**	(20.92)
Effect of utilisation of tax losses	**(779.30)**	(968.50)
Disallowances and reversals - net	**(932.28)**	(129.33)
Charge/ (Credit) in respect of current tax for earlier years	**-**	-
Tax expense for the year	**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 01.04.2021	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)**

37. EARNINGS PER SHARE

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Profit for the year	**10,541.87**	3,294.77
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)	**87.85**	27.46
Face Value per equity share (in ₹)	**10.00**	10.00

38 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 2022 and 2021) 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 ₹ 288.84 Lakhs (March 31, 2021 - ₹ 270.31 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 ₹ 70.20 Lakhs (March 31, 2021 - ₹ 64.16 Lakhs).

(c) Defined Benefit Plans - Gratuity

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2022 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

A	Components of Employer expense	31.03.2022	31.03.2021
	Service Cost		
1	Current service Cost	**84.67**	82.08
2	Past service cost - Plan Amendment	**-**	-
3	Curtailement Cost/(Credit)	**-**	-
4	Settlement Cost/(Credit)	**-**	-
5	**Total Service Cost**	**84.67**	**82.08**
	Net Interest Cost		
6	Interest Expense on DBO	**87.11**	71.39
7	Interest (Income on Plan Asset)	**(24.57)**	(17.77)
8	Interest income on reimbursement rights	**-**	-
9	Interest expense on effect of (asset ceiling)	**-**	-
10	**Total Net Interest**	**62.54**	**53.62**
11	Immediate Recognition of (Gain)/Losses- Other Long Term Benefits	**-**	-
12	Cost of Termination Benefits		
13	Administrative Expenses and Taxes		
14	**Defined Benefits cost included in P&L**	**147.21**	**135.70**
	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	**(66.70)**	164.00
	Actuarial (Gain)/ Losses due to Experience on DBO	**595.08**	53.55
	Return on Plan Assets (Greater) / Less than Discount rate	**(5.48)**	(81.94)
	Total actuarial (gain)/loss included in OCI	**522.90**	**135.61**
	Total cost recognised in P&L and OCI (Defined Benefit Cost)		
	Cost Recognised in P&L	**147.20**	135.70
	Remeasurement Effect Recognised in OCI	**522.90**	135.61
	Total Defined Benefit Cost	**670.10**	**271.31**

Net Asset/(Liability) Recognised in Balance Sheet

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Present value of DBO at beginning	**1,422.85**	1,203.75
Current Service Cost	**84.67**	82.08
Interest Cost	**87.11**	71.39
Benefit payments from plan	**(398.75)**	(151.92)
Benefit payments from employer	**-**	-
Actuarial (Gains)/Loss	**528.37**	**217.55**
Present Value Of DBO at the ending period	**1,724.25**	**1,422.85**

(iii) Reconciliation of Opening & Closing of Plan Assets (Ind AS 19 Para 120 (e) (i) to (viii))

₹ Lakhs

Particulars	31.03.2022	31.03.2021
Fair Value of Plan Assets at the beginning	344.51	316.72
Interest income of assets	24.57	17.77
Total employer contributions	400.00	80.00
Benefits Payouts from plan	(398.75)	(151.92)
Actuarial gain/(Loss)	5.47	81.94
Fair Value of assets at the End	**375.80**	**344.51**
Actual Return on Plan Assets	**30.05**	**99.71**

Net Asset/(Liability) Recognised in Balance Sheet	31.03.2022	31.03.2021
Present value of Benefit Obligation	1,724.25	1,422.85
Fair Value of Plan Assets	375.80	344.51
Funded status [Surplus/(Deficit)]	(1,348.45)	(1,078.34)
Net Assets/(Liability) Recognised in balance sheet	**(1,348.45)**	**(1,078.34)**

₹ Lakhs

Amounts Recognized in Other Comprehensive Income	31.03.2022	31.03.2021
Opening cumulative other comprehensive Income	254.72	119.11
Actuarial Loss / (Gain) On DBO	528.37	217.55
Actuarial Loss /(Gain) On Assets	(5.47)	(81.94)
Net increase in OCI	522.90	135.61
Total Recognised In Other Comprehensive Income	**777.62**	**254.72**

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

Assumptions	31.03.2022	31.03.2021
Discount rate	**7.12%**	6.33%
Expected return on assets	**7.12%**	6.33%
Salary Escalation	**3.00%**	3.00%
Attrition Rate	**5.00%**	5.00%
Mortality	**Indian Assured Lives Mortality (2012 - 14) Ultimate**	

Major Category of Plan Assets as a % of the Total Plan Assets

	31.03.2022	31.03.2021
HDFC GROUP Unit Linked Plan - option B	**100.00%**	100.00%

The fair value of Mutual funds is determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the Company.

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

(iv) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31.03.2022	31.03.2021
Defined Benefit Obligation - Discount Rate + 100 basis points	**1,639.83**	1,345.46
Defined Benefit Obligation - Discount Rate - 100 basis points	**1,817.08**	1,508.75
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	**1,816.05**	1,506.72
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	**1,639.52**	1,346.11
Defined Benefit Obligation - Attrition Rate + 100 basis points	**1,740.98**	1,436.18
Defined Benefit Obligation - Attrition Rate - 100 basis points	**1,706.18**	1,408.34
Mortality rate 10% up	**1,724.85**	1,423.30

(v) Enterprise's Best Estimate of Contribution during Next Year

The Company expects to contribute ₹ 271.65 Lakhs (previous year ₹ 400 Lakhs) to its gratuity plan for the next year.

vi) Experience adjustments

₹ Lakhs

Particulars	Current Year	2020-21	2019-20	2018-19	2017-18
Defined Benefit Obligation	**1,724.25**	1,422.86	1,203.75	1,219.54	1,339.83
Plan Assets	**375.80**	344.51	316.72	579.89	885.96
Surplus / (Deficit)	**(1,348.45)**	(1,078.34)	(887.03)	(639.65)	(453.88)
Experience Adjustments on Plan Liabilities – Loss/(Gain)	**(595.08)**	(53.55)	(254.85)	79.99	(75.66)
Experience Adjustments on Plan Assets – Gain/(Loss)	**5.48**	81.94	(50.20)	1.87	0.24

39. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

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**	**-**	**1,218.06**	**-**	**1,218.06**
Trade receivables	**8**	**-**	**-**	**13,994.54**	**13,994.54**
Cash and Cash equivalents	**9**	**-**	**-**	**148.56**	**148.56**
Other bank balance	**10**	**-**	**-**	**916.30**	**916.30**
Loans	**11**	**-**	**-**	**63.87**	**63.87**
Other Financial Assets	**5 & 12**	**-**	**-**	**849.16**	**849.16**
Financial Liabilities:					
Borrowings	**16 & 22**	**-**	**-**	**35,777.27**	**35,777.27**
Lease Liability	**17 & 23**			**193.63**	**193.63**
Trade payables	**24**	**-**	**-**	**3,826.55**	**3,826.55**
Other Financial Liabilities	**18 & 25**	**-**	**-**	**5,387.47**	**5,387.47**

The carrying value of financial instruments by categories as at 31st March 2021 were as follows: ₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
Financial Assets:					
Investments	4	-	1,075.78	-	1,075.78
Trade receivables	8	-	-	10,206.93	10,206.93
Cash and Cash equivalents	9	-	-	109.55	109.55
Other bank balance	10	-	-	787.41	787.41
Loans	11	-	-	77.56	77.56
Other Financial Assets	5 & 12	-	-	1,036.59	1,036.59
Financial Liabilities:					
Borrowings	16 & 22			32,632.45	32,632.45
Lease Liability	17 & 23			285.12	285.12
Trade payables	24			2,956.60	2,956.60
Other Financial Liabilities	18 & 25			2,937.58	2,937.58

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.

40. 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 Mar 2022				As at 31st Mar 2021			
	Carrying Amt	Level 1	Level 2	Level 3	Carrying Amt	Level 1	Level 2	Level 3
Financial assets measured at fair value through other comprehensive income (FVTOCI)								
Trade Investments in unquoted equity shares	**1,218.06**			**1,218.06**	1,075.78			1,075.78
Financial assets measured at amortised cost								
Trade receivables	**13,994.54**			**-**	10,206.93			-
Cash and Cash equivalents	**148.56**			**-**	109.55			-
Other bank balance	**916.30**			**-**	787.41			-
Loans	**63.87**			**-**	77.56			-
Other Financial Assets	**849.16**			**-**	1,036.59			-
Financial liabilities measured at amortised cost								
Borrowings	**35,777.27**			**-**	32,632.45			-
Lease Liability	**193.63**				285.12			
Trade payables	**3,826.55**			**-**	2,956.60			-
Other Financial Liabilities	**5,387.47**			**-**	2,937.58			-

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.

41. 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 2022	As at 31st March 2021
Cash and cash equivalents	**148.56**	109.55
Other bank balances	**916.30**	787.41
Total cash (a)	**1,064.86**	**896.96**
Non-current borrowings	**8,169.55**	10,459.89
Current borrowings	**27,607.72**	22,172.56
Total borrowings (b)	**35,777.27**	**32,632.45**
Net debt c=(b-a)	**34,712.41**	**31,735.49**
Total equity (d)	**44,412.39**	**34,161.67**
Gearing ratio (c/d)	**0.78**	0.93

42. 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.

1) Market Risk

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

a) Interest 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 2022	As at 31st March 2021
Fixed rate borrowings	**1,120.39**	1,843.67
Floating rate borrowings	**34,656.88**	30,788.78
Total borrowings	**35,777.27**	**32,632.45**
Total Net borrowings	**35,777.27**	32,632.45
Add: Upfront fees	**222.89**	374.08
Total borrowings	**36,000.16**	**33,006.53**

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 for the year ended 31 March 2022 would decrease / increase by ₹ 360 Lakhs (for the year ended 31 March 2021 : decrease / increase by ₹ 330.06 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

b) Foreign Currency Risk

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

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

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

₹ Lakhs

Particulars	As at 31st March 2022			As at 31st March 2021		
	USD	Euro	GBP/CHF	USD	Euro	GBP/CHF
Trade Receivables	**5,744.83**	**813.40**	**93.51**	4,260.14	472.68	31.39
Trade Payables	**(325.46)**	**(0.60)**	**-**	-	(3.17)	(5.51)
Packing Credit	**(12,308.59)**	**(177.17)**	**-**	(7,812.87)	(432.69)	(151.21)
Derivatives	**-**	**-**	**-**	-	(1,066.95)	-
TOTAL	**(6,889.22)**	**635.63**	**93.51**	**(3,552.73)**	**(1,030.13)**	**(125.33)**

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 2022			As at 31st March 2021		
	USD	Euro	GBP/ CHF	USD	Euro	GBP/ CHF
Trade & Other Payables	-	-	-	(948.72)	-	-
Packing Credit	**(928.43)**			(511.77)	-	-
TOTAL	**(928.43)**	**-**	**-**	**(1,460.49)**	**-**	**-**

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	
		As at 31st March 2022	As at 31st March 2021
USD	+5%	(344.46)	(177.64)
	-5%	344.46	177.64
EURO	+5%	31.78	(51.51)
	-5%	(31.78)	51.51
GBP/CHF	+5%	4.68	(5.99)
	-5%	(4.68)	5.99

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

As at	No. of Contracts	Type	USD Equivalent ₹ Lakhs	INR Equivalent (₹ in Lakhs)
31-Mar-22	**-**	**Buy**	**-**	**-**
	18	**Sell**	**12.25**	**928.43**
31-Mar-21	6	Buy	(19.28)	(1,409.44)
	3	Sell	7.00	511.77

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	
	2021-22	2020-21	2021-22	2020-21
Cotton	**(2,660.83)**	(1,706.45)	**2,660.83**	1,706.45

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 70 days. However, it has been extended to 90 days due to the Global pandemic. 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.

₹ Lakhs

Information about major customers

Customers with more than 5% of the total value of trade receivables as at 31st March 2022 and 31st March 2021 are as follows:

Particulars	No. of Parties	Amount Outstanding	Percent	No of Parties	Amount outstanding	Percent
Customers						
- within India	3	3555.55	25.41%	2	1672.78	15.94%
- Outside India	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, 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	**-**	**3,826.55**	**-**	**-**	**3,826.55**	**3,826.55**
Lease Liability		**103.31**	**90.32**		**193.63**	**193.63**
Other financial liabilities		**5,370.25**	**17.22**	**-**	**5,387.47**	**5,387.47**
At 31st March, 2021						
Long term borrowings	-	-	10,459.89	-	10,459.89	10,459.89
Short term borrowings	16,920.03	5,252.53	-	-	22,172.56	22,172.56
Trade payables	-	2,956.60	-	-	2,956.60	2,956.60
Derivative financial liabilities	-	186.95	-	-	186.95	186.95
Lease Liability	-	91.50	193.62	-	285.12	285.12
Other financial liabilities	-	2,731.32	19.31	-	2,750.63	2,750.63

	As at 31st March 2022	₹ Lakhs As at 31st March 2021
43. Estimated amount of contracts remaining to be executed on capital account and not provided for	**503.61**	44.11

44. Contingent Liabilities:

Contingent liabilities in respect of :	**As at 31st March 2022**	**As at 31st March 2021**
Bills discounted	**2868.25**	873.11
Guarantees	**242.81**	219.21
Letters of credit outstanding	**377.45**	940.48
Contingent liabilities under litigation :		
Disputed Statutory Liabilities not provided for	**412.34**	294.29
Disputed Other Liabilities not provided for	**67.83**	66.65

45. Power and Fuel is net of wind power income of ₹ 211.50 lakhs (PY ₹ 180.99 lakhs) representing power supplied to the grid against which equivalent consumption was made in house.

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

₹ Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
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 and Small Enterprises	**282.23**	184.04
Interest due on above	**7.21**	6.07
Total	**289.44**	**190.11**
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.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**7.21**	6.07
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.		

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

₹ Lakhs

Particulars	31.03.2022	31.03.2021
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*	**194.75**	219.89

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

48. Corporate Social Responsibility (CSR) activities :

	Particulars	31.03.2022	31.03.2021
a)	Gross amount required to be spent by the Company during the year	**3.80**	-
b)	Unspent amount pertaining to earlier years	-	-
c)	Total amount required to be spent by the Company - (a+b)	**3.80**	-
d)	Amount spent during the year		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	**3.80**	-
e)	Balance amount to be spent - (c-d)	-	-
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	0.40	-

49. Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities / derivatives amounting to ₹. 238.20 lakhs (PY ₹. 288.77 lakhs)

50. 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 Excecutive Director)
		Mr.Jairam Varadaraj (Non Excecutive Director)
		Mr.C.N.Srivatsan (Non Executive Director)
		Mrs. R.Bhuvaneshwari (Non Executive Director)
		Mr.P.Vijay Raghunath ((Non Executive Director)
Others		
-Relative of KMP		Mr.Sarath Chandran
-Enterprise in which KMP has control		Ashwanth Primarius Enterprises. LLP
		Suprem Enterprises
		Narayanaswamy Naidu Charity Trust for Education

Nature of transactions	FY 2021-22			FY 2020 - 21		
	Subsidiaries	KMP	Others	Subsidiaries	KMP	Others
Remuneration paid	-	**272.21**	**0.12**	-	210.72	0.56
Commission paid	-	**487.77**	**29.88**	-	120.45	29.44
Sitting fees paid	-	**7.20**	-	-	6.78	-
Interest paid	-	-	**36.39**	-	-	125.00
Royalty paid	-	-	**8.75**	-	-	2.31
CSR Expenses	-	-	**0.40**	-	-	-
Amount payable	-	**487.63**	**31.52**	-	120.45	1,030.04
Amount receivable	-	-	-	71.47	-	-

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.

51. 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	31.03.2022	31.03.2021
Balance at the beginning of the year	**285.12**	**368.28**
Additions during the year	-	-
Reclassification from prepayment	-	(4.55)
Finance cost accrued during the year	**22.60**	30.78
Payment of lease liabilities	**(114.09)**	(109.39)
Balance at the end of the year	**193.63**	**285.12**
Current lease liabilities	**103.31**	91.50
Non-current lease liabilities	**90.32**	193.62
Amount recognised in Statement of Profit & Loss for the year ended :		
Interest on lease liabilities	**22.60**	30.78
Depreciation on right-of-use assets	**127.46**	127.78

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

Particulars	31.03.2022	31.03.2021
Less than one year	**103.31**	91.50
One to five years	**90.32**	193.62
More than five years	-	-
Total	**193.63**	**285.12**

₹ Lakhs

(iii) Detailed leasing arrangements:

Particulars	31.03.2022	31.03.2021
Expenses relating to short-term leases	**4.22**	15.95
Expenses relating to leases of low-value assets	**12.28**	10.97

52. 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 2022	As at 31st March 2021
Within India	**50,577.34**	37,013.82
Outside India	**44,889.00**	27,222.75
Total	**95,466.34**	**64,236.56**

b) Non current assets:

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

53. 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.

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

₹ Lakhs

Particulars	As at 31st March 2022	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	-	-	-

55. 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 (Formerly Precot Meridian Ltd)	94.73%	42,072.29	100.00%	10,250.72
Subsidiary				
Suprem Associates	5.27%	2,340.00	-	-

56. 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.

57. Events after the reporting period:

The Board of Directors, in its meeting held on 25th May, 2022, has recommended a dividend of 60% (₹ 6 per fully paid up equity shares of ₹ 10 each) for the year ended 31st March, 2022 subject to the approval of the shareholders at the ensuing Annual General Meeting.

58. Additional disclosure relating to Schedule III Amendment Of Companies Act 2013

(i) Details of Benami property:

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

(ii) Utilisation of borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act,2013.

(iv) Undisclosed income:

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

(v) Details of crypto currency or virtual currency:

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

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

The Company has not revalued its property, plant and equipment (including Right of Use Assets) or intangible assets or both during the current or 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 with Registrar of Companies (ROC) beyond the statutory period.

59. 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.

60. 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)

J.Govind Raju
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 :25-May-2022

Notice is hereby given that the 60th Annual General Meeting of the shareholders of the Company will be held on, Monday, 22nd August 2022 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, 2022 including audited balance sheet as at 31st March, 2022, 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 Declare a Dividend**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   RESOLVED THAT the dividend @ Rs.6 per equity share of Rs. 10 each, fully paid- up, be and is hereby declared for the financial year ended March 31,2022 and the same be paid to those Members whose names appear on the Company's Register of Members on 16th August, 2022.

3. **To appoint a Director in place of Mr Ashwin Chandran (DIN: 00001884), 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 Ashwin Chandran (DIN: 00001884)**, who retires by rotation and being eligible offers himself for reappointment, as a Director.

Special Business:

4. **Increase in Borrowing Limits**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   RESOLVED THAT in supersession of the ordinary resolution passed by the Members of the Company at the General Meeting held on 5th September, 2014 and pursuant to Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 and Rules made there under as may be amended, from time to time and Articles of Association of the Company, consent of the Company be and is hereby given to the Board of Directors to borrow moneys, from time to time, whether as rupee loans, foreign currency loans, debentures , bonds and/ or other instruments or non-fund based facilities or in any other form (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) from the Banks, Financial Institutions, Investment Institutions, Mutual Funds, Trusts, other Bodies Corporate or from any other source, located in India or abroad, whether unsecured or secured, on such terms and conditions as may be considered suitable by the Board of Directors up to an amount the aggregate outstanding of which should not exceed, at any given time, Rs.750 crores.

   RESLOVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide terms and conditions of such borrowings, finalise and execute all such deeds, documents and writing as may be necessary, desirable or expedient, settle any question, difficulty or doubt that may arise in this regard, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole time Director or Director or any other officer of the Company or any other person.

5. **Creation of Security on the Properties of the Company in favour of the Lenders**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT in supersession of the resolution passed by the shareholders of the company through postal ballot dated September 05, 2014, the consent of the Members of the Company, be and is hereby accorded pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, including any amendment or modification, thereof, to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of Directors duly constituted by the Board to exercise its powers conferred by this resolution) mortgaging and/or charging, by the board of directors of the company, of all the moveable and immoveable properties of the company, present and future, and the whole of the undertaking of the company to or in favour of financial institutions / banks (lenders) or the trustees for the lenders of the company to secure the financial assistances granted / to be granted by the lenders up to an amount in the aggregate not exceeding Rs. 750 crores together with all interest thereon, commitment charge, costs, charges, expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of foreign currencies involved and all other moneys payable by the company to the lenders in terms of the respective facility agreements entered into by the company in respect of the aforesaid assistances, on such terms and conditions as the Board may consider necessary and expedient in the best interest of the company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies/ Debenture Trustees/ Financial Institutions, the documents/ agreements/ under takings for creating the aforesaid mortgages, charges and/ or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents/ agreements/ undertakings and to do all such acts and things and to execute all such documents, deeds and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Committee of Directors and/ or director(s) and/ or officer(s) of the Company, to give effect to this resolution.

6. **Appointment of Mr. Arun Selvaraj (DIN: 01829277) as Independent Director**

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendments or statutory modification(s) thereof for the time being in force), Mr. Arun Selvaraj (DIN: 01829277) who has been appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective June 1, 2022 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years with effective from August 22, 2022 to August 21, 2027.

7. **Appointment of Dr.Vinay Balaji Naidu (DIN: 09232643) as Independent Director**

To consider and, if thought fit, to pass,the following Resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment or statutory modification(s) thereof for the time being in force), Dr. Vinay Balaji Naidu (DIN: 09232643) who has been appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective June 1, 2022 in terms of Section 161 of the Companies Act, 2013, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years with effective from August 22, 2022 to August 21, 2027.

8. **Reappointment of Mr Ashwin Chandran (DIN :00001884) as Chairman and Managing Director**

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

RESOLVED that pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment or statutory modification(s) thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Ashwin Chandran (DIN :00001884), be and is hereby reappointed as the Chairman and Managing Director of the company, for a term of three years from 1st April, 2023 to 31st March, 2026 and whose office is liable to retirement by rotation, on the following terms and conditions:

I. **Salary:** Rs. 4,75,000 per month with an annual increment of 8% of the Salary

II. **Commission:** 1.50% of the net profit computed in accordance with section 198 of the Act.

III. **Perquisites and Allowances**

1. Housing - Unfurnished rent free accommodation with amenities will be provided by the company.
2. Special Allowance - 50% of the Salary
3. The following perquisites shall be allowed subject to a maximum of 50% of the Salary.
   a. Reimbursement of medical expenses incurred for self and their family.
   b. Leave travel concession for self and their family.

   In any year, if the perquisites specified in Clause (3) are not availed in full, the unutilized portion of the limit shall be encashed at the end of the respective year.

4. Provision of telephones with internet facilities and cars with driver.

He shall also be eligible for the following benefits which shall not be included in the computation of ceiling on the remuneration.

Contribution to Provident Fund as per the rules of the company to the extent these either singly or put together are not taxable under the Income Tax Act.

Payment of Gratuity at the end of the tenure not exceeding 15 days salary for each completed year of service or at the rate as may be notified by the Government from time to time.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits, the remuneration payable to Mr Ashwin Chandran shall not exceed the limits specified in Section II of Part II of Schedule V of the Act or such other limits as may be notified by the Government from time to time.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof, be and are hereby authorized to alter or vary the component and elements of remuneration payable to Mr Ashwin Chandran, within the overall limits under the Act and to do all such acts, deeds, things and execute all such documents, instruments and forms as may be required and to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel of the Company be and are hereby authorised to do all such acts, deeds, things and execute all such documents, instruments and file forms as may be required and to give effect to this resolution.

9. Reappointment of Mr Prashanth Chandran (DIN :01909559) as Vice Chairman and Managing Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

RESOLVED that pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments or statutory modification(s) thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Prashanth Chandran (DIN :01909559), be and is hereby reappointed as the Vice Chairman and Managing Director of the company, for a term of three years from 1st April, 2023 to 31st March, 2026 and whose office is liable to retirement by rotation, on the following terms and conditions:

I. Salary: Rs. 4,50,000 per month with an annual increment of 8% of the Salary

II. Commission: 1.50% of the net profit computed in accordance with section 198 of the Act.

III. Perquisites and Allowances

1. Housing - Unfurnished rent free accommodation with amenities will be provided by the company.
2. Special Allowance - 50% of the Salary
3. The following perquisites shall be allowed subject to a maximum of 50% of the Salary.
   a. Reimbursement of medical expenses incurred for self and their family.
   b. Leave travel concession for self and their family.

   In any year, if the perquisites specified in Clause (3) are not availed in full, the unutilized portion of the limit shall be encashed at the end of the respective year.
4. Provision of telephones with internet facilities and cars with driver. He shall also be eligible for the following benefits which shall not be included in the computation of ceiling on the remuneration.

   Contribution to Provident Fund as per the rules of the company to the extent these either singly or put together are not taxable under the Income Tax Act.

   Payment of Gratuity at the end of the tenure not exceeding 15 days salary for each completed year of service or at the rate as may be notified by the Government from time to time.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits, the remuneration payable to Mr Prashanth Chandran shall not exceed the limits specified in Section II of Part II of Schedule V of the Act or such other limits as may be notified by the Government from time to time.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof, be and are hereby authorized to alter or vary the component and elements of remuneration payable to Mr Prashanth Chandran, within the overall limits under the Act and to do all such acts, deeds, things and execute all such documents, instruments and forms as may be required and to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel of the Company be and are hereby authorised to do all such acts, deeds, things and execute all such documents, instruments and file forms as may be required and to give effect to this resolution.

10. Reappointment of Mr T Kumar (DIN: 07826033) as Executive Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

RESOLVED that pursuant to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments as or statutory modification(s) thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr T Kumar (DIN :07826033), be and is hereby reappointed as the Executive Director of the company, for a term of three years from 1st April, 2023 to 31st March, 2026 and whose office is liable to retirement by rotation, on the following terms and conditions:

I. **Salary:** Rs. 4,00,000 per month with an annual increment of 8% of the Salary

II. **Commission:** 1.00% of the net profit computed in accordance with section 198 of the Act.

III. **Perquisites and Allowances**

1. House Rent Allowance - 50% of the Salary
2. The following perquisites shall be allowed subject to a maximum of 50% of the Salary.

   a. Reimbursement of medical expenses incurred for self and his family.

   b. Leave travel concession for self and his family. If the perquisites specified in Clause (2) are not availed in full, the unutilized portion of the limit shall be encashed at the end of each month.

3. Provision of telephones with internet facilities and cars with driver. He shall also be eligible for the following benefits which shall not be included in the computation of ceiling on the remuneration.

   Contribution to Provident Fund as per the rules of the company to the extent these either singly or put together are not taxable under the Income Tax Act.

   Payment of Gratuity at the end of the tenure not exceeding 15 days salary for each completed year of service or at the rate as may be notified by the Government from time to time.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits, the remuneration payable to Mr T Kumar shall not exceed the limits specified in Section II of Part II of Schedule V of the Act or such other limits as may be notified by the Government from time to time.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof, be and are hereby authorized to alter or vary the component and elements of remuneration payable to Mr T Kumar, within the overall limits under the Act and to do all such acts, deeds, things and execute all such documents, instruments and forms as may be required and to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel of the Company be and are hereby authorised to do all such acts, deeds, things and execute all such documents, instruments and file forms as may be required and to give effect to this resolution.

11. **Reappointment of Mr Sarath Chandran as Mentor**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

RESOLVED that pursuant to the provisions of section 188 and other applicable provisions of the Companies Act, 2013 ('the Act') including any amendments or statutory modifications thereof for the time being in force and SEBI (LODR) Regulations 2015, the consent of the members, be and is hereby accorded to reappoint Mr Sarath Chandran, who is a relative of Mr Ashwin Chandran, Chairman and Managing Director and Mr Prashanth Chandran, Vice Chairman and Managing Director, as a Mentor of the company, for a period of three years effective from 1st April, 2023 to 31st March,2026, on the following terms and conditions:

I. **Perquisites:**

a) Unfurnished rent free accommodation with amenities will be provided by the company.

b) He shall be entitled to reimbursement of medical expenses for self and his family, company maintained cars, driver and telephones with internet facilities.

II. Commission: 1.00% of the net profit of the company, computed in accordance with section 198 of the Act. However the monetary value of such perquisites and commission determined in accordance with the Income Tax Rules or other applicable provisions, shall not exceed Rs. 50.00 lakhs per annum

RESOLVED FURTHER THAT the Board of Directors are authorised to alter or vary the component, terms and elements of remuneration payable to Mr Sarath Chandran and to perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution.

12. 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.3.00 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 2022-23 as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the Board
S Kavitha
Company Secretary

Coimbatore
25-May-2022

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 02 dated May 5, 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 17th August, 2022 to 22nd August, 2022 (both days inclusive).
5. The explanatory statement pursuant to section 102 of the Act, with respect to Special Businesses set out in the Item Nos. 4 to 12 above are annexed hereto.
6. Dividend recommended by the Board of Directors, if approved by the Members at the ensuring Annual General Meeting, will be credited / dispatched to those members within 30 days from the date of declaration , whose name appear on the Register of Members of the Company as on 16th August 2022. In respect of the dematerialized shares dividend will be paid on the basis of the beneficial ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 16th August 2022. Dividend is subject to deduction of applicable rates as per the relevant provisions of income Tax, Act 1961 and rules made thereunder. A separate circular through email is being sent to each shareholder with complete details relating to the deduction of tax at source from dividend.
7. 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.
8. 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.
9. 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.

10. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2021-22 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 May 13, 2022. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website http://www.precot.com /investor-relations/; 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.
11. 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.
12. **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.

13. 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.
14. 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 22nd August, 2022 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.
15. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Detailed communication regarding the prescribed TDS rates for various categories, conditions for Nil/ preferential TDS and details / documents required thereof are being sent to the members. Members are requested to submit the documents as stated in the communication online by clicking on the following link https://linkintime.co.in/formsreg/submission-ofform-15g-15h.html on or before 16th August, 2022.

16. The voting period begins at 10.00 AM on 19-August-2022 and ends at 5.00 PM on 21-August-2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 16-August-2022, 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.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' Section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is 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 • 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 and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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, user will be provided links for the respective ESP where the E Voting is in progress.
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. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in • Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - A. **User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + 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. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

Type of shareholders	Login Method
	D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in '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). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.** 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon. 5. E-voting page will appear. 6. 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). 7. 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.

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.

Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click 'forgot password?'
- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members 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.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned 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".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Type of Shareholders	Help desk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL help desk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 022-23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under Help Section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

1. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 20 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
2. Shareholders/Members are requested to participate on first come first serve basis as

participation through VC/OAVM is limited and will be closed on expiry of 15 (Fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (Thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted up to 1000 members only.

3. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

i. Open the internet browser and launch the URL for InstaMeet <<https://instameet.linkintime.co.in>> and register with your following details:

a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company

b. PAN: Enter your 10 digit Permanent Account Number (PAN)

c. Mobile No.

d. Email ID

ii. Click "Go to Meeting"

Note:

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 the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at (Company email id) from 19.08.2022, 9.00 a.m to 20.08.2022 9.00 a.m

The first Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (Company email id). The same will be replied by the Company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated 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 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.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

By order of the Board
S Kavitha
Company Secretary

Coimbatore
25-May-2022

Explanatory Statement

(pursuant to Section 102 of the Companies Act, 2013)

Item No. 4 & 5

The shareholder of the company had, in their meeting on 5th September 2014, increased the borrowing limits of the company and authorized the Board of Directors to borrow funds, from time to time, for the business of the company, up to an amount, the aggregate, outstanding of which should not exceed, at any given time Rs.500 crores and to create charge on properties of the Company to secure the repayments of the borrowings.

Keeping in view, the existing borrowing and the additional fund requirements for meeting the capital expenditure for the ongoing / future projects, capacity expansion, acquisitions and enhanced long term working capital needs of the Company, the Board of Directors had, in its meeting held on 25th May, 2022, considered and approved subject to the approval of the shareholders, the borrowing limits of the company to Rs. 750 crores and creation of security on the properties of the Company and recommends Resolution no. 4 & 5 of the accompanying Notice to the shareholder for their approval by way of special resolution.

Pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act 2013, approval of the Shareholder by way of special resolution is required to authorize the Board of Directors to borrow moneys up to the said limits and create security in respect thereof.

None of the Directors or Key Managerial Personnel of the Company or their relatives, is concerned or interested in the resolutions as set out at Item No. 4 & 5.

Item No. 6 & 7

On May 25, 2022, the Board of Directors have appointed Mr. Arun Selvaraj and Dr Vinay Balaji Naidu as Additional Directors of the Company in the capacity of Independent Director for a term of 5 years with effect from August 22, 2022 to August 21, 2027, subject to approval of the Members of the Company. In terms of section 160 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Arun Selvaraj and Dr Vinay Balaji Naidu as Independent Directors pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has also received notices in writing from Members proposing the candidature of Mr Arun Selvaraj and Dr Vinay Balaji Naidu to be appointed as Directors of the Company.

The Company has received declarations from Mr Arun Selvaraj and and Dr Vinay Balaji Naidu confirming that they meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr Arun Selvaraj and and Dr Vinay Balaji Naidu consents to act as Directors in terms of section 152 of the Companies Act, 2013 and a declaration that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr Arun Selvaraj and Dr Vinay Balaji Naidu fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their appointment as Independent Director of the Company and are independent of the management.

In line with the Company's remuneration policy for Independent Directors, Mr Arun Selvaraj and Dr Vinay Balaji Naidu will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, reimbursement of expenses for participation in the Board meetings

Considering Mr Arun Selvaraj's experience in administration in the fields of Textile and Aerospace

Industries, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of five years with effect from August 22, 2022 to August 21, 2027.

Considering Dr Vinay Balaji Naidu varied experience both in Medical Practice and a Scholar would give a very different perspective to the Company, especially for Technical Textile Division which produces health and hygiene products, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of five years with effect from August 22, 2022 to August 21, 2027.

Draft letters of appointment of Mr Arun Selvaraj and Dr Vinay Balaji Naidu setting out the terms and conditions of appointment are being made available for inspection by the Members through electronic mode. Additional information in respect of Mr Arun Selvaraj and and Dr Vinay Balaji Naidu pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure B to this Notice.

Except Mr Arun Selvaraj and Dr Vinay Balaji Naidu and/or their relatives, None of the Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 6 & 7.

The Board of Directors recommends the resolutions proposing the appointment of Mr Arun Selvaraj and Dr Vinay Balaji Naidu as Independent Directors of the Company, as set out in Item No. 6 & 7 for approval of the Members by way of Special Resolution.

Item 8, 9 & 10

The Board of Directors, at their meeting held on 25th May 2022 on the recommendation of the Nomination Remuneration Committee based on the performance evaluation, education qualification, skills, experience and exposure in the Textile Industry, subject to the approval of shareholders have reappointed, Mr Ashwin Chandran, Mr Prashanth Chandran, and T Kumar as the Chairman & Managing Director, Vice Chairman & Managing Director and Executive Director, respectively, of the company for a period of three years, effective from 1st April, 2023 to 31st March, 2026, on the remuneration set out in the resolution.

Additional information in respect of Mr Ashwin Chandran, Mr Prashanth Chandran, and T Kumar pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure B to this Notice.

The Board considers that their educational qualification, experience & exposure would be of immense benefit to the company and it is desirable to avail services of Mr Ashwin Chandran, Mr Prashanth Chandran, and T Kumar as the Chairman & Managing Director, Vice Chairman & Managing Director and Executive Director, respectively.

Accordingly, the resolutions at Item No. 8, 9 & 10 are proposed for your approval. The Nomination and Remuneration committee and the Board recommends approval of the members for the same.

Mr Ashwin Chandran and Mr Prashanth Chandran are related to each other.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr Ashwin Chandran Mr Prashanth Chandran and Mr T Kumar are in any way interested or concerned, financially or otherwise in the resolution nos. 8,9 & 10.

Item 11

Keeping in view of the present business conditions, it was felt that the company would require his continued expertise to support the business operations. He has agreed to continue in the company as a Mentor. Since he has refused to accept any monthly remuneration, he will be provided with commission and perquisites as detailed in the said resolution, effective from

01-Apr-2023. The commission shall be paid only out of the profits of the company.

This transaction is not material in nature and is in line with the policy on related party transactions of the company. His reappointment is proposed in the best interest of the company. Taking into consideration his expertise and knowledge, the proposed compensation is nominal. Mr Sarath Chandran is the father of Mr Ashwin Chandran and Mr Prashanth Chandran.

The proposed appointment was considered and approved by Nomination and Remuneration Committee, Audit Committee and the Board. The Board recommends the approval of the members for the appointment of Mr Sarath Chandran as Mentor.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr Ashwin Chandran and Mr Prashanth Chandran, are in any way interested or concerned, financially or otherwise in this resolution.

Item 12

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 ending 31st March, 2023.

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. 12 of the notice, for ratification of the remuneration payable to the cost auditor for the financial year ending 31st March, 2023. 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 are in anyway concerned or interested, financially or otherwise 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
25-May-2022

Annxure A

Information to be provided under Schedule V, Part II (B) of the Companies Act, 2013:

I. General Information:

1. Nature of Industry: Textiles.
2. Date or expected date of commencement of commercial production : Not applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable
4. Financial performance based on given indicators :

Particulars	2021-22	2020-21
	Amount (Rs in Lakhs)	
Sales and other Income	99,977	67,084
Profit before Tax and depreciation	16,628	6,612
Profit after Tax	10,542	3295
Paid up Equity Capital	1,200	1,200
Reserves and Surplus	40,872	30,622
Basic and Diluted Earnings per share (Rs)	87.85	27.46

5. Foreign investments and collaborators, if any : Nil

II. Information about the Appointees:

Mr Ashwin Chandran

Background details, Past remuneration Recognition or awards, Job Profile and his suitability – Refer Annexure B to the Notice

Remuneration proposed: Refer Resolution no.8

Comparative remuneration profile with respect to industry, size of the company, profile of the position and appointee: The responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.

Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Chairman and Managing Director of the Company

Mr Ashwin Chandran is related to Mr Prashanth Chandran.

Mr Prashanth Chandran

Background details, Past remuneration Recognition or awards, Job Profile and his suitability – Refer Annexure B to the Notice

Remuneration proposed: Refer Resolution no.9

Comparative remuneration profile with respect to industry, size of the company, profile of the position and appointee: The responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.

Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :

Vice Chairman and Managing Director of the Company

Mr Prashanth Chandran is related to Mr Ashwin Chandran.

Mr T Kumar

Background details, Past remuneration Recognition or awards, Job Profile and his suitability – Refer Annexure B to the Notice

Remuneration proposed: Refer Resolution no.10

Comparative remuneration profile with respect to industry, size of the company, profile of the position and appointee: The responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.

Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :

Executive Director of the Company

Mr T Kumar is not related to any of the managerial personnel of the company.

III. Other Information :

1. Reasons of loss or inadequate profits: Not applicable
2. Steps taken or proposed to be taken for improvement: Not applicable
3. Expected increase in productivity and profits in measurable terms: Not applicable.

IV. Disclosures:

1. The shareholders of the company shall be informed of the remuneration package of the managerial person: Disclosed
2. The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report:

a. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors: Disclosed.

b. Details of fixed component and performance linked incentives along with the performance criteria: Disclosed

c. Service contracts, notice period, severance fees: Disclosed

d. Stock option details: The Company has not issued any Stock option

V. The company has not defaulted in repayment of any of its debt/debentures/public deposits.

Annexure B

Disclosure under Reg. 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings.

Name of the Director	Mr Arun Selvaraj	Dr Vinay Balaji Naidu	Mr Ahswin Chandran	Mr Prashanth Chandran	Mr T Kumar
Director Identification Number	01829277	09232643	00001884	01909559	07826033
Date of Birth and Age	30.11.1968 - 54 years	04.04.1979 - 43 years	30.05.1976 - 45 years	5.01.1981- 41 years	27.01.1969 - 53 years
Qualifications	Diploma In Textile Technology B.Sc.,) - Textile Marketing & Management, Phildelphia University, USA	MDS	B Sc (Hons), MBA	B. Eng.	Diploma in Textile Technology
Expertise in specific functional areas and Experience	More than 15 years experience in the fields of Textile and Aerospace Industries.	16 years of experience as a Specialist in Micro-Endodontics	More than 22 years of experience in the textile industry.	More than Fifteen years of experience in the textile industry.	More than 32 years of experience in the textile industry.
Board Membership of other Companies	Director in Lakshmi Electrical Control Systems Limited and Elango Engineering Private Limited	Director in L G Balakrishnan & Bros Limited	Director in Kovilpatti Lakshmi Roller Flour Mills Limited, The Cotton Textiles Export Promotion Council, PC Racing Foundation, Confederation of Indian Textile Industry and Textile Sector Skill Council	Director in PC Racing Foundation	Not holding directorship in any other company
Chairmanship(s)/ Members hip(s) of Committees	**Lakshmi Electrical Control Systems Limited:** He is a member of CSR Committee, Audit Committee and Nomination and remuneration Committee.	Not a Member of any Committee	**Precot Limited** Stakeholders Relationship – Member CSR Committee - Chairman **Kovilpatti Lakshmi Roller Flour Mills Limited** Audit Committee – Member Stakeholders Relationship – Member Nomination and remuneration Committee - Chairman	**Precot Limited** He is a Member of CSR Committee, and Stakeholders Relationship Committee	Not a Member of any Committee.
Listed entities from which the person has resigned in the past three years	-	-	-	-	-
Number of shares held in the Company	150	2400	23,22,801	19,87,022	-
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	His rich experience in the field of Textiles will gives immense benefit to the Company	His varied experience both in Medical Practice and a Scholar will give a very different perspective to the Company, Especially for Technical Textile Division which health and hygiene products			

Name of the Director	Mr Arun Selvaraj	Dr Vinay Balaji Naidu	Mr Ahswin Chandran	Mr Prashanth Chandran	Mr T Kumar
Remuneration proposed to be paid	-	-	Refer Reappointment resolution	Refer Reappointment resolution	Refer Reappointment resolution
Remuneration last drawn (in lakhs)	-	-	310.75	300.57	148.52
Terms and conditions of appointment	As detailed in the resapective resolutions and explanatory statement	As detailed in the respective resolutions and explanatory statement	As detailed in the respective resolutions and explanatory statement	As detailed in the respective resolutions and explanatory statement	As detailed in the respective resolutions and explanatory statement
Relationship with other Directors or KMP of the Company	Not related to any other Director or KMP of the Company	Not related to any other Director or KMP of the Company	Mr Ashwin Chandran is related to Mr Prashanth Chandran	Mr Prashanth Chandran is related to Mr Ashwin Chandran	Not related to any other Director or KMP of the Company
Number of meetings of the Board attended	-	-	4	4	4

If undelivered please return to :

Precot Limited (Formerly Precot Meridian Limited)

(CIN: L17111TZ1962PLC001183)

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Tel: 0422-4321100 Email: secretary@precot.com
Website: www.precot.com