July 28, 2026

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 : 64th Annual General Meeting – Annual Report – 2025 - 26**

**Symbol : PRECOT**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit 64th Annual Report for the financial year 2025-26 of the Company scheduled to be held on Thursday, 20th August 2026 at 04:00 PM through Video Conferencing (VC) /Other Audio-Visual Means (OAVM).

The Annual Report is being sent to the shareholders 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**

ACHUTH
MENON
MOHANMENON

Digitally signed by ACHUTH MENON MOHANMENON
DN: c=IN, o=PERSONAL, title=0863, pseudonym=668be44a78d640b7b5cf1b9887399e2e, 2.5.4.20=2a661564fe52f1c683763998a5bba031cf7401ddf964b968934f98843a6e6aa1, postalCode=678005, st=Kerala, serialNumber=72333054f25c75b179882666115e17ca79f12cf35f64c27e148b27e925676d50, cn=ACHUTH MENON MOHANMENON
Date: 2026.07.28 15:58:36 +05'30'

**Achuth Menon M**
**Company Secretary**
**ACS Membership No.: A63980**

Precot

# Annual Report - 2026

| | |
|---|---|
| **Directors** | P Vijay Raghunath<br>Arun Selvaraj<br>Dr. Vinay Balaji Naidu<br>Suguna Ravichandran<br>V Prakash |
| **Chairman and Managing Director** | Ashwin Chandran |
| **Vice Chairman and Managing Director** | Prashanth Chandran |
| **Executive Director** | T Kumar |
| **Director Technical Textiles** | Ravi Kumar Abburu |
| **Chief Financial Officer** | Sathish Kuruppath (w.e.f. 31.03.2026) |
| **Company Secretary** | M Achuth Menon (w.e.f. 13.02.2026) |
| **Statutory Auditors** | M/s VKS Aiyer & Co., Coimbatore |
| **Registered Office** | S.F No: 559/4, D-Block, 4th Floor,<br>Hanudev Info Park<br>Nava India Road, Udaiyampalayam<br>Coimbatore - 641028.<br>Email : secretary@precot.com<br>Website : www.precot.com<br>CIN : L17111TZ1962PLC001183 |
| **Registrar and Share transfer agent** | MUFG Intime India Pvt Limited,<br>“Surya”, 35, Mayflower Avenue,<br>Behind Senthil Nagar, Sowripalayam Road,<br>Coimbatore - 641 028.<br>E-mail : investor.helpdesk@in.mpms.mufg.com |

**Contents**

Dear Shareholders,

Your Directors hereby present the 64th Annual Report of your Company along with the financial results for the year ended 31st March, 2026.

**State of affairs of the company**

**a. Financial results** (₹ In lakhs)

| **Particulars** | **31.03.2026** | **31.03.2025** |
|---|---|---|
| **Revenue from operations** | **88,555** | **86,819** |
| **EBITDA** | **11,592** | **11,525** |
| Less: Finance cost | 3,720 | 2,869 |
| **Profit after finance cost** | **7,872** | **8,656** |
| Less: Depreciation | 2,877 | 1,865 |
| **Profit Before Tax** | **4,995** | **6,791** |
| Add/(Less): Exceptional Items | – | – |
| **PBT (After Exceptional items)** | **4,995** | **6,791** |
| Less: Tax Expenses | 1,201 | 1,614 |
| Taxation for earlier years | 209 | – |
| **Profit after tax from continuing operations** | **3,585** | **5,177** |
| **Less: Discontinued Operations (net of taxes)** | **–** | **(1,889)** |
| **Net Profit for the year** | **3,585** | **3,289** |
| Other Comprehensive Income | (1) | (80) |
| **Total Comprehensive Income for the year** | **3,584** | **3,208** |

**b. Dividend and transfer to reserves**

The Board have proposed a dividend of ₹ 4/- per share (40% on face value of ₹ 10/-each) for the financial year for the financial year 2025-26 which is subject to the approval of shareholders at the Annual General Meeting (AGM). The Directors have not recommended any transfer to the reserves.

**Industry overview**

FY 2025-26 was a turbulent year for the Indian Textile and Clothing Industry. One of the main reasons for this turbulence was the uncertainty over US tariffs. The US is a major export destination for Indian textile products, accounting for 30% of the sector's exports. After agreeing in February 2025 to work towards a $500 billion bilateral trade target, the US announced a 26% tariff on Indian goods, comprising a 10% baseline tariff and a 16% reciprocal tariff on April 2nd. The reciprocal tariff component was then suspended for 90 days to allow for negotiations. In July, the US announced a 25% tariff on Indian goods, effective August 7, citing concerns over Russian oil purchases. In August, the tariffs were raised to 50%, with an additional 25% penalty added to the previous 25%. This situation lasted until the Supreme Court struck down the tariffs in February and caused severe uncertainty for exporters doing business with the US. Many were forced to give discounts of varying degrees to ensure continuity of business while others lost orders. The effect was felt in the entire supply chain with certain clusters like Tirupur, Surat and Karur badly affected.

Demand for yarn was subdued for most of the year in both domestic and export markets with the tariff uncertainty, geopolitical tensions and low economic growth affecting consumer sentiment and demand. Cotton prices remained stable through the year with international growths priced competitively when compared to Indian cotton. The relaxation of the import duty on cotton from August to December helped the industry procure cotton at reasonable prices and helped keep domestic prices in check.

Global demand for hygiene products was stable with US retail sales growing by 3.7% in 2025 driven by resilient consumer spending despite economic uncertainty. EU retail sales experienced a mild recovery in 2025, with total sales volumes increasing by 2.3% year-on-year, driven by stronger performance in the second half of the year.

Indian textile and apparel exports declined by 2.2% in dollar terms in FY 25-26, decreasing to $ 35.8 billion from $ 36.6 Billion in the previous fiscal. This decrease was driven primarily by the uncertainty of the tariff situation in the US and the weakness of the rupee which depreciated by close to 10% during the year.

**Review of operations**

The Company was able to maintain good operational efficiencies and capacity utilisation levels across units. The discontinuation of operations of our Hindupur unit was managed smoothly and shifting of assets, including the solar power plant, to other units was largely completed. The addition of 8400 spindles in the Kanjikode unit was completed during the fourth quarter and the benefits will accrue during the current year and subsequent years. The company continued to improve productivity levels and optimize the product mix to maximise profitability in it's spinning units. Despite the tariff uncertainties, the technical textile division registered a 12% growth in top line during the year and the planned installation of the cotton buds machines is in progress.

The Company registered total revenues of Rs. 88,871 Lakhs in FY 25-26 compared to Rs. 87,251 Lakhs in the previous year. The EBITDA of the Company was Rs. 11,592 Lakhs in FY 25-26 as compared to Rs. 11,525 lakhs in FY 24-25 and the Net Profit stood at Rs. 3585 Lakhs vis a via Rs. 3289 lacs in the prior year. The company's profitability was affected adversely due to the cost of the rupee's depreciation on its foreign currency liabilities and the higher depreciation charge due to the added capacity in the technical textile division.

**Outlook for the current year**

We are currently in a very volatile phase irrespective of where one lives, operates or conducts business globally. Geopolitical tensions have seldom been higher and the world seems to be lurching from one crisis to another every minute, or so it seems. The conflict involving Iran, the US and the Middle East shows no sign of immediate abatement and the consequences will continue to be felt for quite some time to come. Commodity and Financial markets have reacted strongly to the ongoing issue and costs across the board including freight, packaging, dyes, chemicals, raw materials and fuel have risen dramatically.

Along with the ongoing war in Ukraine, the Iran conflict promises to keep inflation higher than what central banks would like and ensure that economic growth is tempered going forward. While the Indian government has done well to contain the fallout, one feels that the worst is not yet behind us.

Cotton prices have risen dramatically post the start of the Iran conflict, both in the international and domestic markets. Cotton futures for July delivery increased from a low of 64 cents in February to 87 cents on May 14th. Indian prices have kept pace, rising from Rs. 55,800 per candy to Rs. 68,300 in the same time frame. Yarn prices have increased significantly as well and demand for yarns has been strong since December driven by strong export demand and a reemergence of Chinese buying. But resistance is already forming in the down stream sectors and we will have to see if there is some demand destruction for cotton products at these elevated price levels. To conclude, FY 26-27 has started out with a great deal of volatility and one hopes that peace in the Middle East will lend some stability going forward.

**Personnel**

The Company has been able to in maintaining cordial relations with its labour force in all its units. The Company has 1250 permanent employees on the roll as on 31st March, 2026.

**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 controls at all levels. The committee also reviews the statutory auditors' report, key issues, significant processes and accounting policies.

The Audit Committee of the Board constantly reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the Company and recommendations made for corrective action through the internal audit reports. The Directors confirm that the Internal Financial Controls are adequate with respect to the operations of the Company. A report of Auditors certifying the adequacy of Internal Financial Controls is annexed with the Auditors Report.

As per Regulation 17(9) of SEBI (LODR) 2015 The Company has adopted a risk management plan for identifying and managing risk. The Board identifies and reviews the various elements of risk which the company has to face and has laid out the procedures and measures for mitigating those risks. The elements of risk threatening the company's existence are minimal.

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

Foreign exchange fluctuation risk is minimized through proper planning and natural hedging of export receivables and foreign currency borrowings. As a part of the overall risk management strategy, all assets are appropriately insured.

**Number of meetings of the Board**

Details of the 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**

During the financial year under review:

Mr Ashwin Chandran, Chairman and Managing Director who is liable to retire by rotation was re-appointed by the shareholders in the Annual General meeting held on 20.08.2025.

Mr Prasanth Chandran, was appointed as the Vice Chairman and Managing Director of the company for a period 3 years from 01.04.2026 to 31.03.2029 at the Annual general Meeting held on 20.08.2025

Mr T Kumar was appointed as the Executive Director of the Company for a period 3 years from 01.04.2026 to 31.03.2029 at the Annual general Meeting held on 20.08.2025

Mr Ravi Kumar Abburu was appointed as the Director- Technical Textiles of the company for a period 3 years from 01.04.2026 to 31.03.2029 at the Annual general Meeting held on 20.08.2025

Mr M Achuth Menon was appointed as the Company Secretary & Compliance officer in the Board meeting held on 10.02.2026 with effect from 13.02.2026.

Mr Satish Kuruppath was appointed as the Chief Financial Officer of the company in the Board Meeting held on 03.03.2026 with effect from 31.03.2026.

The following are the whole-time key managerial personnel of the Company as per Section 203 of the Act as on 31st March,2026, (i) Mr. Ashwin Chandran, Chairman and Managing Director (ii) Mr Prasanth Chandran Managing Director (iii) Satish

Kuruppath, Chief Financial Officer & (iv) Mr. M Achuth Menon, Company Secretary.

**Performance Evaluation**

The Board of Directors at their meeting held on 10th February, 2026, 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 25th March, 2026 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 financial year under review, neither the Statutory auditors nor the Secretarial Auditor have reported to the Audit Committee, any instances of fraud committed against the Company by its officers or employees.

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

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

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

**Annual Return**

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

**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 Section 197(12) of Companies Act 2013 read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure B.**

**Consolidation of Accounts**

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

**Maintenance of Cost Records**

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

**Audit Committee**

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

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

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

**Corporate Governance**

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

**Corporate Social Responsibility (CSR)**

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

For the financial year 2025-26, the Company spent Rs. 21,11,213 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**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis;

e) The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and 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 61$^{st}$ AGM till the conclusion of the 66$^{th}$ AGM to be held in the year 2028.

They have confirmed that they are not disqualified and are eligible to continue in the office for the financial year 2026-27.

**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 2026-27.

Accordingly, a resolution seeking member's ratification for the remuneration payable to Mr. R Krishnan, Cost Auditor is included.

**Secretarial Auditor**

M/s KSR & Co Company Secretaries LLP Coimbatore has been appointed as the secretarial auditors of the company for a term of 5 consecutive years from financial year 2025-26 till 2029-30.

**Insider Trading Regulations**

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

**Change in nature of business**

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

**Deposits from public**

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

**Material Changes**

No material changes or commitments affecting the financial position of the Company occurred between the end of the financial year (i.e.31$^{st}$ March, 2026) 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 in place an Anti-Sexual Harassment Policy in line with the requirements of the with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and constituted an Internal Committee to address the complaints regarding sexual harassment. All employees are covered under this policy.

a. Number of complaints filed during the financial year - Nil

b. Number of complaints disposed of during the financial year - Nil

c. Number of complaints pending as on end of the financial year - Nil

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-2025 | 191 | 36700 |
| Number of shareholders approached the Company for transfer of shares from suspense account during the year | 2 | 250 |
| Number of shareholders to whom shares were transferred from suspense account during the year | 2 | 250 |
| Aggregate number of shareholders and outstanding shares in the suspense account as on 31-Mar-2026 | 189 | 36450 |

The voting rights on the shares outstanding in the suspense account as on 31st March, 2026 shall remain frozen till the rightful owner of such shares claims the shares

**Acknowledgement**

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

By order of the Board

**Ashwin Chandran**

Chairman and Managing Director

DIN : 00001884

Coimbatore

16-May-2026

# ANNEXURE A

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

**For the Financial Year Ended 31st March, 2025**

[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.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Precot Limited** (CIN - L17111TZ1962PLC001183) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2026 in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, 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 the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, 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.

We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2026 according to the provisions of:

i) The Companies Act, 2013 ("the Act") and the Rules made thereunder.

ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder.

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 thereunder to the extent of External Commercial Borrowings;

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

   d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, to the extent applicable.

   On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:

   a) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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

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

   e) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

   f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

vi) Considering the nature of business of the Company, we are of the opinion that no specific law, regulations, directions or orders are applicable specifically to the Company.

We have also examined compliance with applicable clauses of the following:

i) Listing Agreement entered into by the Company with the National Stock Exchange.

ii) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Independent Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings and to the respective directors for Committee Meetings. The agenda and detailed notes on Agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions made at the Board meeting and Committee meetings have unanimous consent of directors (excluding the directors who were concerned or interested in specific item) as recorded in minutes of meeting of Board of Directors and committees of the Board, as the case maybe. No dissenting views were found in the minutes.

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

**We further report that** during the period covered under the Audit, we are of the opinion that, the Company has not performed specific actions having a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines.

For **KSR & Co Company Secretaries LLP**

**Dr. C.V. Madhusudhanan**
Partner
FCS: 5367; CP:4408
UDIN: F005367H000385846
FRN: P2008TN006400
Peer Review No.2635/2022

Coimbatore
16.05.2026

KSR/CBE/P-183/142-A/2026-2027

To,

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

**Our Secretarial Audit Report of even date of Precot Limited ("the Company") is to be read along with this letter.**

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We had conducted our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as well as physically as enabled by the company. The management has confirmed that the records provided to us for audit are final, true and correct.

3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the financial year ended on 31st March, 2026.

4. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

7. 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.

For **KSR & Co Company Secretaries LLP**

**Dr. C. V. Madhusudhanan**
Partner
FCS: 5367; CP:4408
UDIN: F005367H000385846
FRN: P2008TN006400
Peer Review No.2635/2022

Date : 16.05.2026
Place : Coimbatore

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

***(Pursuant to Regulation 34(3) and Schedule V - Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

To,

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

We have examined the relevant registers, records, forms, returns and 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, Udaiyampalayam, Coimbatore - 641028 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

| Sr. No. | Name of Directors | DIN | Date of Appointment / Re-appointment in the Company |
|---|---|---|---|
| 1. | Mr. Arun Selvaraj | 01829277 | 01/06/2022 |
| 2. | Dr. Vinay Balaji Naidu | 09232643 | 01/06/2022 |
| 3. | Mr. Ashwin Chandran | 00001884 | 30/07/2003 Re-appointed as on 01/04/2026 |
| 4. | Mr. Prashanth Chandran | 01909559 | 01/04/2011 Re-appointed as on 01/04/2026 |
| 5. | Mr. Kumar Thillai Natarajan | 07826033 | 26/05/2017 Re-appointed as on 01/04/2026 |
| 6. | Mr. P Vijay Raghunath | 00002963 | 01/06/2017 Re-appointed as on 01/06/2022 |
| 7. | Mr. Venkatraman Prakash | 00102091 | 01/06/2024 |
| 8. | Mrs. Suguna Ravichandran | 00170190 | 01/06/2024 |
| 9. | Mr. Ravi Kumar Abburu | 10622002 | 01/06/2024 Re-appointed as on 01/04/2026 |

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 an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

**Dr. C. V. Madhusudhanan**
Partner
FCS: 5367; CP:4408
UDIN: F005367H000385857
FRN: P2008TN006400
Peer Review No.2635/2022

Date : 16.05.2026
Place : Coimbatore

# CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

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

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by Precot Limited (CIN L17111TZ1962PLC001183) (the Company) for the year ended 31st March, 2026, as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Management's Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

**Our Responsibility**

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It is neither an audit nor an expression of opinion on the financial statements of the Company.

**Our Opinion**

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations as applicable.

The Company has complied with Para C and E of the Discretionary Requirements as stated under Part E of Schedule II of Listing Regulations read with clause 12 of paragraph C of Schedule V of the Listing Regulations.

This certificate 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.

For **KSR & Co Company Secretaries LLP**

**Dr. C. V. Madhusudhanan**
Partner
FCS: 5367; CP:4408
UDIN: F005367H000385879
FRN: P2008TN006400
Peer Review No.2635/2022

Date : 16.05.2026
Place : Coimbatore

# 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 2025-26:

| Name | Ratio% | Increase/Decrease in Remuneration |
|---|---|---|
| Mr. Ashwin Chandran | 72.16 | -7.76 |
| Mr. Prashanth Chandran | 68.89 | -8.40 |
| Mr. T Kumar | 59.01 | -5.21 |
| Mr. Ravi Kumar Abburu | 53.73 | 10.56 |
| Mr. Vijay Raghunath | 1.07 | - |
| Mr. Arun Selvaraj | 0.95 | - |
| Dr. Vinay Balaji Naidu | 1.21 | - |
| Mrs. Suguna Ravichandran | 0.82 | - |
| Mr. V Prakash | 0.82 | - |
| Mr. M K Ravindra Kumar-(Resigned on 31.12.2025) | NA | -18.99 |
| Ms. S Kavitha -(Resigned on 13.11.2025) | NA | -28.43 |
| Mr. Satish Kuruppath | NA | - |
| Mr. Achuth Menon | NA | - |

*** Note :**

a) Percentage increase in remuneration not considered for non-executive Directors, as they are paid sitting fees only for attending the meetings.

b) The percentage of remuneration Increased to whole time Directors due to Payment of commission from the Company for the Financial year 2025-26.

c) The percentage increase in the median remuneration of employees for the financial year was 7%.

d) The Company has 1250 permanent employees on the rolls as on 31st March, 2026.

e) Average percentile increase already made in the salaries of employees other than key managerial personnel in the last financial year 4.10%. The average increase in the key managerial remuneration was (11.65%). 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 & Managing Director | MBA, B.Sc Hons | 50 | 29 | 154.43 | - |
| Mr. Prashanth Chandran | 14/07/2003 | Managing Director | BE Hons | 45 | 23 | 147.43 | - |
| Mr. Kumar Thillai Natarajan | 26/02/2016 | Executive Director | DTT | 57 | 38 | 126.27 | GTN Textiles |
| Mr. A Ravi Kumar | 20/12/2018 | Technical Director | B.Tech (TT) | 54 | 31 | 114.98 | Concorde Textiles |
| Mr. M K Ravindra Kumar* | 22/11/2022 | Chief Financial Officer | B.Com (Hons), ACA | 65 | 41 | 62.99 | Kovai Medical Center and Hospital Limited |
| Mr. John K V | 23/11/2009 | President | DTT | 59 | 42 | 45.68 | Ambika Cotton Mills Ltd |
| Mr. L J G Rajeev Ebenezer | 10/10/2022 | Head - Corporate Hr | BLM, MSW, MBA | 53 | 30 | 42.75 | Emerald Jewel Industry India Limited |
| Mr. Shanmugam V | 20/04/1997 | Vice President | DTT, M.A., | 58 | 38 | 40.48 | Schlafhorst Mrktg Co |
| Mr. Karuppusamy Viswanathan | 13/08/2012 | Head - Information System | B. Sc, MCA, (MBA) | 57 | 32 | 29.92 | Shanthi Gears Limited |
| Mr. Govind Raju J | 15/05/2004 | Financial Controller | B.Com (Hons) | 54 | 31 | 29.60 | Ericson & Richards (Madras) Private Limited |

* Resigned w.e.f 31st December 2025.

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

Mr. Ashwin Chandran - Rs.154.43 lakhs

Mr. Prashanth Chandran - Rs.147.43 lakhs

Mr. T Kumar - Rs.126.27 lakhs

Mr. Ravi Kumar Abburu - Rs.114.98 lakhs

Note :

1. Mr. Ashwin Chandran and Mr. Prashanth Chandran are brothers. None of the directors are related to each other.
2. Nature of employment of Mr. Ashwin Chandran, Mr. Prashanth Chandran Mr. T Kumar and Mr. Ravi Kumar Abburu are contractual.
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.
4. None of the employees along with their immediate relatives hold more than two percent of the equity shares of the Company.

# ANNEXURE C

**a. Conservation of Energy**

i) The steps taken or impact on conversation 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.

For conservation of energy the Company purchases third party wind power instead of operating gen sets,

ii) The steps taken by the company for utilising alternate source of energy;

For alternate source of energy the Company has installed windmills with a capacity of 5.50 MW for captive consumption, and

iii) The capital investment on energy conversation equipment;

During the year, the Company has not spent any amount on cost reduction and energy conservation equipment.

**b. Technology Absorption**

1. The efforts made towards technology absorption; - 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.
2. The benefits derived like product improvement, cost reduction, product development or import substitution; - Nil
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year); - Nil
4. The expenditure incurred on Research and Development; - Nil

**c. Foreign Exchange Earnings (Rs. in lakhs)**

| | | |
|---|---|---|
| Earnings | - | 39,492 |
| Outflow | - | 24,375 |
| Net Earnings | - | 15,117 |

**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 true letter and spirit with the object of maximizing the value of the stakeholders namely shareholders, employees, financial institutions, customers and suppliers.

**II. Board of Directors - composition, category and attendance**

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

The Board comprises of Nine Directors including four (4) executives and five (5) non-executive Directors.

During the year 2025-26, the Board of Directors met six times at the Registered Office of the Company on 23-May-2025, 13-Aug-2025, 02-Sep-2025,14-Nov-2025,10-Feb-2026 and 03-Mar-2026. The last annual general meeting (AGM) was held through Video Conferencing from the Registered Office of the Company on 20-Aug-2025.

| Name of the Director | Category | Attendance | | No. of directorships in other companies* | No. of committees** positions held in other Public Limited Companies | | Names of listed entities in which directorship is held & Category of directorship |
|---|---|---|---|---|---|---|---|
| | | Board Meetings | Last AGM | | Member | Chairman | |
| Mr. Ashwin Chandran (DIN:00001884) | Chairman - Executive - Promoter | 5 | Yes | 6 | - | 2 | Kovilpatti Lakshmi Roller Flour Mills Limited (Non-Executive Independent Director)<br>The Lakshmi Mills Company Limited (Non-Executive Independent Director) |
| Mr. Prashanth Chandran (DIN:01909559) | Vice Chairman - Executive - Promoter | 6 | Yes | 1 | - | - | - |
| Mr.T. Kumar (DIN:07826033) | Executive - Non Promoter | 6 | Yes | - | - | - | - |
| Mr. Ravi Kumar Abburu (DIN:10622002) | Executive - Non Promoter | 5 | No | - | - | - | - |
| Mr. P. Vijay Raghunath (DIN:00002963) | Non Executive - Independent | 6 | Yes | 4 | 4 | 1 | Pricol Limited (Non-Executive Independent Director)<br>Kovilpatti Lakshmi Roller Flour Mills Limited (Non-Executive Independent Director) |
| Mr. Arun Selvaraj DIN:01829277) | Non Executive - Independent | 6 | Yes | 1 | 1 | - | Super Sales India Limited (Non-Executive Independent Director) |
| Dr. Vinay Balaji Naidu (DIN:09232643) | Non Executive - Independent | 6 | Yes | 1 | - | 1 | L.G.Balakrishnan & Bros Limited (Non-Executive Independent Director) |
| Mrs. Suguna Ravichandran (DIN:00170190) | Non Executive - Independent | 5 | No | 1 | - | 1 | - |
| Mr. V. Prakash (DIN:00102091) | Non Executive - Independent | 6 | No | - | - | - | - |

* Excluding Directorships in private Companies and Foreign Companies

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

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

**Disclosure of relationships between Directors inter-se**

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

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

| Name of the director | Qualification | Skills and Expertise |
|---|---|---|
| Mr Ashwin Chandran (DIN: 00001884) | BSc (Hons) Textile Technology, MBA | Mr. Ashwin Chandran has over 29 years of extensive experience in the textile industry and business management, with strong expertise in strategic leadership, business development, industry operations, and industry representation. Known for his dynamic leadership and deep industry insight, he has contributed significantly to the growth and advancement of the Indian textile sector.<br>He currently serves as the Chairman of the Confederation of Indian Textile Industry (CITI) and Textile Sector Skill Council. He has also served as the Chairman of the Southern India Mills Association and as Chairman of the Yarn Committee of TEXPROCIL.<br>With extensive experience in policy advocacy, export promotion, textile manufacturing, and organizational management, he continues to play a pivotal role in strengthening the competitiveness and sustainability of the Indian textile industry. |
| Mr Prashanth Chandran (DIN:01909559) | BE (Hons) | Mr. Prashanth Chandran has over 23 years of rich experience in the textile industry and business management, with strong expertise in strategic leadership, industry operations, business development, and organizational management. His deep understanding of market trends and industry dynamics enables him to contribute valuable strategic insights and governance expertise.<br>He serves as a Council Member of the South India Textile Research Association (SITRA) and is the former President of the Entrepreneurs' Organization Coimbatore Chapter.<br>With his proven leadership experience, collaborative approach, and strong industry acumen, he continues to play an important role in driving innovation, operational excellence, and sustainable growth within the textile sector and at the Board level. |
| Mr T Kumar (DIN:07826033) | DTT | Mr. T Kumar has more than three decades of Experience in diverse roles across the textile industry, with strong expertise in Operational Manangement, Process Optimization, and business operations. His extensive industry experience contributes significantly to the Company's Operational Excellence. |
| Mr. Ravi Kumar Abburu (DIN:10622002) | B Tech | Mr. Ravi Kumar Abburu brings over 31 years of rich experience in manufacturing operations and business excellence, with demonstrated expertise in driving operational efficiency, continuous improvement, process optimization, and sustainable organizational growth and commercial functions across various entities in the textile industry. With strong experience in operational management, process improvement, strategic planning, and commercial operations, he has consistently contributed to enhancing productivity and operational efficiency. |
| Mr P Vijay Raghunath (DIN:00002963) | B Com, BL | Mr. P. Vijay Raghunath has over 29 years of distinguished experience in the legal profession, with strong expertise in navigating complex legal, regulatory, and business landscapes. His comprehensive knowledge of corporate law, legal compliance, governance frameworks, and strategic advisory enables him to provide valuable guidance on critical legal and business matters. With a pragmatic and solution-oriented approach, he has played a significant role in supporting effective decision-making and organizational governance. |
| Mr Arun Selvaraj (DIN:01829277) | DTT, B Sc Textile Marketing & Management | Mr. Arun Selvaraj has over three decades of Industry - leading experience in the fields of textiles and engineering, with strong expertise in manufacturing operations, technical management, process engineering, and industrial operations. His broad industry knowledge and technical proficiency have contributed significantly to operational efficiency, innovation, and sustainable growth across textile and engineering domains. |

| Name of the director | Qualification | Skills and Expertise |
|---|---|---|
| Dr Vinay Balaji Naidu (DIN:09232643) | MDS (Conservative Dentistry and Endodontics) | Dr. Vinay Balaji Naidu has over 18 years of Comprehensive clinical experience as a specialist in Micro Endodontics.<br>Known for his clinical excellence and patient-centric approach, he has contributed significantly to delivering high-quality specialized dental treatment and modern endodontic solutions. |
| Mrs. Suguna Ravichandran (DIN: 00170190) | CA | Mrs. Suguna is a seasoned Chartered Accountant with almost three Decades of professional experience in audit, taxation, financial management, and related financial matters. She possesses strong expertise in financial reporting, regulatory compliance, risk assessment, corporate taxation, and advisory services. With her deep financial acumen and analytical approach, she has consistently contributed to sound financial governance, compliance excellence, and strategic financial decision-making. |
| Mr. V Prakash (DIN: 00102091) | M.Sc | Mr. V. Prakash brings over 31 years of insightful experience in the banking sector, with deep expertise in banking operations, credit and risk management, financial services, regulatory compliance, and strategic banking leadership. Throughout his career, he has developed a strong understanding of financial markets, lending frameworks, and institutional governance, contributing significantly to operational efficiency, prudent risk management, and sustainable growth within the banking industry. |

**Confirmation by the Board of Directors**

In the opinion of the Board of Directors the Independent Directors fulfills the conditions as specified in these regulations and are independent of the management.

**III. Committees of the Board**

**A. Audit committee**

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

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

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

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

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

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

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

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

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

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

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

   vi) Disclosure of any related party transactions.

   vii) Qualifications in the draft audit report.

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

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/

prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;

g. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
h. Approval or any subsequent modification of transactions of the company with related parties;
i. Scrutiny of inter-corporate loans and investments;
j. Valuation of undertakings or assets of the company, wherever it is necessary;
k. Evaluation of internal financial controls and risk management systems;
l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department,
n. staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
o. Discussion with internal auditors of any significant findings and follow up there on;
p. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
q. 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;
r. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
s. To review the functioning of the whistle blower of mechanism;
t. approval of appointment of chief financial officer after assessing the qualifications experience and background etc of the candidate;
u. 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. Vijay Raghunath was present at the last annual general meeting.

During the financial year the Audit Committee met Five times on 23-May-2025, 13-Aug-2025, 14-Nov-2024 and 10-Feb-2026, 03-Mar-2026. The Committee was re-constituted w.e.f 01-Jun-2024. The composition of the audit committee and the particulars of meetings attended by the members are given below:

| Name of the member | Category | No. of meetings attended |
|---|---|---|
| Mr. P Vijay Raghunath - Chairman | Non-Executive - Independent | 5 |
| Mr. Arun Selvaraj | Non-Executive - Independent | 5 |
| Dr. Vinay Balaji Naidu | Non-Executive - Independent | 5 |
| Mrs. Suguna Ravichandran | Non-Executive - Independent | 4 |
| Mr. V Prakash | Non-Executive - Independent | 5 |

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 and senior management appointment/ reappointment of Directors etc.

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

The Company does not have employee stock option scheme.

**Terms of reference**

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

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

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

d) To devise a policy on Board diversity.

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

During the year, the nomination and remuneration committee met 22.05.2025, 27.01.2026, 03.03.2026 at the Registered Office of the Company. Necessary quorum was present for the meeting.

The Committee was re- constituted w.e.f 01-Jun-2024.The composition and particulars of meetings attended by the members are given below.

| Name of the member | Category | No. of meetings attended |
|---|---|---|
| Mr. Arun Selvaraj - Chairman | Non-Executive - Independent | 3 |
| Mr. P Vijay Raghunath | Non-Executive - Independent | 3 |
| Dr. Vinay Balaji Naidu | Non-Executive - Independent | 3 |

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

**Performance evaluation criteria for Independent Director**

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

In the opinion of the board, all the independent directors are independent of the management and they fulfill the conditions specified in Schedule V under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Details of the remuneration for the financial year ended 31-Mar-2026**

The remuneration paid/payable to the executive Directors of the Company for the year ended 31-Mar-2026, are as under :

(₹ in Lakhs)

| Name of the director | Salary and Perks | Commission | Total | Service Contract |
|---|---|---|---|---|
| Mr. Ashwin Chandran<br>Chairman and Managing Director | 132.97 | 21.46 | 154.43 | 01.04.2023 to 31.03.2026 |
| Mr. Prashanth Chandran<br>Vice Chairman and Managing Director | 125.97 | 21.46 | 147.43 | 01.04.2023 to 31.03.2026 |
| Mr. T. Kumar<br>Executive Director | 111.97 | 14.30 | 126.27 | 01.04.2023 to 31.03.2026 |
| Mr. Ravi Kumar Abburu<br>Director – Technical Textiles | 69.98 | 45.00 | 114.98 | 01.06.2024 to 31.03.2026 |

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

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

| Name of the director | Sitting fees (₹) | No. of Shares held |
|---|---|---|
| Mr. P Vijay Raghunath | 3,00,000 | - |
| Mr. Arun Selvaraj | 2,57,500 | 150 |
| Dr Vinay Balaji Naidu | 3,10,000 | 2400 |
| Mrs. Suguna Ravichandran | 1,95,000 | - |
| Mr. V Prakash | 2,55,000 | - |

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

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

| Name of Senior Management Personnel | Category |
|---|---|
| Mr. Satish Kuruppath | Chief Financial Officer |
| Mr. M Achuth menon | Company Secretary |
| Mr. Rajeev Ebenezer | Human Relations |
| Mr. K V John | Operations |
| Mr. Shanmugam | Operations |
| Mr. Ganesh P Nadig | Operations |

Mr Subburaj, head of operations Hindupur Unit, Mr. M K Ravindra Kumar, Chief Financial Officer and Mrs. Kavitha, Company Secretary of the Company demitted office during the financial year 2025-26.

**C. Stakeholders' relationship committee**

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

The committee deals in matters relating to transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints. The share 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 20-Aug-2025.

**Terms of reference**

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

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

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

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

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

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

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

Seven meetings of the stakeholders relationship committee were held during the year under review i.e. 15-Jul-2025, 11-Aug-2025,02-Sep-2025,19-Nov-2025, 16-Dec-2025,19-Jan-2026 and 25-Feb-2026. The necessary quorum was present for all the meetings. Mr Achuth Menon, Company Secretary acts as the secretary of the committee and Compliance officer to redress the shareholders grievance.

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

| Name of the member | Category | No. of meetings attended |
|---|---|---|
| Dr. Vinay Balaji Naidu - Chairman | Non-Executive - Independent | 7 |
| Mr. Ashwin Chandran | Executive - Non Independent | 5 |
| Mr. Prashanth Chandran | Executive - Non Independent | 7 |

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

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

**D. Other Committees**

**1. Corporate social responsibility committee**

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

**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. Finance committee**

The committee consists of the following Directors as its members a) Mr. Ashwin Chandran (Chairman) b) Mr. Prashanth Chandran c) Mr. T Kumar. The finance committee is responsible for approval of the opening and closing of bank accounts, borrowings, investments and to authorize 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 25-Mar-2026 without the attendance of non-independent Directors and members of the Management.

| Name of the member | Category | No. of meetings attended |
|---|---|---|
| Mr. P Vijay Raghunath | Independent | 1 |
| Mr. Arun Selvaraj | Independent | 1 |
| Dr. Vinay Balaji Naidu | Independent | 1 |
| Mrs. Suguna Ravichandran | Independent | 1 |
| Mr. V Prakash | 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**
**M Achuthmemon**
Company Secretary and Compliance Officer
and Nodal Officer - IEPF

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

**Management analysis report**

The management analysis report forms part of this annual report.

**General body meetings**

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

| Details | Dates and time | Special Resolutions |
|---|---|---|
| 2023, 61st AGM | 27-Sep-2023 at 3.00 pm, held through Video conference | Nil |
| 2024, 62nd AGM | 20-Aug-2024 at 3.00 pm, held through Video conference | 1. Appointment of Mrs. Suguna Ravichandran (DIN: 00170190) as Independent Director.<br>2. Appointment of Mr.V.Prakash (DIN: 00102091) as Independent Director.<br>3. Appointment of Mr. Ravi Kumar Abburu (DIN: 10622002) as Director. |
| 2025, 63nd AGM | 20-August-2025 at at 3.00 pm, held through Video conference | 1. Reappointment of Mr. Ashwin Chandran (DIN:00001884) as Chairman and Managing Director<br>2. Reappointment of Mr. Prashanth Chandran (DIN:01909559) as Vice Chairman and Managing Director<br>3. Reappointment of Mr. T Kumar (DIN:07826033) as Executive Director<br>4. Reappointment of Mr. Ravikumar Abburu (DIN:10622002) as Director - Technical Textiles. |

No EGM or court convened meeting of members was held during the year. No special resolution was passed by the Company last year through the postal ballot. There is no Special Resolution is being proposed for the approval of shareholders through postal ballot in the forthcoming Annual General Meeting.

**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, 2026 are as follows. However, these dates are subject to change according to the availability of Directors.

| | | |
|---|---|---|
| 1) First quarter results | - | First week of August 2026, |
| 2) Second quarter and Half yearly results | - | First week of November 2026, |
| 3) Third quarter results | - | First week of February 2026, |
| 4) Fourth and Annual results | - | Last week of May 2026. . |

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 | : | 20th August 2026 at 04:00 PM |
| Venue | : | Virtual Meeting hosted from D Block,4th Floor, Hanudev Info Park, Nava India Road Coimbatore - 641 028. |
| Financial year | : | 1st April 2025 to 31st March, 2026 |
| Date of book closure | : | 14th August 2026 to 20th August 2026 |
| 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. |

Annual listing fee for the financial year 2026-27 was paid to National Stock Exchange of India Limited.

The Company has paid custodial fees for the year 2025-26 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 MUFG 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 MUFG Intime India Pvt Limited,
C-101, 247 Park,
L B S Marg, Vikhroli (West)
Mumbai - 400 083.

**Share transfer system:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Pursuant to SEBI (LODR) AMENDMENT REGULATIONS dated 20th January 2026  Circular dated January 25, 2022, the listed companies shall credit of securities pursuant to investor requests in relation to subdivision, split, consolidation, renewal, exchanges and issuance of duplicate securities on account of loss or old decrepit or worn out certificates in dematerialized form within a period of thirty days from the date of receipt of such request along with relevant documents.

**Reconciliation of Share Capital Audit**

A qualified practicing Company secretary carried out 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 MUFG Intime India Private Limited confirming that the securities received from the depository participants for dematerialization were confirmed (accepted/rejected) to the depositories by our RTA and that securities comprised in the said certificates have been listed on the stock exchanges where the earlier issued securities are listed and that the security certificates received for dematerialization have been confirmed/rejected and the security certificates received were mutilated and cancelled after due verification by the depository participant and the name of the depositories have been substituted in the register of members as the registered owner within the prescribed timelines.

**Share holding pattern as on 31-Mar-2026:**

| Category | No. of shares held | Percentage of holding |
|---|---|---|
| Promoters and Promoters group | | |
| Indian | 7380600 | 61.51 |
| **Public** | | |
| Mutual funds/UTI | 100 | 0.00 |
| Financial Inst/ Banks | 300 | 0.00 |
| Bodies corporate | 600720 | 5.01 |
| Public and others | 4018280 | 33.48 |
| **Total** | **12000000** | **100.00** |

**Distribution of shareholding as on 31-Mar-2026**

| Shareholding range | No. of holders | Percentage of holders | No. of shares | Percentage of shares |
|---|---|---|---|---|
| 1-500 | 5147 | 85.1025 | 576594 | 4.80 |
| 501-1000 | 415 | 6.8618 | 312358 | 2.60 |
| 1001-2000 | 238 | 3.9352 | 344690 | 2.87 |
| 2001-3000 | 86 | 1.4220 | 218174 | 1.82 |
| 3001-4000 | 37 | 0.6118 | 129402 | 1.08 |
| 4001-5000 | 30 | 0.4960 | 136529 | 1.14 |
| 5001-10000 | 42 | 0.6944 | 293802 | 2.45 |
| 10001 & Above | 53 | 0.8763 | 9988451 | 83.24 |
| **Total** | **6048** | **100.00** | **12000000** | **100.00** |

**Dematerialisation status of shares as on 31-Mar-2026:**

| Particulars | No. of Shares | % to Share capital |
|---|---|---|
| National Securities Depository Limited | 9839175 | 81.99 |
| Central Depository Services (India ) Limited | 1915421 | 15.96 |
| Total | **11754596** | **97.95** |

There are no outstanding GDR/ADR/Warrants or any convertible instruments as on 31st March, 2026.

**Plant locations:**

1 Kanjikode, Palakkad, Kerala
2 Nanjegoundanpudur,Pollachi, Tamil Nadu
3 Chandrapuram, Walayar, Kerala
4 Gowribidnur, Kolar, Karnataka
5 Hassan, Karnataka.

**Address for correspondence:**

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

**Fees paid to Statutory Auditors**

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

₹ Lakhs

| Particulars | 2025 - 26 |
|---|---|
| a) Auditor | 19.00 |
| b) Taxation Matters | 3.20 |
| c) Other Services – Certification | 2.20 |
| d) For reimbursement of expenses | 0.85 |
| | **25.25** |

**Significant Changes in Key FiJnancial Ratios and change in Net Worth for the financial year 2024 - 25 and 2025 - 26**

Significant Changes in Key Financials Ratios and changes in Net worth for the financial year 2024 - 25 and 2025 - 26 are disclosed in Note No : 61 of notes forming part of accounts.

**Credit ratings**

Below are the Credit ratings obtained by the Company during the financial year ended 31st March, 2026.

| Credit Rating Agency | Nature of Facility | Rating / Rating Action | | | |
|---|---|---|---|---|---|
| | | 21.03.2026 | 25.06.2024 | 02.01.2025 | 10.02.2025 |
| INDIA Ratings | Term Loan Affirmed | IND A - / Stable | IND BBB/Stable - Affirmed | IND BBB+/Stable - Upgraded | IND BBB+/Stable - Affirmed |
| | Fund-based working capital limits | IND A - / Stable / IND A2+ | IND BBB / Stable / IND A3 - Affirmed | IND BBB+/Stable / IND A2 - Upgraded | IND BBB+/Stable / IND A2 - Affirmed |
| | Non-fund-based working capital limits | IND A2+ | IND A3+ - Affirmed | IND A2 - Upgraded | IND A2 - Affirmed |

**Disclosure of certain type of agreements binding listed entities**

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

**Disclosures**

1. During the financial year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). The paid-up capital of the Company stood at Rs.1,200 lakhs as at 31st March,2026.
2. Details of transactions with related parties are provided in note no. 54 to notes forming part of the accounts in accordance with the provision of Indian Accounting Standard 24 and also disclosure of the company with any person/entity belonging to the promoter/Promoters group which holds 10% more shareholding are provided There is no material significant related party transaction that may have potential conflict with the interest of the Company at large.
3. During the last 3 years, there were no strictures, penalties or material orders passed/imposed on the Company by either stock exchanges or SEBI or any statutory authority for non-compliance on any matter relating to the capital markets or otherwise.
4. The Company has followed the accounting standards IND AS referred to in Section 133 of the Act. The list of material accounting policies are set out in the notes to the financial statements.
5. Exposure of the Company to commodity and commodity risks faced by the Company during the year are disclosed in note no:46 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 .
9. The Company has complied with all the requirements as specified in sub-paras (2) to (10) of Schedule V of the listing regulations in the Corporate Governance report.
10. Certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
11. There were no instances of Board for non-acceptance of any recommendation of any Committee of the Board which is mandatorily required during the Financial Year.
12. During the financial year, the Company/Subsidiary have not provided any Loans and advances to firms / Companies in which directors are interested.

13. 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.
14. 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.
15. 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, 2026 are disclosed in notes to the financial statements.
16. The Company has prepared a risk management plan to identify, minimize and mitigate business and process related risk at predefined intervals.
17. 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.
18. The details of unclaimed suspense account are disclosed in the Board's report.

By order of the Board
**Ashwin Chandran**
Chairman & Managing Director
DIN : 00001884

Coimbatore
16-May-2026

# 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, 2026.

**Ashwin Chandran**
Chairman & Managing Director
DIN : 00001884

Coimbatore
16-May-2026

# Certificate of Corporate Governance

To

**The members of PRECOT Limited**
**Coimbatore.**

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by Precot Limited (CIN L17111TZ1962PLC001183) (the Company) for the year ended 31st March, 2026, as stipulated in Regulation 34 (3) read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Management's Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

**Our Responsibility**

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It is neither an audit nor an expression of opinion on the financial statements of the Company.

**Our Opinion**

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations as applicable.

The Company has complied with Para C and E of the Discretionary Requirements as stated under Part E of Schedule II of Listing Regulations read with clause 12 of paragraph C of Schedule V of the Listing Regulations.

This certificate 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.

For **KSR & CO COMPANY SECRETARIES LLP**
**Dr. C. V. MADHUSUDHANAN**
Partner
FCS: 5367; CP: 4408
UDIN : F005367H000385879
FRN:P2008TN006400 PR.NO:2635/2022

Place : Coimbatore
Date : 16.05.2026

# ANNEXURE E

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

(as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy of the Company :

   The objective of CSR policy at Precot Limited is to :

   - To directly or indirectly take up programmes that benefit the communities in & around the units of Precot and resulting in enhancing the quality of life & economic well-being of the people in the locality.
   - Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
   - To tune the social activities of the Company in compliance with the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules,2014 including any amendments and statutory modifications thereof inforce.

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee attended during the year | Number of meetings of CSR Committee held during the year |
|---|---|---|---|---|
| 1 | Mr. Ashwin Chandran | Chairman and Managing Director | 3 | 3 |
| 2 | Mr. Prashanth Chandran | Vice Chairman and Managing Director | 3 | 3 |
| 3 | Mr. Vijay Raghunath | Independent Director | 3 | 3 |

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

   CSR committee : https://www.precot.com/wp-content/uploads/2025/06/Board-of-Directors-and-Committees-of-the-Board.pdf

   CSR Policy : https://www.precot.com/wp-content/uploads/2021/08/CSR-Policy.pdf

   CSR projects : https://www.precot.com/wp-content/uploads/2025/07/CSR-PROJECT-2024-25.pdf

4. Provide the details of executive summary along with weblink of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **Not Applicable**

5. a) Average net profit of the company as per sub section (5) of section 135 — ₹ 9,44,20,000

   b) Two percent of average net profit of the company as per sub section (5) of section 135 — ₹ 18,88,400

   c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. — Not applicable

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

   e) Total CSR obligation for the financial year [(b)+(c)-(d)]. — ₹ 18,88,400

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) — ₹ 21,11,213

   b) Amount spent in Administrative Overheads — Nil

   c) Amount spent on Impact Assessment, if applicable — Not Applicable

   d) Total amount spent for the Financial Year [(a)+(b)+(c)] — ₹ 21,11,213

   **e) CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub- section (5) of section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 21,11,213 | Nil | - | - | - | - |

   **f) Excess amount for set off, if any :**

| Sl. No. | Particular | Amount (in ₹) |
|---|---|---|
| (1) | (2) | (3) |
| i) | Two percent of average net profit of the company as per section 135(5) | ₹ 18,88,400 |
| ii) | Total amount spent for the Financial Year | ₹ 21,11,213 |
| iii) | Excess amount spent for the financial year [(ii)-(i)] | ₹ 2,22,813 |
| iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | ₹ 2,22,813 |

**7. Details of Unspent CSR amount for the preceding three Financial Years: Nil**

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹) | Amount spent in the Financial Year (in ₹). | Amount transferred to a fund specified under Schedule VII as per second proviso to sub section 135, if any. | Amount remaining to be spent in succeeding financial years. (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|
| 1 | 2022-23 | - | - | - | - | - | - |
| 2 | 2023-24 | - | - | - | - | - | - |
| 3 | 2024-25 | - | - | - | - | - | - |

8. Whether any capital assets have been created or acquired through CSR amount spent in Financial Year - **No**

If Yes, enter the number of Capital assets created / acquired: **Not Applicable**

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

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent ( in Lakhs) | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| Not applicable | | | | | | | |

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

**Ashwin Chandran**
Chairman
CSR Committee
DIN: 00001884

**Prashanth Chandran**
Vice Chairman and
Managing Director
DIN: 01909559

Place : Coimbatore
Date : 16-May-2026

# 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:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   f) Amount paid as advances, if any : None

**Ashwin Chandran**
Chairman and
Managing Director
DIN : 00001884

Coimbatore
16-May-2026

| ₹ Lakhs | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** |
| **Operating Results** | IndAS | | | | | | |
| Total revenue | 73,667 | 67,084 | 99,977 | 96,106 | 98,810 | 87,251 | 98,904 |
| PBIDT | 5,897 | 9,884 | 19,525 | 3,501 | 7,308 | 11,525 | 11,592 |
| Interest | 3,919 | 3,272 | 2,898 | 3,614 | 3,935 | 2,869 | 3720 |
| PBDT | 1,978 | 6,612 | 16,627 | (113) | 3,373 | 8,656 | 7,871 |
| Depreciation | 3,274 | 3,317 | 3,253 | 3,340 | 2,267 | 1,865 | 2.877 |
| Exceptional Items | - | - | - | - | 623 | - | - |
| Income Tax | 357 | - | 2,280 | - | - | 211 | 1,180 |
| Other Taxes | - | - | 553 | (850) | 51 | 1,403 | 229 |
| PAT | (1652) | 3,295 | 10,542 | (2602) | 1,678 | 5,177 | 3,585 |
| (Loss) after tax from discontinued operations | - | - | - | - | | -1889 | |
| Dividend | - | - | - | 720 | - | 180 | 360 |
| Profit for the year(net of continuing and discontinued operations) | (1,652) | 3,295 | 10,542 | (2,602) | 1,678 | 3,288 | 3,585 |
| Retained cash earnings | 1,978 | 6,612 | 16,627 | (833) | 3,996 | 6,587 | 7,511 |
| **Performance Parameters** | | | | | | | |
| Net Fixed Assets (WDV) | 44,733 | 42,217 | 44,042 | 42,619 | 48,039 | 49,262 | 52,996 |
| Share Capital | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1200 |
| Free Reserves | 27,476 | 30,622 | 40,872 | 37,301 | 38,281 | 41,310 | 44,533 |
| Net worth | 28,676 | 31,822 | 42,072 | 38,231 | 39,481 | 42,510 | 45,733 |
| Long Term Borrowings | 13,462 | 15,712 | 14,832 | 37,783 | 36,685 | 32,572 | 34,475 |
| Debt: Equity | 0.5 | 0.5 | 0.4 | 1.0 | 0.9 | 0.8 | 0.8 |
| Dividend (%) | - | - | 60% | - | 15% | 30% | 40% |
| Earnings per share (Rs.) | (14) | 27 | 88 | (22) | 13.99 | 27.14 | 29.87 |

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of PRECOT LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Precot Limited** ("the Company") which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), of the state of affairs of the Company as at March 31, 2026, 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 this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| **Recognition and Measurement of Revenue**<br><br>The Company's revenue is primarily derived from the sale of products. Revenue is recognised when control of the goods is transferred to the customer, performance obligations are satisfied, and the Company has an enforceable right to consideration. Revenue is measured at the transaction price, net of variable consideration such as discounts, allocated to the respective performance obligations.<br><br>The timing of transfer of control varies depending upon the contractual terms with customers and may occur upon dispatch, delivery, or formal customer acceptance. Accordingly, there is a risk that revenue may be recognised before the transfer of control to customers.<br><br>Considering that revenue is a key performance indicator and involves judgement in determining the timing of recognition and estimation of variable consideration, we identified revenue recognition as a Key Audit Matter. | **Our audit procedures included the following:**<br>● Assessing the appropriateness of the Company's accounting policy for revenue recognition with reference to the requirements of Ind AS 115, Revenue from Contracts with Customers.<br>● Evaluated the design, implementation and operating effectiveness of key internal controls relating to revenue recognition.<br>● Performing substantive testing of revenue transactions on a sample basis by examining supporting documents such as customer contracts, sales invoices, dispatch documents, proof of delivery, shipping documents and customer acceptance records to assess whether performance obligations had been satisfied.<br>● Tested revenue transactions recorded before and after the year-end date to assess whether revenue was recognised in the appropriate accounting period in accordance with the Company's revenue recognition and cut-off policies.<br>● Assessed the adequacy and appropriateness of the disclosures relating to revenue recognition in the standalone financial statements in accordance with the requirements of Ind AS 115. |

**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 and consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

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

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

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

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164 (2) of the Act;

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

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

i) The Company has disclosed the impact of pending litigations as on 31st March 2026 on its financial position in its standalone financial statements - Refer Note 48 to the standalone financial statements;

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

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2026;

iv) a) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.62(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.62(ii)B to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v) The final dividend proposed with respect to previous year, declared and paid by the company during the year is in compliance with section 123 of the Companies Act 2013 as applicable. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Companies Act 2013 as applicable.

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

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

c) Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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: 26028328ZIMSR04775

Place: Coimbatore
Date: 16th May, 2026

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Precot Limited on the Standalone Financial Statements for the year ended March 31, 2026]**

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

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

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

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

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

| Description of property | Held in the name of | Gross Carrying Value as on 31st March 2025 (₹ in Lakhs) | Property held since which date | Reasons for not being held in the name of the Company |
|---|---|---|---|---|
| Freehold Land | Meridian Spintex Limited | 1,422.87 | 01.09.2006 | The title deeds are in the name of Meridian Spintex Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order Dt. 01.09.2006. |
| Freehold Land | Suprem Textiles Processing Limited | 173.10 | 18.09.2017 | The title deeds are in the name of Suprem Textiles Processing Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017. |
| Freehold Land | Multiflora (Floriculture) Private Limited | 613.20 | 18.09.2017 | The title deeds are in the name of Multiflora (Floriculture) Private Limited that was merged with the Company vide NCLT, Chennai Order Dt. 18.09.2017. |
| Freehold Land | Meridian Industries Limited | 51.00 | 01.09.2006 | The title deeds are in the name of Meridian Industries Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court(s) of judicature at Madras vide order dt. 01.09.2006. |
| Freehold Land | Premier Cotton Spinning Mills Limited | 10,730.00 | 01.04.1965 | Name of the company changed from Premier Cotton Spinning Mills Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020. |

| Description of property | Held in the name of | Gross Carrying Value as on 31st March 2025 (₹ in Lakhs) | Property held since which date | Reasons for not being held in the name of the Company |
|---|---|---|---|---|
| Freehold Land | Premier Cotton Spinning Mills Limited | 2,983.00 | 30.09.1981 | Name of the company changed from Premier Cotton Spinning Mills Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020. |
| Freehold Land | Precot Mills Limited | 5,195.40 | 01.04.1992 | Name of the company changed from Precot Mills Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020. |
| Freehold Land | Precot Meridian Limited | 18.75 | 01.10.2010 | Name of the company changed from Precot Meridian Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020. |
| Freehold Land | Precot Meridian Limited | 30.00 | 08.10.2010 | Name of the company changed from Precot Meridian Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020. |
| Freehold Land | Precot Meridian Limited | 2.30 | 24.10.2016 | Name of the company changed from Precot Meridian Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020. |
| Freehold Land | Premier Cotton Spinning Mills Limited | 2,385.00 | 01.02.2018 | Name of the company changed from Premier Cotton Spinning Mills Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020. |

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

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

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

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

iii) a) 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 (Net of deposit paid) (₹ in lakhs) | Deposits paid under protest (₹ in lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Andhra Pradesh Value Added Tax Act, 2005 | Sales tax and penalties | 1.77 | 2.04 | 1999-2000 | Tribunal |
| Andhra Pradesh Value Added Tax Act, 2005 | Sales tax | 3.74 | 1.25 | 2015-16 | Appellate Tribunal |
| Central Excise Act, 1944 | CENVAT credit | 36.58 | 2.97 | 2014-15 | Revisionary Authority, Mumbai |
| | | 37.06 | 3.00 | 2014-15 | |
| | | 38.21 | 3.10 | 2014-15 & 2015-16 | |
| | | 40.92 | 3.32 | 2015-16 | |
| | | 36.60 | 2.97 | 2015-16 & 2016-17 | |
| Income Tax Act, 1961 | Income tax | 4.43 | Nil | AY 2013-14 | Order pending with Assessing Officer, Coimbatore |
| Income Tax Act, 1961 | Income tax | 19.74 | Nil | AY 2014-15 | High Court, Madras |
| Income Tax Act, 1961 | Income tax | 82.25 | 5.72 | AY 2022-23 | National Faceless Appeal Center - For Tax<br>Deputy Commissioner of Income Tax, Corp Circle I - For Penalty |
| Central Goods and Services Tax Act, 2017 | Transitional Cenvat Credit | 50.26 | 4.82 | 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 Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) There were no whistleblower 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)© of the Order is not applicable.

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

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

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

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

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

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

**C.S.Sathyanarayanan**
Partner
Membership No. 028328
UDIN: 26028328ZIMSR04775

Place : Coimbatore
Date : 16th May, 2026

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Precot Limited** on the Standalone Financial Statements for the year ended March 31, 2026]

We have audited the internal financial controls with reference to standalone financial statements of **Precot Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2026, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

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

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

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

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

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

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

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

**C.S.Sathyanarayanan**
Partner
Membership No. 028328
UDIN: 26028328ZIMSR04775

Place : Coimbatore
Date : 16th May, 2026

₹ Lakhs

| Particulars | Note No. | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **1) Non-current Assets** | | | |
| ( a ) Property, Plant and Equipment | 2 | **48,447.23** | 44,712.91 |
| ( b ) Right of use Asset | 3 (a) | **390.08** | 552.50 |
| ( c ) Capital work-in-progress | 3 (b) | **515.55** | 308.54 |
| ( d ) Investment property | 3 (c) | **3,513.01** | 3,531.32 |
| ( e ) Intangible assets | 3 (d) | **129.87** | 95.76 |
| ( f ) Intangible assets under development | 3 (e) | **-** | 60.80 |
| ( g ) Financial Assets | | | |
| (i) Investments | 4 | **475.28** | 345.47 |
| (ii) Other Financial Assets | 5 | **854.97** | 1,036.15 |
| ( h ) Other non-current assets | 7 | **1,344.74** | 1,764.27 |
| **Total Non Current Assets** | | **55,670.73** | 52,407.72 |
| **(2) Current assets** | | | |
| ( a ) Inventories | 8 | **16,160.55** | 21,063.76 |
| ( b ) Financial Assets | | | |
| (i) Investments | 9 | **921.90** | 864.34 |
| (ii) Trade receivables | 10 | **13,482.35** | 11,320.78 |
| (iii) Cash and cash equivalents | 11 | **134.83** | 83.04 |
| (iv) Bank balances other than (iii) above | 12 | **345.56** | 524.95 |
| (v) Loans | 13 | **77.84** | 79.62 |
| (vi) Other Financial Assets | 14 | **101.21** | 74.70 |
| ( c ) Other current assets | 15 | **3,806.89** | 4,796.82 |
| **Total Current Assets** | | **35,031.13** | 38,808.01 |
| **Non Current assets held for sale** | 16 | **117.35** | 313.38 |
| **TOTAL ASSETS** | | **90,819.21** | 91,529.11 |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| ( a ) Equity Share capital | 17 | **1,200.00** | 1,200.00 |
| ( b ) Other Equity | 18 | **44,533.43** | 41,309.67 |
| **Total Equity** | | **45,733.43** | 42,509.67 |
| **LIABILITIES** | | | |
| **(1) Non-current liabilities** | | | |
| ( a ) Financial Liabilities | | | |
| (i) Borrowings | 19 | **13,030.00** | 10,313.18 |
| (ii) Lease Liability | 20 | **116.51** | 263.78 |
| ( b ) Provisions | 21 | **360.89** | 702.35 |
| ( c ) Deferred tax liabilities (Net) | 6 | **723.14** | 702.72 |
| ( d ) Other non-current liabilities | 22 | **53.34** | 62.06 |
| **Total Non Current Liabilities** | | **14,283.88** | 12,044.09 |
| **(2) Current liabilities** | | | |
| ( a ) Financial Liabilities | | | |
| (i) Borrowings | 23 | **21,445.04** | 22,258.60 |
| (ii) Lease Liability | 24 | **137.84** | 113.46 |
| (iii) Trade payables | 25 | | |
| - Outstanding dues of Micro & Small Enterprises | | **278.95** | 400.28 |
| - Outstanding dues of Creditors other than Micro & Small Enterprises" | | **4,983.44** | 9,366.75 |
| (iv) Other Financial Liabilities | 26 | **3,298.82** | 4,251.37 |
| ( b ) Other current liabilities | 27 | **360.91** | 375.72 |
| ( c ) Provisions | 28 | **83.64** | 209.17 |
| ( d ) Current Tax Liabilities (Net) | 29 | **213.26** | - |
| **Total Current Liabilities** | | **30,801.90** | 36,975.35 |
| **TOTAL LIABILITIES** | | **45,085.78** | 49,019.44 |
| **TOTAL EQUITY AND LIABILITIES** | | **90,819.21** | 91,529.11 |

Summary of Material accounting policies and notes form an integral part of the Standalone 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 : 16-May-2026

For and on behalf of the Board of Directors

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Satish Kuruppath**
Chief Financial Officer

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

## Standalone Statement of Profit and loss

₹ Lakhs

| | Particulars | Note No. | Year Ended 31st March 2026 | Year Ended 31st March 2025 |
|---|---|---|---|---|
| I | Revenue From Operations | 30 | **88,555.55** | 86,818.71 |
| II | Other income | 31 | **315.26** | 432.17 |
| III | **Total Income (I+II)** | | **88,870.81** | 87,250.88 |
| IV | **Expenses** | | | |
| | ( a ) Cost of materials consumed | 32 | **42,580.04** | 48,021.66 |
| | ( b ) Purchase of Stock-in-Trade | 33 | **2,718.92** | - |
| | ( c ) Changes in inventories of finished goods, stock in trade and work-in-progress | 34 | **1,200.49** | (168.63) |
| | ( d ) Employee benefits expense | 35 | **9,387.90** | 8,297.19 |
| | ( e ) Finance costs | 36 | **3,720.30** | 2,868.61 |
| | ( f ) Depreciation and amortization expenses | 37 | **2,877.24** | 1,864.81 |
| | ( g ) Other expenses | 38 | **21,391.75** | 19,575.97 |
| | **Total Expenses (IV)** | | **83,876.64** | 80,459.61 |
| V | **Profit before exceptional items and Tax (III - IV)** | | **4,994.17** | 6,791.27 |
| VI | **Exceptional items** | | **-** | - |
| VII | **Profit before tax from continuing operations (V - VI)** | | **4,994.17** | 6,791.27 |
| VIII | **Tax expense:** | | | |
| | (1) Current tax | 39 | **1,180.00** | 211.38 |
| | (2) Deferred tax | | **20.76** | 1,402.54 |
| | (3) Tax for earlier years | | **208.64** | - |
| IX | **Profit after Tax from continuning operations (VII - VIII)** | | **3,584.77** | 5,177.35 |
| | **Discontinued Operations** | | | |
| X | **Loss for the year from Discontinued operations before tax** | 40 | **-** | (2,380.16) |
| XI | **Less: Tax credit of Discontinued operations** | | **-** | 491.55 |
| XII | **Loss for the year from discontinued operations (X-XI)** | | **-** | (1,888.61) |
| XIII | **Profit for the year (continued & discontinued) (IX + XII)** | | **3,584.77** | 3,288.74 |
| XIV | **Other Comprehensive Income (OCI)** | | | |
| | **A. Items that will not be reclassified to profit or loss** | | | |
| | a) Remeasurement of the defined benefit plans | | **(1.35)** | (107.36) |
| | b) Gains / (Losses) on fair value of Equity instruments measured at fair value through OCI | | **-** | - |
| | c) Income tax relating to items that will not be reclassified to profit or loss | | **0.34** | 27.02 |
| | **Total Other Comprehensive Income** | | **(1.01)** | (80.34) |
| XV | **Total Comprehensive Income for the year (XIII + XIV)** | | **3,583.76** | 3,208.40 |
| XVI | Earnings per equity share for Profit from continuing operations of face value of ₹ 10/- each - Basic and Diluted (in ₹) | 41 | **29.87** | 43.14 |
| XVII | Earnings per equity share for Loss from discontinued operations of face value of ₹ 10/- each Basic and Diluted (in ₹) | | **-** | (15.74) |
| XVIII | Earnings per equity share for Profit from continuing & discontinued operations of face value of ₹ 10/- each - Basic and Diluted (in ₹) | | **29.87** | 27.41 |

Summary of Material accounting policies and notes form an integral part of the Standalone 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 : 16-May-2026

For and on behalf of the Board of Directors

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Satish Kuruppath**
Chief Financial Officer

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

## Standalone Statement of changes in equity for the year ended 31st March 2026

### A. EQUITY SHARE CAPITAL

₹ Lakhs

| Balance as at April 1, 2025 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2025 | Changes in equity share capital during the year | Balance as at March 31, 2026 |
|---|---|---|---|---|
| 1,200.00 | - | 1,200.00 | - | 1,200.00 |

₹ Lakhs

| Balance as at April 1, 2024 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2024 | Changes in equity share capital during the year | Balance as at March 31, 2025 |
|---|---|---|---|---|
| 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, 2025** | 48.19 | 355.00 | 2,736.46 | 11,796.41 | 25,883.96 | 1,302.27 | (812.62) | **41,309.67** |
| Profit for the year | - | - | - | - | 3,584.77 | - | - | **3,584.77** |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | - | - | (1.01) | **(1.01)** |
| Dividend Paid | - | - | - | - | (360.00) | - | - | **(360.00)** |
| **Balance as at 31st Mar, 2026** | **48.19** | **355.00** | **2,736.46** | **11,796.41** | **29,108.73** | **1,302.27** | **(813.63)** | **44,533.43** |
| **Balance as at 01st April, 2024** | 48.19 | 355.00 | 2,736.46 | 11,796.41 | 22,775.22 | 1,302.27 | (732.28) | **38,281.27** |
| Profit for the year | - | - | - | - | 3,288.74 | - | - | **3,288.74** |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | - | - | (80.34) | **(80.34)** |
| Dividend Paid - | | | | | (180) | - | - | **(180)** |
| **Balance as at 31st Mar, 2025** | **48.19** | **355.00** | **2,736.46** | **11,796.41** | **25,883.96** | **1,302.27** | **(812.62)** | **41,309.67** |

Summary of Material accounting policies & Notes form an integral part of the Standalone 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 : 16-May-2026

For and on behalf of the Board of Directors

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Sathish Kuruppath**
Chief Financial Officer

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

₹ Lakhs

| Particulars | | Year Ended 31st March 2026 | | Year Ended 31st March 2025 |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Net Profit before exceptional items and tax** | | **4,994.17** | | **4,411.11** |
| **From continuing and discontinued operations** | | | | |
| Adjustments for : | | | | |
| Depreciation and amortization expenses | **2,877.24** | | 2,170.83 | |
| Interest income | **(186.40)** | | (240.39) | |
| (Gain)/Loss on fair valuation of financial assets at fair value through Profit and Loss (FVTPL) | **(1.91)** | | (30.65) | |
| (Profit)/Loss on sale of Property,Plant and Equipment (net) | **2.94** | | (13.97) | |
| Unrealised foreign exchange loss/(gain) | **314.84** | | 34.30 | |
| Liabilities no more payable | **(32.25)** | | (0.98) | |
| Finance cost (including fair value change in financial instruments) | **3,720.30** | | 3,308.09 | |
| Allowance for credit loss (net) | **(47.37)** | | 88.07 | |
| Bad debts written off | **–** | | 5.54 | |
| Gain on Termination of lease | **(1.86)** | | – | |
| Other adjustments | **–** | | (14.32) | |
| Interest income on IT refund | **(9.58)** | | (18.25) | |
| (Profit)/Loss on Sale of Investments (net) | **(5.14)** | | (32.76) | |
| | | **6,630.81** | | 5,255.51 |
| **Operating Profit before working capital changes** | | **11,624.98** | | 9,666.62 |
| Adjustments for : | | | | |
| (Increase) / Decrease in Inventories | **4,903.21** | | 2,163.43 | |
| (Increase) / Decrease in Trade Receivables | **(1,967.30)** | | 1,671.66 | |
| (Increase) / Decrease in Loans and Other Financial Assets | **182.95** | | 99.55 | |
| (Increase) / Decrease in Other Assets | **983.90** | | (1,072.19) | |
| Increase / (Decrease) in Trade Payable | **(4,504.64)** | | (541.29) | |
| Increase / (Decrease) in Other Financial Liabilities | **(916.15)** | | 797.92 | |
| Increase / (Decrease) in Other Liabilities and Provisions | **(519.95)** | | (1,119.83) | |
| | | **(1,837.98)** | | 1,999.25 |
| **Cash generated from Operations** | | **9,787.00** | | 11,665.86 |
| **Direct Taxes** | | **(741.79)** | | (83.88) |
| **Net Cash Flow from operating activities** | | **9,045.21** | | 11,581.99 |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of property, plant and equipment, including intangible assets, and movement in capital work in progress and capital advances | **(7,008.48)** | | (4,468.79) | |
| Sale of Property, Plant and Equipment | **420.64** | | 67.73 | |
| Proceeds from sale of assets held for sale | **162.52** | | – | |
| Purchase of Non - Current Investments | **(129.81)** | | – | |
| Purchase of Current investments | **(55.64)** | | (3,457.17) | |
| Sale of current investments | **5.14** | | 3,934.47 | |
| Interest Received | **159.89** | | 249.70 | |
| **Net Cash flow used in investing activities** | | **(6,445.74)** | | **(3,674.06)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Interest Paid | **(3,686.40)** | | (3,419.04) | |
| Dividend paid | **(360.00)** | | (180.00) | |
| Proceeds / (Repayment) of Long Term Borrowings | **1,765.12** | | (3,877.21) | |
| Repayment of lease liability | **(144.13)** | | (137.78) | |
| Proceeds / (Repayments) of loans repayable on demand | **(301.66)** | | (460.83) | |
| **Net Cash Flow used in financing activities** | | **(2,727.07)** | | **(8,074.86)** |

₹ Lakhs

| Particulars | Year Ended 31st March 2026 | Year Ended 31st March 2025 |
|---|---|---|
| **Net Increase/(Decrease) in Cash and Cash Equivalents** | **(127.60)** | (166.93) |
| **Cash and Bank Balances as at** | | |
| **01.04.2025 and 01.04.2024 (Opening balance)** | **607.99** | 774.92 |
| Less: Bank balances not considered as Cash and Cash Equivalents as per Indian Accounting Standard 7 | **345.56** | 524.95 |
| **Cash and Cash Equivalents as at** | | |
| **31.03.2026 and 31.03.2025 (Closing balance) (Refer Note No 11)** | **134.83** | 83.04 |

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

| Particulars | Non Current Borrowings (including current maturities) | Current Borrowings | Lease Liability |
|---|---|---|---|
| **As on 31.03.2026** | | | |
| **Opening Balance as at 01st April, 2025** | **14,239.44** | **18,332.34** | **377.23** |
| Cash Flows (Net) - Proceeds/(Repayment) | 1,765.12 | (301.66) | (144.13) |
| Additions during the year - Impact on account of Ind AS 116 | - | - | 31.90 |
| Other adjustments | 181.99 | 242.51 | (10.65) |
| De-recognition of unamortised portion of finance charges | 15.30 | - | - |
| **Closing Balance as at 31st March, 2026** | **16,201.85** | **18,273.19** | **254.35** |
| **As on 31.03.2025** | | | |
| **Opening Balance as at 01st April, 2024** | **18,011.16** | **18,874.31** | **437.95** |
| Cash Flows (Net) - Proceeds/(Repayment) | (3,877.21) | (460.83) | (137.78) |
| Additions during the year - Impact on account of Ind AS 116 | - | - | 77.06 |
| Other adjustments | 105.49 | (81.14) | - |
| **Closing Balance as at 31st March, 2025** | **14,239.44** | **18,332.34** | **377.23** |

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

Vide our report of even date attached

For and on behalf of the Board of Directors

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

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Sathish Kuruppath**
Chief Financial Officer

**C.S.Sathyanarayanan**
Partner
M. No: 028328
Place : Coimbatore
Date : 16-May-2026

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026**

**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 three southern states of India viz., Tamil Nadu, Kerala and Karnataka with a total spinning capacity of 1,63,000 spindles. In 2013, the company has set up a Green?eld technical textile at Hassan in the State of Karnataka. The Equity shares are listed on the National Stock Exchange of India Limited.

**b. Summary of material accounting policies:**

**I. General Information and Statement of Compliance**

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

The Standalone financial statements were authorized and approved for issue by the Board of Directors on 16th May 2026.

**II. Basis of Preparation and Presentation**

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

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

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

**III. Revenue recognition**

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

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

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

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

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

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

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

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

When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

**IV. Property, Plant and Equipment**

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

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

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

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

If significant parts of an item of PPE have di?erent 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.

**V. Investment Property**

Investment Property is a land or building, held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment properties, are measured at cost less accumulated depreciation and accumulated impairment loss, if any. The building components of Investment properties (if any) are depreciated using the straight-line method over their estimated useful lives.

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

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

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

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

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

| Class of Assets | Useful Lives |
|---|---|
| Factory Buildings | 30 Years |
| Non- Factory Buildings | 60 Years |
| Improvements to Lease hold Buildings | Term of Lease or estimated useful life whichever is earlier |
| Plant and Equipment | 10 Years (on triple shift basis) |
| Solar Power Plant | 22 Years |
| Vehicles – Two wheeler | 10 Years |
| Vehicles – Four wheeler | 8 years |
| Furniture and Fixtures | 10 Years |
| Office equipments | 5 years |
| Computers | 3 years |

**VI. Impairment of Non Financial assets:**

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

**VII. Borrowings:**

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

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

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

**VIII. Inventories:**

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

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

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

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

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

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

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

**IX. Employee Benefits**

**Retirement benefit costs and termination benefits:**

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

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

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

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

b. net interest expense or income; and

c. re-measurement

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

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

**Short-term and other long-term employee benefits:**

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

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

**X. Provisions and contingent liabilities**

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

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

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

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

**XI. Non-current assets held for sale**

Non-current assets are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

**XII. 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 ?nancial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

**A. Financial Assets:**

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

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

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

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

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

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

ii) The contractual terms of the ?nancial asset give rise on speci?ed dates to cash ?ows 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 reclassi?ed 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 classi?ed 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 w i t h the dividends will ?ow to the entity,

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

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

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

**B. Financial liabilities and equity instruments**

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

**(i) Recognition and initial Measurement:**

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

**(ii) Subsequent measurement**

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

**a. Loans and borrowings**

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

**b. Trade and other payables**

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

For all trade and other payables classi?ed 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 dificulty 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.

**Significant accounting judgements, estimates and assumptions:**

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

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

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

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

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

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

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

**v. Defined Benefit Obligation:** The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Pro?t and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 35, 'Employee benefits '.

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

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

**Change or amendment in accounting standards:**

Several amendments and interpretations apply for the first time for the annual periods beginning on are after 1st April 2025. These standards do not haven impact on the financial statements of the Company.

## Standalone Notes on Financial Statements for the year ended 31st March 2026

### 2. PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

| Particulars | Land | Building | Plant and equipment | Furnitures including Office Equipments | Vehicles | Computer | Total |
|---|---|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | | | |
| **As at 1st April 2024** | **23,604.62** | **7,012.26** | **34,025.33** | **223.60** | **532.62** | **254.09** | **65,652.52** |
| Additions / Adjustments | - | 920.17 | 7,791.61 | 16.82 | 130.74 | 25.43 | 8,884.77 |
| Deductions | - | 0.83 | 113.57 | 0.55 | 45.78 | 1.27 | 162.00 |
| Re-classifed as Investment property | 3,156.10 | 521.82 | - | - | - | - | 3,677.92 |
| Re-classifed as Non current assets held for sale | - | - | 551.55 | 13.91 | 24.36 | 15.09 | 604.91 |
| **As at 31st March 2025** | **20,448.52** | **7,409.78** | **41,151.82** | **225.96** | **593.22** | **263.16** | **70,092.46** |
| Additions | - | 1,285.85 | 5,259.15 | 16.42 | 204.38 | 21.86 | 6,787.66 |
| Deductions | - | - | 1,162.27 | 1.64 | 0.30 | 2.29 | 1,166.50 |
| Reclassified as Property Plant & Equipment | - | 5.93 | 107.14 | 4.51 | - | 9.51 | 127.09 |
| **As at 31st March 2026** | **20,448.52** | **8,701.56** | **45,355.84** | **245.25** | **797.30** | **292.24** | **75,840.71** |
| **Accumulated depreciation and impairment** | | | | | | | |
| **As at 1st April 2024** | **-** | **2,723.10** | **20,605.43** | **172.01** | **242.97** | **167.31** | **23,910.82** |
| Depreciation | - | 338.54 | 1,559.80 | 9.60 | 60.34 | 35.43 | 2,003.71 |
| Deductions | - | 0.34 | 51.77 | 0.50 | 43.06 | 1.18 | 96.85 |
| Re-classifed as Investment property | - | 146.60 | - | - | - | - | 146.60 |
| Re-classifed as Non current assets held for sale | - | - | 255.24 | 9.11 | 14.79 | 12.39 | 291.53 |
| **As at 31st March 2025** | **-** | **2,914.70** | **21,858.22** | **172.00** | **245.46** | **189.17** | **25,379.55** |
| Depreciation | - | 420.46 | 2,121.29 | 10.18 | 88.27 | 26.42 | 2,666.62 |
| Deductions | - | - | 730.51 | 1.50 | - | 1.42 | 733.43 |
| Reclassified as Property plant & Equipment | - | 2.60 | 68.63 | 2.17 | - | 7.34 | 80.74 |
| **As at 31st March 2026** | **-** | **3,337.76** | **23,317.63** | **182.85** | **333.73** | **221.51** | **27,393.48** |
| **Net Carrying Value** | | | | | | | |
| As at 31st March 2025 | 20,448.52 | 4,495.08 | 19,293.60 | 53.96 | 347.76 | 73.99 | 44,712.91 |
| **As at 31st March 2026** | **20,448.52** | **5,363.80** | **22,038.21** | **62.40** | **463.57** | **70.73** | **48,447.23** |

Certain Property, Plant and Equipment has been given as security against borrowings availed by the company- ( Refer note no:19 & 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 | 1,422.87 | 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. |
| PPE | Freehold Land | 10,730.00 | Premier Cotton Spinning Mills Limited | No | 01-04-1965 | Name of the Company changed |
| PPE | Freehold Land | 2,983.00 | Premier Cotton Spinning Mills Limited | No | 30-09-1981 | Name of the Company changed |
| PPE | Freehold Land | 5,195.40 | Precot Mills Limited | No | 01-04-1992 | Name of the Company changed from Precot Mills Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020 |
| PPE | Freehold Land | 18.75 | Precot Meridian Limited | No | 01-10-2010 | Name of the Company changed |
| PPE | Freehold Land | 30.00 | Precot Meridian Limited | No | 08-10-2010 | Name of the Company changed |
| PPE | Freehold Land | 2.30 | Precot Meridian Limited | No | 24-10-2016 | Name of the Company changed |
| PPE | Freehold Land | 2,385.00 | Premier Cotton Spinning Mills Limited | No | 01-02-2018 | Name of the Company changed |

**3 (a) RIGHT OF USE ASSET:**

₹ Lakhs

| Particulars | Land | Building | Total |
|---|---|---|---|
| **Gross Carrying Value** | | | |
| **As at 1st April 2024** | **390.60** | **843.10** | **1,233.70** |
| Additions | - | 35.38 | 35.38 |
| Reclassification from Prepayment | - | - | - |
| Deductions | - | 14.15 | 14.15 |
| **As at 31st March 2025** | **390.60** | **878.48** | **1,269.08** |
| Additions | - | - | - |
| Reclassification from Prepayment | - | - | - |
| Deductions | - | 14.15 | 14.15 |
| As at 31st **March 2026** | **390.60** | **864.33** | **1,254.93** |
| **Accumulated Amortization and Impairment** | | | |
| **As at 1st April 2024** | **152.50** | **412.27** | **564.77** |
| Amortization | 30.50 | 121.31 | 151.81 |
| Deductions | - | - | - |
| **As at 31st March 2025** | **183.00** | **533.58** | **716.58** |
| Amortization | 30.50 | 123.08 | 153.58 |
| Deductions | - | 5.31 | 5.31 |
| **As at 31st March 2026** | **213.50** | **651.35** | **864.85** |
| **Net Carrying Value** | | | |
| As at 31st March 2025 | 207.60 | 344.90 | 552.50 |
| **As at 31st March 2026** | **177.10** | **212.98** | **390.08** |

**3(b) CAPITAL WORK IN PROGRESS**

**Net Carrying Value**

₹ Lakhs

| | |
|---|---|
| As at 31st March 2025 | 308.54 |
| **As at 31st March 2026** | **515.55** |

**Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2026 :**

₹ 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 | **515.55** | - | - | - | **515.55** |
| Projects temporarily suspended | - | - | - | - | - |

**Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2025:**

₹ 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 | **277.73** | **30.81** | - | - | **308.54** |
| 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) INVESTMENT PROPERTY:**

₹ Lakhs

| Particulars | Land | Building | Total |
|---|---|---|---|
| **Cost** | | | |
| **As at 1st April 2024** | - | - | - |
| Reclassified from Property plant & Equipment | 3,156.10 | 521.82 | 3,677.92 |
| Additions | - | - | - |
| Deductions | - | - | - |
| **As at 31st March 2025** | **3,156.10** | **521.82** | **3,677.92** |
| Reclassified to Property plant & Equipment | - | 5.93 | 5.93 |
| Additions | - | - | - |
| Deductions | - | - | - |
| **As at 31st March 2026** | **3,156.10** | **515.89** | **3,671.99** |
| **Accumulated depreciation** | | | |
| **As at 1st April 2024** | - | - | - |
| Reclassified from Property plant & Equipment | | 125.44 | 125.44 |
| Depreciation | - | 21.16 | 21.16 |
| Deductions | - | - | - |
| **As at 31st March 2025** | - | **146.60** | **146.60** |
| Reclassified to Property plant & Equipment | - | 2.60 | 2.60 |
| Depreciation | - | 14.98 | 14.98 |
| Deductions | - | - | - |
| **As at 31st March 2026** | - | **158.98** | **158.98** |

**Net Carrying Value**

₹ Lakhs

| | | | |
|---|---|---|---|
| As at 31st March 2025 | 3156.10 | 375.22 | 3531.32 |
| **As at 31st March 2026** | **3156.10** | **356.91** | **3513.01** |

As stated in note no. 40, the company resolved to discontinue the operations of the Company's Spinning unit located at Hindupur, Andhra Pradesh. Consequently, certain land and buildings forming part of the said unit, which were earlier classified under "Property, Plant and Equipment" and used for operational purposes are no longer being used for the Company's production activities.

The company is yet to take a decision of its intended future use and hence these have been classified as Investment Property.

The fair value of the investment property as at 31st March 2026 is ₹ 6,406.36 Lakhs (PY: ₹ 3,706.70 lakhs). This valuation has been carried out by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

**3 (d) INTANGIBLE ASSETS:** ₹ Lakhs

| Particulars | Total |
|---|---|
| **Gross Carrying Value** | |
| **As at 1st April 2024** | **159.41** |
| Additions | 70.80 |
| Deductions | - |
| **As at 31st March 2025** | **230.21** |
| Additions | 76.15 |
| Deductions | - |
| **As at 31st March 2026** | **306.36** |
| **Accumulated Amortization and Impairment** | |
| **As at 1st April 2024** | **130.08** |
| Amortization | 4.37 |
| Deductions | - |
| **As at 31st March 2025** | **134.45** |
| Amortization | 42.04 |
| Deductions | - |
| **As at 31st March 2026** | **176.49** |
| **Net Carrying Value** | |
| As at 31st March 2025 | 95.76 |
| **As at 31st March 2026** | **129.87** |

**3 (e) INTANGIBLE ASSETS UNDER DEVELOPMENT** ₹ Lakhs

| | |
|---|---|
| **Net Carrying Value** | |
| As at 31st March 2025 | 60.80 |
| **As at 31st March 2026** | **-** |

**Intangible assets under development (IAUD) ageing schedule as on 31st March 2026** ₹ Lakhs

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

**Intangible assets under development (IAUD) ageing schedule as on 31st March 2025** ₹ Lakhs

| Particulars | Amount in IAUD for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 60.80 | - | - | - | 60.80 |
| 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 | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| **Investment in Partnership Firm - at Amortized cost** | | | |
| | Investment in Partnership Firm - Suprem Associates * | **81.47** | 81.47 |
| **Investment in equity shares at fair value through other comprehensive income**<br>**Trade Investments - Unquoted, fully paid up** | | | |
| 12,06,000 shares | A.P. Gas Power Corporation Limited of ₹ 10 each (as on 31.03.25 - 12,06,000 shares) | - | - |
| 2,25,000 shares | Sai Regency Power Corporation Private Limited of ₹ 10 each (as on 31.03.25 - 2,25,000 shares) | - | - |
| 14,000 shares | OPG Energy Private Limited of ₹ 10 each (as on 31.03.25 - 14,000 shares) | - | - |
| 1,08,870 shares | Nagai Power Private Limited of ₹ 10 each (as on 31.03.25 - 1,08,870 shares) | - | - |
| 83,004 shares | Ind-Bharath Power Gencom Limited of ₹ 10 each (as on 31.03.25 - 83,004 shares) | - | - |
| 1,94,265 shares | Vishnupriya Farms Private Limited of ₹ 10 each (as on 31.03.25 - 1,94,265 shares) | - | - |
| 12,35,810 shares | FEPL Phoenix Private Limited of ₹ 10 each (as on 31.03.25 - 12,35,810 shares) | **264.00** | 264.00 |
| 12,98,052 Shares | Radiance TN Sunrise One Private Limited of Rs.10 each (as on 31.03.25 - Nil) | 129.81 | - |
| | | **393.81** | **264.00** |
| | **TOTAL INVESTMENTS** | **475.28** | **345.47** |
| **Aggregate amount of value** | | **-** | **-** |
| **Aggregate amount of Unquoted Investments** | | **475.28** | **345.47** |
| **Category-wise Non current investment** | | | |
| Financial assets carried at amortized cost | | 81.47 | 81.47 |
| Financial assets measured at fair value through other comprehensive income | | **393.81** | 264.00 |
| | **Total Non current investment** | **475.28** | **345.47** |

₹ 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 2026 | Capital as at 31st March 2025 |
|---|---|---|---|
| Precot Ltd | **99.88%** | **81.47** | 81.47 |
| Ashwin Chandran | **0.12%** | **0.10** | 0.10 |

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

## 5. OTHER FINANCIAL ASSETS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Security Deposits | **854.97** | 1,036.15 |
| | **854.97** | 1,036.15 |

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

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **A. Deferred Tax Assets** | | |
| - On disallowances under the income tax act | **93.70** | 107.82 |
| - On employee benefit expense | **235.18** | 232.58 |
| - On fair value adjustment of financial instruments | **504.69** | 497.57 |
| - On lease liability | **62.63** | 92.79 |
| **TOTAL (A)** | **896.20** | 930.76 |
| **B. Deferred Tax Liability** | | |
| -On PPE and intangible assets | **(1,619.34)** | (1,633.48) |
| **TOTAL (B)** | **(1,619.34)** | (1,633.48) |
| **Deferred tax Asset/ (liabiities) (Net) (A+B) (Refer Note No.39)** | **(723.14)** | (702.72) |

## 7. OTHER NON-CURRENT ASSETS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Capital advances | **1,319.22** | 1,320.76 |
| Advance Tax (net) | **-** | 424.01 |
| Prepayments | **25.52** | 19.50 |
| | **1,344.74** | 1,764.27 |

## 8. INVENTORIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Raw Materials | **10,234.03** | 14,053.24 |
| Work-in-progress | **1,380.21** | 1,181.45 |
| Finished goods | **2,399.04** | 3,820.50 |
| Stock in trade | **27.18** | 2.50 |
| Stores and spares | **2,050.65** | 1,934.16 |
| Waste Cotton | **69.44** | 71.91 |
| | **16,160.55** | 21,063.76 |
| **Details of stock in transit** | | |
| Raw Materials | **878.07** | 2,505.97 |
| Stores and spares | **56.10** | 67.39 |
| **TOTAL** | **934.17** | 2,573.36 |

i) For method of valuation of inventories, refer note 1
ii) Inventory held at net realizable value amounting to ₹ 112.24 lakhs. (PY ₹359.01 Lakhs)
iii) The amount of write down of inventory recognised as an expense during the current year is ₹ 2.42 Lakhs (PY ₹13.38 Lakhs)
iv) There has been no reversal of such write down in the current year (PY ₹1 Lakh)
iii) Inventories have been given as security against certain bank borrowings of the Company (Refer note nos. 19 & 23)
iv) Cost of inventory recognised as an expense:

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Cost of materials consumed | **42,580.04** | 55,454.42 |
| Cost of traded goods sold | **2,718.92** | - |
| Consumption of Stores & Spare parts | **4,459.91** | 4,339.63 |
| Consumption of Fuel | **1,208.69** | 948.37 |

## 9. INVESTMENTS - At Fair Value through Profit and Loss

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Investments under Portfolio Management Scheme | **921.90** | 864.34 |
| **Total** | **921.90** | 864.34 |
| Aggregate value of Quoted Investments and Market Value thereof | **921.90** | 864.34 |
| Aggregate value of Unquoted Investments | **-** | - |

## 10. TRADE RECEIVABLES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Trade Receivable considered good - Unsecured** | **13,792.60** | 11,678.40 |
| Less: Allowance for expected credit loss | **310.25** | 357.62 |
| | **13,482.35** | 11,320.78 |

### Ageing as on 31st March 2026

₹ Lakhs

| Particulars | Outstanding for the following period from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | **10,501.90** | **2,997.93** | **136.89** | **28.48** | **1.05** | **126.35** | **13,792.60** |
| (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** | **10,501.90** | **2,997.93** | **136.89** | **28.48** | **1.05** | **126.35** | **13,792.60** |
| Less: Allowance for Expected Credit Loss | - | - | - | - | - | - | **(310.25)** |
| **Total** | **10,501.90** | **2,997.93** | **136.89** | **28.48** | **1.05** | **126.35** | **13,482.35** |

**Ageing as on 31st March 2025**

₹ Lakhs

| Particulars | Outstanding for the following period from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (I) Undisputed Trade Receivables - considered good | 8,573.48 | 2,745.64 | 150.44 | 56.22 | 43.15 | 84.20 | 11,653.13 |
| (ii) Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | 25.27 | - | 25.27 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| **Total** | **8,573.48** | **2,745.64** | **150.44** | **56.22** | **68.42** | **84.20** | **11,678.40** |
| Less: Allowance for Expected Credit Loss | - | - | - | - | - | - | **(357.62)** |
| **Total** | **8,573.48** | **2,745.64** | **150.44** | **56.22** | **68.42** | **84.20** | **11,320.78** |

**Movement in Allowance for expected credit loss is as follows:**

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Opening | **357.62** | 269.55 |
| Additions | **-** | 88.07 |
| Reversal | **47.37** | - |
| **Closing** | **310.25** | **357.62** |

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

Trade receivables have been given as collateral towards borrowings (Refer security note below Note 19 & 23).

The Company's exposure to credit and currency risk related to trade receivables are given in Note No.46.

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

### 11. CASH AND CASH EQUIVALENTS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Balances with Banks** | | |
| Current accounts | **134.51** | 82.32 |
| **Cash on hand** | **0.32** | 0.72 |
| | **134.83** | 83.04 |

## 12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Earmarked balances** | | |
| In Unclaimed dividend accounts | **17.10** | 10.78 |
| In margin money * | **328.46** | 514.17 |
| | **345.56** | 524.95 |

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

## 13. LOANS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Employee Loan / advances | **77.84** | 79.62 |
| | **77.84** | 79.62 |

## 14. OTHERS FINANCIAL ASSETS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Income accrued | **101.21** | 74.70 |
| | **101.21** | 74.70 |

## 15. OTHER CURRENT ASSETS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance to Suppliers & others | **1,078.20** | 1,945.70 |
| Export incentives receivable | **396.29** | 689.91 |
| Indirect tax balances/ recoverable /credits | **2,142.99** | 1,904.58 |
| **Others** | | |
| Prepayments | **189.41** | 256.63 |
| | **3,806.89** | 4,796.82 |

## 16. NON CURRENT ASSETS HELD FOR SALE

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Assets classified as held for sale (Refer note no.40) | **117.35** | 313.38 |
| | **117.35** | 313.38 |

## 17. EQUITY SHARE CAPITAL

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Authorised** | | |
| 2,13,00,000 Equity Shares of ₹ 10 each | **2,130.00** | 2,130.00 |
| (31-03-26 and 31-03-25 - 2,13,00,000 Equity Shares of ₹ 10 each) | | |
| **Issued, Subscribed & fully Paid up** | | |
| 1,20,00,000 Equity Shares of ₹ 10 each fully paid up (31-03-26 and 31-03-25 - 1,20,00,000 Equity Shares of ₹ 10 each) | **1,200.00** | 1,200.00 |
| | **1,200.00** | 1,200.00 |

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

| Particulars | 31.03.2026 | | 31.03.2025 | |
|---|---|---|---|---|
| | Number | ₹ Lakhs | Number | ₹ Lakhs |
| At the beginning/end of the year | **1,20,00,000** | **1,200.00** | 1,20,00,000 | 1,200.00 |

**(ii) Terms / rights attached to equity shares :**

a. The Company has only one class of issued shares referred to as equity shares at 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 2026 and 31st March 2025:

| S. No. | Promoter name | No. of Shares as on 31.03.2026 | % of total Shares as on 31.03.2026 | No. of Shares as on 31.03.2025 | % of total Shares as on 31.03.2025 | % change during the year |
|---|---|---|---|---|---|---|
| 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 | 21,54,912 | 17.96% | 23,22,801 | 19.36% | -1.40% |
| 4 | Prashanth Chandran | 21,54,911 | 17.96% | 19,87,022 | 16.56% | 1.40% |
| 5 | Divya Chandran | 1,91,250 | 1.59% | 1,91,250 | 1.59% | - |
| 6 | Viren Mohan | 14,319 | 0.12% | 14,319 | 0.12% | - |
| 7 | Vijay Mohan | 1,950 | 0.02% | 1,950 | 0.02% | - |
| 8 | Vikram Mohan | 1,875 | 0.02% | 1,875 | 0.02% | - |
| 9 | Vanitha Mohan | 1,275 | 0.01% | 1,275 | 0.01% | - |
| 10 | Madhura Mohan | 1,012 | 0.01% | 1,012 | 0.01% | - |

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

| S. No. | Particulars | Equity Shares | | | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | | As at 31.03.2025 | |
| | | 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 | **21,54,912** | **17.96%** | 23,22,801 | 19.36% |
| 4 | Prashanth Chandran | **21,54,911** | **17.96%** | 19,87,022 | 16.56% |

v) Shares allotted for consideration other than cash in the past 5 years - Nil.

vi) There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2026.

## 18. OTHER EQUITY

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| 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 | **25,883.96** | 22,775.22 |
| Add : Profit for the year | **3,584.77** | 3,288.74 |
| Less: Dividend for the year | **(360.00)** | (180.00) |
| (B) | **29,108.73** | 25,883.96 |
| **Other Comprehensive Income:** | | |
| Opening balance | **489.65** | 569.99 |
| Add: Additions during the year | **(1.01)** | (80.34) |
| (C) | **488.64** | 489.65 |
| (A+B+C) | **44,533.43** | 41,309.66 |

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 Lakh was transferred to capital redemption reserve consequent to the buy back of 5,50,000 equity shares in July '2002 as per the statutory requirement and

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

c. **Security premium:**

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

d) **Retained Earnings:**

Retained earnings are the profits that the Group has earned till date, less any dividends or other distribution to the shareholders.

## 19. BORROWINGS

₹ Lakhs

| Particulars | 31.03.2026 | | 31.03.2025 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **Secured Loans - at amortised cost** | | | | |
| Term loans from Banks | **12,923.21** | **3,127.46** | 10,162.96 | 3,871.49 |
| Less: Unamortised upfront fees on borrowings | **17.28** | **7.68** | 25.88 | 8.48 |
| Less: Amount disclosed under current maturities | - | **3,119.78** | - | 3,863.01 |
| ( A ) | **12,905.93** | **-** | 10,137.09 | - |
| Loans from Others | **138.04** | **64.54** | 204.71 | 81.92 |
| Less: Unmatured finance charges | **13.97** | **12.47** | 28.62 | 18.67 |
| Less: Amount disclosed under current maturities | **-** | **52.07** | - | 63.25 |
| ( B ) | **124.07** | **-** | 176.09 | - |
| Total (A + B ) | **13,030.00** | - | 10,313.18 | - |

## I Term loans from Banks:

### a. Repayment Terms

₹ Lakhs

| Note No. | Terms of Loans | Bank | 31.03.2026 | 31.03.2025 | Description |
|---|---|---|---|---|---|
| 1 | Repayable in 2 monthly instalments aggregating to ₹ 42.88 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | Union Bank of India | 42.88 | 300.13 | GECL 3.0 Scheme |
| 1 | Repayable in 15 monthly instalments aggregating to ₹ 202.44 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | Union Bank of India | 202.44 | 364.38 | GECL 3.0 Scheme |
| | | State Bank of India | - | 89.34 | GECL 2.0 Scheme |
| 1 | Repayable in 20 monthly instalments aggregating to ₹ 174.90 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | State Bank of India | 174.90 | 279.90 | GECL 3.0 Scheme |
| 1 | Repayable in 22 monthly instalments aggregating to ₹ 819.04 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | Union Bank of India | 819.04 | 1,265.79 | GECL 3.0 Scheme |
| 1 | Repayable in 9 monthly instalments aggregating to ₹ 93.54 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | IDBI Bank | 93.54 | 218.58 | Working Capital Term Loan under GECL 2.0 Scheme |
| 2 | Repayable in 5 monthly instalments aggregating to ₹ 152.19 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | Indian Overseas Bank | 152.19 | 517.44 | GECL 2.0 Scheme |
| 3 | Repayable in 60 monthly instalments aggregating to ₹ 1,886.69 lakhs. The interest is payable on monthly basis and the rate of interest is 7.90% per annum. | Axis Bank | 1,886.69 | - | Term loan - Spinning Modernisation |
| 4 | Repayable in 52 monthly instalments aggregating to ₹ 4,158.39 lakhs. The interest is payable on monthly basis and the rate of interest is 5.03% per annum. | Indian Overseas Bank | 4,158.39 | - | Term loan -Expansion of Spunlace Segment of Technical Textile Division |
| 5 | Repayable in 48 monthly instalments aggregating to ₹ 2,611.47 lakhs commencing from December 2026. The interest is payable on monthly basis and the rate of interest is 9.10% per annum. | Indian Overseas Bank | 2,611.47 | - | Term loan -Expansion of Technical Textile Division |
| 6 | Repayable in one bullet payment at the end of 36 months from the date of bill of lading with respective buyers credit, with an option to repay at the time of rollover and the rate of interest is 4.33% per annum. | Indian Overseas Bank | 148.28 | - | One time Buyers Credit - CAPEX |
| 6 | Repayable in one bullet payment at the end of 36 months from the date of bill of lading with respective buyers credit, with an option to repay at the time of rollover and the rate of interest is 4.39% per annum | Indian Overseas Bank | 454.45 | - | One time Buyers Credit - CAPEX |
| 6 | Repayable in one bullet payment at the end of 36 months from the date of bill of lading with respective buyers credit, with an option to repay at the time of rollover and the rate of interest is 4.48% per annum. | Indian Overseas Bank | 320.62 | - | One time Buyers Credit - CAPEX |
| 7 | Repayable in 69 monthly instalments aggregating to ₹ 4,107.14 lakhs. The interest is payable on monthly basis and the rate of interest is 9.60% per annum. | Union Bank of India | 4,107.14 | 4,821.43 | Term loan - Loan against property |
| 8 | Repayable in 67 monthly instalments aggregating to ₹ 878.64 lakhs. The interest is payable on monthly basis and the rate of interest is 8.60% per annum. | Union Bank of India | 878.64 | 900.00 | Term loan - Equipment Finance |
| | | Indian Overseas Bank | - | 414.38 | GECL 2.0 Scheme |
| | | IDBI Bank | - | 197.60 | Working Capital Term Loan under GECL 2.0 Scheme |
| | | Union Bank of India | - | 4,665.48 | Term loan - Spunlace |
| | | Total | 16,050.67 | 14,034.45 | |

**B. Security details:**

Note 1 : Pari passu second charge on current and fixed Assets of the Company.

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 : Exclusive charge on the Assets funded out of Term Loan.

Note 4 : First Charge on assets to be created out of term loan and collaterally secured by first charge on SF Nos: 185/1,187/3,190/2A, 185/2,187/5, 190/2C,195/1,195/3,187/2,189/1,189/3,196 Coimbatore Main Road, Nanjegoundan Pudur, Achipatti Post, Pollachi - 642 002 Tamil Nadu and Pari passu second charge on current assets both present and future of the Company.

Note 5 : First Charge on assets to be created out of term loan and collaterally secured by first charge on land admeasuring 25 acres & building situated at plot no.14-P, 15, 16, 26, 27, 28-P in survey no.37-P & 38-P, 68-P, 76-P and 77-P situated in the textile special economic zone, Karnataka Industrial Area Development Board within the village limit of Perumanahalli & Kenchanahalli, Shantigrama & Kasaba Hobli, Hassan Taluk & District, Karnataka and Pari passu second charge on current assets both present and future of the Company.

Note 6 : Exclusive charge on the assets created out of the facility and pari passu second charge on fixed assets of the Company.

Note 7 : First charge on 42.22 acres of Land and Building constructed thereon (Building No.18/69 to 18/115), at Survey no.58/1, Unit "A" in Puduserry west village, Puduserry, Palakkad owned by the Company.

Note 8 : First charge on assets created out of the loan

II - Hire purchase loans from financial institution of ₹ 202.58 Lakhs (March 31, 2025 : ₹ 286.63 Lakhs) carries interest @ 7.75% to 8.80% p.a. The loans are repayable in 60 monthly instalments starting from the respective date of finance. The loan is secured by specific assets financed (Vehicle)

**20. LEASE LIABILITIES**

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Lease Liabilities - Non - Current (Refer note no: 55) | **116.51** | 263.78 |
| | **116.51** | 263.78 |

**21. PROVISIONS**

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Provision for Gratuity (Refer note no: 42) | **360.89** | 702.35 |
| | **360.89** | 702.35 |

## 22. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Deferred Government Grant* | **53.34** | 62.06 |
| | **53.34** | 62.06 |

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

## 23. BORROWINGS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Secured loans at amortised cost** | | |
| **Loans repayable on demand:** | | |
| From Banks | | |
| - Domestic Currency Loans | **1,487.66** | 1,664.13 |
| - Foreign Currency Loan | **16,785.53** | 16,668.21 |
| Current maturities of long-term borrowings (Refer note no: 19) | **3,171.85** | 3,926.26 |
| | **21,445.04** | 22,258.60 |

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

2 In respect of the above, working capital rupee loans carry interest rate ranging from 8.25% p.a. to 10.20% p.a. and working capital foreign currency loans carry interest rate ranging from 1.00 % p.a. to 2.25 % p.a. plus applicable SOFR.

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

## 24. LEASE LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Lease Liabilities - Current (Refer note no. 55) | **137.84** | 113.46 |
| | **137.84** | 113.46 |

## 25. TRADE PAYABLES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Trade payables** | | |
| - Total outstanding dues of Micro and Small Enterprises (Refer note no. 50) | **278.95** | 400.28 |
| - Total outstanding dues of creditors other than Micro and Small Enterprises | **4,983.44** | 9,366.75 |
| | **5,262.39** | 9,767.03 |

The Company's exposure to Currency risk and liquidity risk in relation to Trade Payables are disclosed in note no. 46.

### Ageing as on 31st March 2026

₹ Lakhs

| Particulars | Outstanding for the following period from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) MSME | | | | | | |
| Micro and Small | **172.38** | **101.19** | **5.38** | **-** | **-** | **278.95** |
| ii) Others | **1,606.34** | **3,377.10** | **-** | **-** | **-** | **4,983.44** |
| iii) Disputed dues - Micro and Small | **-** | **-** | **-** | **-** | **-** | **-** |
| iv) Disputed dues - Others | **-** | **-** | **-** | **-** | **-** | **-** |
| Total | **1,778.72** | **3,478.29** | **5.38** | **-** | **-** | **5,262.39** |

**Ageing as on 31st March 2025**

₹ Lakhs

| Particulars | Outstanding for the following period from the due date of payments | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) MSME | | | | | | |
| Micro and Small | 400.28 | - | - | - | - | 400.28 |
| ii) Others | 3,947.30 | 5,419.45 | - | - | - | 9,366.75 |
| iii) Disputed dues - Micro and Small | - | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **4,347.58** | **5,419.45** | **-** | **-** | **-** | **9,767.03** |

## 26. OTHER FINANCIAL LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Interest accrued but not due on borrowings | 45.66 | 58.96 |
| Unpaid dividends | **17.10** | 10.78 |
| Accrued Employee benefits | **823.73** | 2,096.40 |
| Other payables and accurals* | **2,412.33** | 2,085.23 |
| | **3,298.82** | 4,251.37 |

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

## 27. OTHER CURRENT LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Statutory Liabilities | **123.69** | 133.35 |
| Advance from Customers | **227.71** | 232.36 |
| Deferred Government Grant - (Refer note no. 22) | **8.72** | 8.72 |
| Others | **0.79** | 1.29 |
| | **360.91** | 375.72 |

## 28. PROVISIONS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Provision for employee benefits - Gratuity - (Refer note no: 42) | **83.64** | 209.17 |
| | **83.64** | 209.17 |

## 29. CURRENT TAX LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Current Tax Libility (Net) | **213.26** | – |
| | **213.26** | – |

## 30. REVENUE FROM OPERATIONS

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| **Sale of Products - Manufactured Goods** | | |
| Sale of Yarn | **54,753.30** | 57,346.93 |
| Sale of Technical Textile products | **28,773.89** | 25,756.08 |
| ***Sale of Products - Traded Goods*** | | |
| Sale of Yarn | **1,681.74** | - |
| **Total (A)** | **85,208.93** | 83,103.01 |
| **Other operating revenue** | | |
| Scrap Sales | **2,765.05** | 2,907.48 |
| Export Incentive | **545.34** | 770.96 |
| Others* | **36.23** | 37.26 |
| **Total (B)** | **3,346.62** | 3,715.70 |
| **Total (A+B)** | **88,555.55** | 86,818.71 |

** Others include packing charges collected.*

## 31. OTHER INCOME

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Interest Income from financial assets | **186.40** | 210.59 |
| Interest Income on Income tax refund | **9.58** | 18.25 |
| Gain/(Loss) on fair value measurement of financial instruments | **1.91** | 30.65 |
| Gain on Termination of lease | **1.86** | - |
| Net gain on sale of investments | **5.14** | 32.76 |
| Gains on exchange fluctuations (net) - (Refer note no: 53) | **-** | 86.05 |
| Government grant - (Refer note no: 22 & 27) | **8.72** | 14.47 |
| Miscellaneous Income | **101.65** | 39.40 |
| | **315.26** | 432.17 |

## 32. COST OF MATERIALS CONSUMED

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Cotton | **42,580.04** | 48,021.66 |
| | **42,580.04** | 48,021.66 |

| Particulars of Materials consumed | 2025 - 26 | | 2024 - 25 | |
|---|---|---|---|---|
| | **% of Consumption** | **₹ Lakhs** | % of Consumption | **₹ Lakhs** |
| Imported | **54.33** | **23,135.33** | 35.50 | 17,048.81 |
| Indigenous | **45.67** | **19,444.71** | 64.50 | 30,972.85 |
| **Total** | **100.00** | **42,580.04** | 100.00 | 48,021.66 |

## 33. PURCHASE OF STOCK IN TRADE

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Purchase of Stock in Trade | **2718.92** | – |
| | **2718.92** | – |

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

₹ Lakhs

| Particulars | | 2025 - 26 | 2024 - 25 |
|---|---|---|---|
| **Inventory at the end of the year** | | | |
| **Work in Progress** | | | |
| Yarn and Waste cotton | | **888.60** | 1,029.12 |
| Technical Textile products | | **561.05** | 224.24 |
| | **a** | **1,449.65** | 1,253.36 |
| **Finished Goods** | | | |
| Yarn | | **2,246.34** | 3,623.67 |
| Technical Textile products | | **152.70** | 196.83 |
| Traded Goods | | **27.18** | 2.50 |
| | **b** | **2,426.22** | 3,823.00 |
| **Total** | **c = (a + b)** | **3,875.87** | 5,076.36 |
| **Inventory at the beginning of the year** | | | |
| **Work in Progress** | | | |
| Yarn and Waste cotton | | **1,029.12** | 790.02 |
| Technical Textile products | | **224.24** | 610.49 |
| | **d** | **1,253.36** | **1,400.51** |
| **Finished Goods** | | | |
| Yarn | | **3,623.67** | 2,610.24 |
| Technical Textile products | | **196.83** | 894.17 |
| Traded Goods | | **2.50** | 2.81 |
| | **e** | **3,823.00** | **3,507.22** |
| **Total** | **f = (d + e)** | **5,076.36** | **4,907.73** |
| **(Increase) / decrease in Inventories (f-c)** | | **1,200.49** | **(168.63)** |

## 35. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Salaries, Wages and Bonus | **8,124.71** | 7,354.07 |
| Contributions to Provident fund and other funds | **369.42** | 355.78 |
| Gratuity Expense (Refer Note no.42) | **331.67** | 51.75 |
| Staff welfare expenses | **562.10** | 535.59 |
| **Total** | **9,387.90** | 8,297.19 |

## 36. FINANCE COST

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Interest expense | **2,853.36** | 2,604.06 |
| Interest on lease liabilities | **31.90** | 41.68 |
| Unwinding of interest on financial liabilities | **15.30** | 45.43 |
| Premium on redemption of debentures | **-** | 30.95 |
| Exchange differences regarded as an adjustment to borrowing cost | **587.78** | - |
| Other borrowing costs * | **231.96** | 146.49 |
| | **3,720.30** | 2,868.61 |

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

### 37. DEPRECIATION AND AMORTIZATION

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Depreciation of Property, Plant & Equipment - Refer note no: 2 & 3,(c) | **2,681.62** | 1,708.63 |
| Depreciation on Right of use assets - Refer note no: 3(a) | **153.58** | 151.81 |
| Amortization of Intangible asset - Refer note no: 3(d) | **42.04** | 4.37 |
| | **2,877.24** | 1,864.81 |

### 38. OTHER EXPENSES

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Consumption of Stores & Spare parts | **4,459.91** | 4,154.69 |
| Power & Fuel (Net) (Refer note no: 49) | **6,961.60** | 6,570.70 |
| Processing Charges | **1,536.07** | 1,599.34 |
| Repairs and Maintenance | | |
| - Buildings | **396.29** | 245.89 |
| - Machinery | **2,798.99** | 2,248.36 |
| - Others | **210.81** | 171.71 |
| Rent | **13.56** | 15.59 |
| Rates and Taxes | **278.95** | 107.98 |
| Loss on exchange fluctuations (net) - (Refer note no: 53) | **776.04** | - |
| Selling & Distribution expenses | **2,726.53** | 3,033.63 |
| Bank Charges | **237.16** | 257.91 |
| Communication Expenses | **73.05** | 54.92 |
| Travelling Expenses | **230.66** | 152.98 |
| Professional Charges | **229.78** | 359.57 |
| Auditor's Remuneration - (Refer note: 38 (A)) | **25.25** | 24.70 |
| Loss on sale of assets (net) | **2.94** | 4.24 |
| Expected credit Loss / Advances Written off (Net) | **-** | 93.36 |
| CSR Expenses - (Refer note no.: 52) | **21.01** | 75.05 |
| Miscellaneous Expenses | **413.15** | 405.35 |
| **Total** | **21,391.75** | **19,575.97** |

### 38 (A): Auditors Remuneration

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| a) For Statutory Audit | 19.00 | 17.00 |
| b) For Taxation services | 3.20 | 4.30 |
| c) For Other services | 2.20 | 2.64 |
| d) For reimbursement of expenses | 0.85 | 0.76 |
| | **25.25** | **24.70** |

## 39. Tax Expense

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

₹ Lakhs

| Particulars | 2025- 26 | 2024 - 25 |
|---|---|---|
| Current Tax | | |
| Current tax on profit for the year | **1,180.00** | 211.38 |
| Charge/ (Credit) in respect of current tax for earlier years | **208.64** | - |
| **TOTAL (A)** | **1,388.64** | 211.38 |
| Deferred Tax | | |
| Origination / reversal of temporary differences | **20.76** | 1,402.54 |
| Tax Credit of Discontinued Operations | **-** | (491.55) |
| **TOTAL (B)** | **20.76** | **910.99** |
| **Total Tax expense recognized in Statement of Profit and Loss - (A)+(B)** | **1,409.40** | **1,122.37** |

### (b) Tax expenses recognised in other comprehensive income

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| **Items that will not be reclassified to profit or loss** | | |
| Remeasurements of the defined benefit plans | **(0.34)** | (27.02) |
| Net fair value loss on investments in equity instruments at FVTOCI | - | - |
| **Total Tax expense recognized in other comprehensive income** | **(0.34)** | **(27.02)** |

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

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Profit/ (Loss) before tax | **4,994.17** | 4,411.11 |
| Enacted tax rate | **25.17%** | 25.17% |
| Expected income tax expense/(benefit) at statutory tax rate | **1,256.93** | 1,110.19 |
| *Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:* | | |
| Expenses not deductible in determining taxable profits | **(229.52)** | 47.87 |
| Income exempt from taxation | **-** | - |
| Effect of utilisation of tax losses | **-** | (345.06) |
| Effect of reversal of deferred tax on tax losses | **-** | 360.56 |
| Disallowances and reversals - net | **173.35** | (51.19) |
| Charge / (Credit) in respect of earlier years | **208.64** | - |
| **Tax expense for the year** | **1,409.40** | **1,122.37** |

**Note:**

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

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

₹ Lakhs

| Particulars | Deferred Tax Assets / (Liabilities) as on 01.04.2025 | Recognised in profit or loss | Recognised in OCI | Deferred Tax Assets / (Liabilities) as on 31.03.2026 |
|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | |
| - On PPE and intangible assets | (1,633.48) | 14.14 | - | (1,619.34) |
| - On disallowances under the income tax act | 107.82 | (14.12) | - | 93.70 |
| - On employee benefit expense | 232.58 | 2.26 | 0.34 | 235.18 |
| - On fair value adjustment of financial instruments | 497.57 | 7.12 | - | 504.69 |
| - On lease liability | 92.79 | (30.16) | - | 62.63 |
| **Net Deferred tax asset/(liabilities)** | **(702.72)** | **(20.76)** | **0.34** | **(723.14)** |

₹ Lakhs

| Particulars | Deferred Tax Assets / (Liabilities) as on 01.04.2024 | Recognised in profit or loss | Recognised in OCI | Deferred Tax Assets / (Liabilities) as on 31.03.2025 |
|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | |
| - On PPE and intangible assets | (1,438.56) | (194.92) | - | (1,633.48) |
| - On disallowances under the income tax act | 90.69 | 17.13 | - | 107.82 |
| - On unused tax losses and benefits | 360.56 | (360.56) | - | - |
| - On employee benefit expense | 570.42 | (364.86) | 27.02 | 232.58 |
| - On fair value adjustment of financial instruments | 490.58 | 6.99 | - | 497.57 |
| - On lease liability | 107.56 | (14.77) | - | 92.79 |
| **Net Deferred tax asset/(liabilities)** | **181.25** | **(910.99)** | **27.02** | **(702.72)** |

## 40. DISCONTINUED OPERATIONS

The Board of Directors at their meeting held on 27th February 2025 have decided to close the operations of one of the spinning units located at Hindupur, Andhra Pradesh, considering the unsustainables losses over the past several years and with no visibiltiy of any significant improvement in the near future .

Consequently, the working results of the unit has been disclosed in discontinued operations during the year ended 31st March 2025 in Standalone and Consolidated Financial Statements. The comparitive figures for the year ended 31st March 2025 presented in the statement of Profit and Loss continued to be disclosed as discontiued operations.

**The broad description of Assets and Liabilities pertaining to the discontinued operations as on 31.03.2025** ₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| 1. **Description of Assets:-** | | |
| (a) Plant & Equipment | **264.81** | 2775.5 |
| (b) Other Non-Current Assets | **7.36** | 261.54 |
| (c) Other Current Assets | - | 2370.24 |
| 2. **Description of Liabilities:-** | | |
| (a) Non-Current Liabilities | **-** | - |
| (b) Other Liabilities including provision of retrenchment compensation | **-** | **2,390.36** |

**Financial performance of the discontinued operations:**

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **3. Financial performance of the discontinued operations:** | | |
| i) Revenue | - | 11,743.23 |
| Total expenses | - | 14,123.39 |
| Loss before tax | - | (2,380.16) |
| Tax Credit | - | 491.55 |
| Loss from Discontinued operations | - | (1,888.61) |

**4. Cash Flow information:-**

Net cash inflows from operating activities for the current year - ₹ Nil & Previous year - ₹ 1,762.66 lakhs.

Net cash flow used in investing activities for the current year - ₹ Nil & Previous year - ₹ (162.75) lakhs.

**5. Description of assets held for sale consequent to discontinued operations.**

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Plant & Equipment | 107.30 | 296.32 |
| Computer | 0.57 | 2.69 |
| Furniture including office Equipments | 1.33 | 4.80 |
| Vehicles | 8.15 | 9.57 |
| **Total** | **117.35** | **313.38** |

## 41. EARNINGS PER SHARE (EPS)

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Profit after tax from continuing operations | **3,584.77** | 5,177.35 |
| Loss after tax from discontinued operations | **-** | (1,888.61) |
| Profit after tax for the year (Net of continued & Discontinued operations) | **3,584.77** | 3,288.74 |
| Weighted Average number of equity shares used in computing EPS | **1,20,00,000** | 1,20,00,000 |
| Basic & Diluted Earnings per share (in ₹) (Face value of ₹10 per share) from continuing operations | **29.87** | 43.14 |
| Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share) from discontinued operations | **-** | (15.74) |
| Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share) from continuing & discontinued operations | **29.87** | 27.41 |
| Face Value per equity share (in ₹) | **10.00** | 10.00 |

## 42. Employee Benefit Plans

### a) Defined contribution plans - Provident Fund

Pursuant to the provisions of the Code on Social Security, 2020 and the rules framed thereunder (to the extent notified and applicable), eligible employees of the Company are entitled to receive provident fund benefits. The Company and the employees contribute monthly to the Employees' Provident Fund ("EPF") scheme at the prescribed rate on eligible wages/salary, as notified by the Government of India from time to time (currently 12% for fiscal years 2026 and 2025). Employees may also opt for voluntary provident fund contributions in accordance with the applicable regulations.

The contributions are remitted to the statutory provident fund administered by the Employees' Provident Fund Organisation ("EPFO") under the Government of India. The Company's obligation under this defined contribution plan is limited to the amount of contributions required to be made during the period. Accordingly, no actuarial or investment risk is borne by the Company.

Contributions payable by the Company to the defined contribution plan are recognised as an employee benefits expense in the Statement of Profit and Loss in the period in which the related services are rendered. The expense recognised during the period towards this providend fund contribution amounted to Rs. 313.78 Lakhs (March 31, 2025 - Rs. 380.83 Lakhs).

### b) Defined contribution plans - Employee State Insurance

Pursuant to the provisions of the Code on Social Security, 2020 and the rules framed thereunder (to the extent notified and applicable), eligible employees of the Company are covered under the Employees' State Insurance ("ESI") scheme. Under the scheme, the Company contributes at the prescribed rate on eligible wages/salary, as notified by the Government of India from time to time (currently 3.25% by the employer and 0.75% by the employee for fiscal years 2026 and 2025).

The scheme is administered by the Employees' State Insurance Corporation ("ESIC"), which provides medical, sickness, maternity and other related benefits to eligible employees and their dependants in accordance with the applicable regulations. The Company's obligation under this defined contribution plan is limited to the contributions payable during the period.

Contributions payable by the Company are recognised as an employee benefits expense in the Statement of Profit and Loss in the period in which the related services are rendered.

The expense recognised during the period towards ESI contribution amounted to ₹ 55.64 Lakhs (March 31, 2025 - ₹ 63.44 Lakhs).

### c) Defined Benefit Plans - Gratuity

The Company operates a funded gratuity scheme for eligible employees in accordance with the provisions of the Code on Social Security, 2020 and the Payment of Gratuity Act, 1972, to the extent applicable and notified. The gratuity plan is a defined benefit plan administered through a separately managed trust.

Under the plan, eligible employees are entitled to a lump-sum gratuity payment on retirement, resignation, death, permanent disablement or termination of employment, based on the employee's last drawn salary and years of continuous service, subject to the provisions of the applicable law. Employees who complete the minimum qualifying period of service prescribed under the applicable regulations become eligible for gratuity benefits.

The gratuity fund is managed by a trust governed by a Board of Trustees. The trustees are responsible for the administration of the fund and for the investment of plan assets in accordance with the applicable laws and investment guidelines prescribed by the Government of India.The gratuity liability is determined on the basis of an actuarial valuation carried out at each reporting date using the projected unit credit method. Re-measurements comprising actuarial gains and losses, the effect of changes in the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest) are recognised immediately in Other Comprehensive Income and are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Company, together with the Board of Trustees, periodically reviews the funding position of the gratuity plan, including the asset-liability matching strategy and investment risk profile. Contributions to the gratuity fund are made based on actuarial recommendations and applicable regulatory requirements

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

| | Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| A) | **Net employee benefit expense (recognised in Employee Benefits Expenses):** | | |
| | Current service Cost | **83.63** | 101.44 |
| | Plan amendment's past service cost | 213.56 | - |
| | Interest cost | **103.85** | 134.33 |
| | Expected return on Plan Asset | (69.37) | (48.29) |
| | **Net employee benefit expenses** | **331.67** | 187.49 |
| | Actual Return on Plan Assets | 9.84 | 33.05 |
| B) | **Amount recognised in Balance Sheet:** | | |
| | Defined Funded Obligation | **1,368.89** | 2,055.47 |
| | Fair Value of Plan Assets | **924.36** | 1,143.94 |
| | **Surplus / (Deficit)** | **444.53** | 911.53 |
| C) | **Changes in the present value of the defined benefit obligation:** | | |
| | Opening defined benefit obligation | **2,055.47** | 1993.60 |
| | Current service cost | **83.63** | 101.44 |
| | Plan amendment's past service cost | **213.56** | - |
| | Interest cost | **103.85** | 134.33 |
| | Benefits paid | **(1,029.44)** | (266.02) |
| | Net actuarial (gains)/losses on obligation for the year recognised under OCI | **(58.18)** | 92.12 |
| | **Closing defined benefit obligation** | **1,368.89** | 2,055.47 |
| D) | **Changes in the fair value of plan assets:** | | |
| | Opening Fair Value of Plan Assets | **1143.96** | 226.91 |
| | Actual Return on Plan Asset | **9.84** | 33.05 |
| | Contributions | **800.00** | 1150.00 |
| | Benefits Paid | **(1,029.44)** | (266.02) |
| | **Closing fair value of plan assets** | **924.36** | 1,143.94 |

The Company expects to contribute ₹ 83.64 Lakhs to the gratuity fund in the next year (March 31, 2025: 209.16 Lakhs) against the short-term liability of ₹ 83.64 Lakhs (March 31, 2025: ₹ 209.16 Lakhs ) as per the actuarial valuation.

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

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Investments with HDFC Group Unit Linked Plan - Option B | **100%** | 100% |

**E) Remeasurement adjustments:**

₹ Lakhs

| | | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| a) | Actuarial (gains)/losses arising from changes in - | | |
| | - demographic assumptions | **(4.05)** | - |
| | - financial assumptions | **162.43** | 60.78 |
| | - experience adjustments | **(216.56)** | 31.34 |
| b) | Return on plan assets, excluding amount included in net interest expense/(income) | **59.53** | 15.24 |
| | **Total amount recognised in other comprehensive income** | **1.35** | 107.36 |

**Actuarial assumptions and sensitivity :**

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

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Discount rate | **7.13%** | 6.74% |
| Expected rate of return on assets | **7.13%** | 6.74% |
| Salary Escalation | **5.00%** | 3.00% |
| Attrition Rate | **8.00%** | 5.00% |
| Mortality | **Indian Assured Lives Mortality (2012 - 14) Ultimate** | |

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

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

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

Expected benefit payments for the year ending:

₹ Lakhs

| Year Ending | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Year 1 | **59.37** | 134.91 |
| Year 2 | **59.96** | 129.24 |
| Year 3 | **111.98** | 227.13 |
| Year 4 | **123.05** | 234.68 |
| Year 5 | **100.77** | 215.68 |
| Beyond 5 Years | **913.76** | 1,113.82 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.38 years (March 31, 2025: 9.83 years)

**(iii) Sensitivity analysis**

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

₹ Lakhs

| | Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| a) | Effect of 1% change in assumed discount rate on defined benefit obligation | | |
| | 1% increase | (1,278.55) | (1,940.89) |
| | 1% decrease | 1,470.14 | 2,182.12 |
| b) | Effect of 1% change in assumed salary escalation rate on defined benefit obligation | | |
| | 1% increase | (1,467.32) | (2,182.18) |
| | 1% decrease | 1,279.01 | 1,939.15 |
| c) | Effect of 1% change in assumed attrition rate on defined benefit obligation | | |
| | 1% increase | (1,376.20) | (2,076.31) |
| | 1% decrease | 1,360.81 | 2,032.76 |

**iv) Experience adjustments**

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 | 2023 - 24 | 2022 - 23 | 2021 - 22 |
|---|---|---|---|---|---|
| Defined Benefit Obligation | **1,368.89** | 2,055.47 | 1,993.59 | 1,859.87 | 1,724.25 |
| Plan Assets | **924.36** | 1,143.94 | 226.92 | 362.72 | 375.80 |
| Surplus / (Deficit) | **(444.53)** | (911.53) | (1,766.69) | (1,497.15) | (1,348.45) |
| Experience Adjustments on Plan Liabilities – Loss / (Gain) | **216.56** | (31.34) | (51.15) | (72.64) | (595.08) |
| Experience Adjustments on Plan Assets – Gain / (Loss) | **(59.53)** | (15.24) | 26.69 | (16.87) | 5.48 |

## 43. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

**The carrying value of financial instruments by categories as at 31st March 2026 were as follows:**

₹ Lakhs

| Particulars | Note | FVTPL | FVTOCI | Amortised Cost | Total Carrying Value |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| Investments | 4 & 9 | 921.90 | 393.81 | 81.47 | 1,397.18 |
| Trade receivables | 10 | - | - | 13,482.35 | 13,482.35 |
| Cash and Cash equivalents | 11 | - | - | 134.83 | 134.83 |
| Other bank balance | 12 | - | - | 345.56 | 345.56 |
| Loans | 13 | - | - | 77.84 | 77.84 |
| Other Financial Assets | 5 & 14 | - | - | 956.18 | 956.18 |
| **Financial Liabilities** | | | | | |
| Borrowings | 19 & 23 | - | - | 34,475.04 | 34,475.04 |
| Lease Liability | 20 & 24 | - | - | 254.35 | 254.35 |
| Trade payables | 25 | - | - | 5,262.39 | 5,262.39 |
| Other Financial Liabilities | 26 | - | - | 3,298.82 | 3,298.82 |

**The carrying value of financial instruments by categories as at 31st March 2025 were as follows**

₹ Lakhs

| Particulars | Note | FVTPL | FVTOCI | Amortised Cost | Total Carrying Value |
|---|---|---|---|---|---|
| **Financial Assets:** | | | | | |
| Investments | 4 & 9 | 864.34 | 264.00 | 81.47 | 1,209.81 |
| Trade receivables | 10 | - | - | 11,320.78 | 11,320.78 |
| Cash and Cash equivalents | 11 | - | - | 83.04 | 83.04 |
| Other bank balances | 12 | - | - | 524.95 | 524.95 |
| Loans | 13 | - | - | 79.62 | 79.62 |
| Other Financial Assets | 5 & 14 | - | - | 1,110.85 | 1,110.85 |
| **Financial Liabilities:** | | | | | |
| Borrowings | 19 & 23 | - | - | 32,571.78 | 32,571.78 |
| Lease Liability | 20 & 24 | - | - | 377.24 | 377.24 |
| Trade payables | 25 | - | - | 9,767.03 | 9,767.03 |
| Other Financial Liabilities | 26 | - | - | 4,251.37 | 4,251.37 |

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

Investments in subsidiaries are carried at cost.

Investements in unquoted equity shares are carried at FVTOCI.

Investements through Portfolio Management scheme is carried at FVTPL.

## 44. FAIR VALUE MEASUREMENT

### (a) Fair value hierarchy

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

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

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

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

**(b) Level wise disclosure of financial instruments:**

₹ Lakhs

| Particulars | As at 31st March 2026 | | | | As at 31st March 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying Amount | Level 1 | Level 2 | Level 3 | Carrying Amount | Level 1 | Level 2 | Level 3 |
| **Financial assets measured at fair value through Profit and Loss account (FVTPL)** | | | | | | | | |
| Trade investments through Portfolio Management scheme | **921.90** | **921.90** | - | - | 864.34 | 864.34 | - | - |
| **Financial assets measured at fair value through other comprehensive income (FVTOCI)** | | | | | | | | |
| Trade Investments in unquoted equity shares | **393.81** | **-** | - | 393.81 | 264.00 | - | - | 264.00 |
| **Financial assets measured at amortised cost** | | | | | | | | |
| Other Investments | **81.47** | **-** | - | 81.47 | 81.47 | - | - | 81.47 |
| Trade receivables | **13,482.35** | **-** | - | - | 11,320.78 | - | - | - |
| Cash and Cash equivalents | **134.83** | **-** | - | - | 83.04 | - | - | - |
| Other bank balance | **345.56** | **-** | - | - | 524.95 | - | - | - |
| Loans | **77.84** | **-** | - | - | 79.62 | - | - | - |
| Other Financial Assets | **956.18** | **-** | - | - | 1,110.85 | - | - | - |
| **Financial liabilities measured at amortised cost** | | | | | | | | |
| Borrowings | **34,475.04** | **-** | - | - | 32,571.78 | - | - | - |
| Lease Liability | **254.35** | **-** | - | - | 377.24 | - | - | - |
| Trade payables | **5,262.39** | **-** | - | - | 9,767.03 | - | - | - |
| Other Financial Liabilities | **3,298.82** | **-** | - | - | 4,251.37 | - | - | - |

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.

**45 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 2026 | As at 31st March 2025 |
|---|---|---|
| Cash and cash equivalents | 134.83 | 83.04 |
| Other bank balances | 345.56 | 524.95 |
| Current investments | 921.90 | 864.34 |
| **Total cash (a)** | **1,402.29** | **1,472.33** |
| Non-current borrowings | 13,030.00 | 10,313.18 |
| Current borrowings | 21,445.04 | 22,258.60 |
| **Total borrowings (b)** | **34,475.04** | **32,571.78** |
| **Net debt c = (b - a)** | **33,072.75** | **31,099.45** |
| **Total equity (d)** | **45,733.43** | **42,509.67** |
| **Gearing ratio (c/d)** | **0.72** | **0.73** |

## 46. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

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

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

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

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

**1) Market Risk**

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

**a) Interest Rate Risk**

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

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

₹ Lakhs

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| Fixed rate borrowings | **176.14** | 239.34 |
| Floating rate borrowings | **34,298.90** | 32,332.44 |
| **Total borrowings** | **34,475.04** | **32,571.78** |
| Total Net borrowings | **34,475.04** | 32,571.78 |
| Add: Upfront fees | **51.40** | 81.65 |
| **Total borrowings** | **34,526.44** | **32,653.43** |

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

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit/ (loss) for the year ended 31 March 2026 would decrease / increase by Rs. 345.26 Lakhs (for the year ended 31 March 2025 : decrease / increase by Rs. 326.53 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 2026 | | | As at 31st March 2025 | | |
|---|---|---|---|---|---|---|
| | USD | Euro | GBP/ CHF | USD | Euro | GBP / CHF |
| Trade Receivables | 5,220.21 | 125.36 | 186.08 | 3,835.87 | 421.17 | 47.34 |
| Buyers' credit | (917.55) | - | - | (184.65) | - | - |
| Trade and other Payables | (72.70) | (50.16) | (4.11) | - | (19.35) | (0.48) |
| Foreign currency term loan | (1,914.64) | - | - | | (4,665.49) | |
| Packing Credit | (8,677.36) | (118.48) | (2.11) | (15,125.17) | (151.09) | (31.87) |
| **TOTAL** | **(6,362.04)** | **(43.28)** | **179.86** | **(11,473.95)** | **(4,414.76)** | **14.99** |

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

₹ Lakhs

| Particulars | As at 31st March 2026 | | | As at 31st March 2025 | | |
|---|---|---|---|---|---|---|
| | USD | Euro | GBP/ CHF | USD | Euro | GBP / CHF |
| Trade and other payable | 525.68 | - | - | (3,743.36) | | |
| Packing Credit | 7,712.93 | - | - | - | - | - |
| Foreign Currency Term Loan | 2,243.76 | - | - | - | - | - |
| Buyers' credit | 280.47 | - | - | - | - | - |
| **TOTAL** | **10,762.84** | **-** | **-** | **(3,743.36)** | **-** | **-** |

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 | |
|---|---|---|---|
| | | 2025 - 26 | 2024 - 25 |
| USD | +5% | (318.10) | (573.70) |
| | -5% | 318.10 | 573.70 |
| EURO | +5% | (2.16) | (220.74) |
| | -5% | 2.16 | 220.74 |
| GBP/CHF | +5% | 8.99 | 0.75 |
| | -5% | (8.99) | (0.75) |

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-26 | 33 | Sell | 82.50 | 7,712.93 |
| 31-Mar-26 | 6 | Buy | (32.62) | (3,049.91) |
| 31-Mar-25 | 10 | Buy | (43.80) | (3,743.46) |

**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 | |
|---|---|---|---|---|
| | 2025 - 26 | 2024 - 25 | 2025 - 26 | 2024 - 25 |
| Cotton | (2,264.95) | (2,401.08) | 2,264.95 | 2,401.08 |

## Credit Risk

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

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

The average credit period on sales of products is 30 to 60 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

## Information about major customers

Customers with more than 5% of the total value of trade receivables as at 31st March 2026 and 31st March 2025 are as follows :

₹ Lakhs

| Particulars | As at 31st March 2026 | | | As at 31st March 2025 | | |
|---|---|---|---|---|---|---|
| | No. of Parties | Amount Outstanding | % | No of Parties | Amount outstanding | % |
| Customers | | | | | | |
| - within India | **4** | **3.237.38** | **23.47%** | 3 | 2,471.11 | 21.16% |
| - Outside India | **1** | **1,309.08** | **9.49%** | 1 | 786.02 | 6.73% |

### 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 fulfilment 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, 2026** | | | | | | |
| Long term borrowings | **-** | **-** | **12,390.93** | **639.07** | **13,030.00** | **13,030.00** |
| Short term borrowings | **18,273.19** | **3,171.85** | **-** | **-** | **21,445.04** | **21,445.04** |
| Trade payables | **-** | **5,262.39** | **-** | **-** | **5,262.39** | **5,262.39** |
| Lease Liability | **-** | **137.84** | **116.51** | **-** | **254.35** | **254.35** |
| Other financial liabilities | **-** | **3,298.82** | **-** | **-** | **3,298.82** | **3,298.82** |
| **At 31st March, 2025** | | | | | | |
| Long term borrowings | - | - | 8,470.96 | 1,842.22 | 10,313.18 | 10,313.18 |
| Short term borrowings | 18,332.34 | 3,926.26 | - | - | 22,258.60 | 22,258.60 |
| Trade payables | - | 9,767.03 | - | - | 9,767.03 | 9,767.03 |
| Lease Liability | - | 113.46 | 263.78 | - | 377.24 | 377.24 |
| Other financial liabilities | - | 4,251.36 | - | - | 4,251.36 | 4,251.36 |

## 47 Capital Commitments:

₹ Lakhs

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account | 528.16 | 1,176.68 |
| **Total** | **528.16** | **1,176.68** |

## 48 Contingent Liabilities:

₹ Lakhs

| Contingent liabilities in respect of | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| Bills discounted | **5,012.26** | 1,325.34 |
| Guarantees | **436.41** | 436.41 |
| Letters of credit outstanding | **493.07** | 2,039.67 |
| **Claims not acknowledged as debts (Refer note below)** | **9,524.24** | **8,794.94** |
| **Obligation with respect to Export Promotion Capital Goods (EPCG) Licences** | | |
| a) Export Obligation | **-** | 823.03 |
| b) Quantum of Duty saved | **-** | 137.17 |
| **Contingent liabilities under litigation :** | | |
| Disputed Statutory Liabilities not provided for | **351.56** | 401.30 |
| Disputed Other Liabilities not provided for | **1,224.09** | 1,224.09 |

**Note :** Electricity bills of Southern Power Distribution Company of Andhra Pradesh Limited reflects an amount aggregating to ₹ 9,524.24 Lakh as "Court Case Arrears & Surcharge". The Board further noted that this is a unilaterally arrived at figure, with no details made available to the Company. Further this amount is not mentioned as the amount payable in the bill but under "Court Case Arrears". This could be consequent to various litigations pending with regard to Andhra Pradesh Gas Power Corporation Limited.

**49** Power and Fuel is net of wind power income of ₹ 236.49 lakhs (PY ₹ 206.21 lakhs) representing power supplied to the grid against which equivalent consumption was made in-house.

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

₹ Lakhs

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in : | | |
| Principal amount due to Micro & Small Enterprises | **278.95** | 400.28 |
| Interest due on above | **-** | - |
| **Total** | **278.95** | **400.28** |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day. | **-** | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006. | **0.79** | 0.48 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | **9.36** | 8.57 |
| 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.

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

₹ Lakhs

| Contingent liabilities in respect of | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| a. Exchange difference capitalized during the year | **-** | 39.89 |
| b. Depreciation charged to Profit & loss a/c thereon | **29.07** | 25.75 |
| c. Exchange difference pertaining to assets sold during the year | **-** | - |
| d. Remaining amount to be amortized* | **129.53** | 158.60 |

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

**52. Corporate Social Responsibility (CSR) activities :**

₹ Lakhs

| | Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| a) | Gross amount required to be spent by the Company during the year | **18.88** | 79.09 |
| b) | Unspent amount pertaining to earlier years | **-** | - |
| c) | Total amount required to be spent by the Company - (a + b) | **18.88** | 79.09 |
| d) | Amount spent during the year | | |
| | i) Construction/acquisition of any asset | **-** | - |
| | ii) On purposes other than (i) above | **21.01** | 79.09 |
| e) | Balance amount to be spent / (Excess spent) - (c - d) | **(2.13)** | - |
| 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 The Kuppuswamy Naidu Charity Trust for Education and Medical Relief promoting health care in relation to CSR expenditure | **-** | 20.00 |

The above Expenditure incurred in FY 2024-25 includes 4.04 Lakhs spent towards CSR activities carried out by the unit which has discontinued its operations during FY 2024-2025.

**53** Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities amounting to (Rs. 314.84 lakhs) - PY - Rs. 34.30 lakhs.

**54 Related Party Disclosure :**

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

| | |
|---|---|
| Holding Co | Nil |
| Subsidiary | Suprem Associates (Partnership firm) |
| Key Management Personnel (KMP) | Mr. Ashwin Chandran (Chairman and Managing Director)<br>Mr. Prashanth Chandran (Vice Chairman & Managing Director)<br>Mr. T.Kumar (Executive Director)<br>Mr. Ravikumar Abburu (Executive Director)<br>Mr. P.Vijay Raghunath ((Non Executive Director)<br>Mr. Arun Selvaraj (Non Executive Director)<br>Mr. Vinay Balaji Naidu (Non Executive Director)<br>Mr. Prakash (Non Executive Director)<br>Mrs. Suguna Ravichandran (Non Executive Director)<br>Mr. M.K. Ravindra Kumar (Chief Financial Officer) - Upto 31.12.2025<br>Mrs. S. Kavitha (Company Secretary) - Upto 15.11.2025<br>Mr. Satish Kuruppath (Chief Financial Officer) - From 31.03.2026<br>Mr. Achuth Menon (Company Secretary) - From 13.02.2026 |
| **Others** | |
| - Relative of KMP | Mr. Sarath Chandran |
| - Enterprise in which KMP has control | Suprem Enterprises<br>Ashwanth Primarius Enterprises LLP<br>The Kuppuswamy Naidu Charity Trust |

₹ Lakhs

| Nature of transactions | FY 2025 - 26 | | | FY 2024 - 25 | | |
|---|---|---|---|---|---|---|
| | Subsidiaries | KMP | Others | Subsidiaries | KMP | Others |
| Remuneration (including perquisites) (Refer Note below) | - | 560.63 | 0.13 | - | 489.82 | 0.50 |
| Commission | - | 57.22 | 14.06 | - | 168.17 | 26.94 |
| Sitting fees | - | 13.18 | - | - | 11.35 | - |
| Royalty | - | - | 193.52 | - | - | 18.59 |
| CSR Paid | - | - | - | - | - | 20.00 |
| Capital expenses | - | - | - | - | 30.00 | - |
| Amount payable | - | 102.22 | 29.67 | - | 168.17 | 28.13 |

Note :

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.

The company has provided residential accommodation owned by the company to the chairman & vice chairman as perquisite. No rent has been charged for the use of the premises. The fair rental value of the accommodation has not been independently determined by the company.

**55. Leases**

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

**i) The movement in lease liabilities is as follows:**

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Balance at the beginning of the year | **377.24** | 437.95 |
| Additions during the year | **-** | 35.38 |
| De-recognition of Lease Liability | **(10.66)** | - |
| Finance cost accrued during the year | **31.90** | 41.68 |
| Payment of lease liabilities | **(144.13)** | (137.78) |
| **Balance at the end of the year** | **254.35** | 377.24 |
| Current lease liabilities | **137.84** | 113.46 |
| Non-current lease liabilities | **116.51** | 263.78 |
| **Amount recognised in Statement of Profit & Loss for the year ended :** | | |
| Interest on lease liabilities | **31.90** | 41.68 |
| Depreciation on right-of-use assets | **153.58** | 151.81 |
| Expenses relating to short term lease liabilities/leases of low value assets | **15.83** | 12.58 |

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

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Less than one year | **156.85** | 145.78 |
| One to five years | **121.54** | 288.86 |
| More than five years | **-** | - |
| **Total** | **278.39** | 434.64 |

**56. Operating Segments**

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

**Information about Geographical revenue and non current assets :**

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

**a) Revenue from Operations**

₹ Lakhs

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| **Continuing Operations** | | |
| Within India | **45,298.93** | 41,279.67 |
| Outside India | **39,910.00** | 41,823.34 |
| **Total** | **85,208.93** | 83,103.01 |
| **DisContinued Operations** | | |
| Within India | **-** | 10,749.36 |
| Outside India | **-** | 521.92 |
| **Total** | **-** | 11,271.28 |
| **Grand Total** | **85,208.93** | 94,374.29 |

**b) Non current assets:**

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

**57. 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.

**58. 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 2026 | 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 | **-** | - | - |

**59** Effective November 21, 2025, the Government of India consolidated 29 existing labour laws into four Labour Codes, namely the Code on Wages, 2019. The new Labour Codes have resulted in a one-time increase in the provision for gratuity on account of recognition of past service cost. Pursuant to the implementation of the new Labour Codes, the Company has recognised an estimated one-time incremental gratuity charge of Rs. 213.56 lakhs for the quarter and year ended March 31, 2026, based on actuarial valuation. Upon notification of the related rules under the new Labour Codes by the Government, and any further clarifications issued on other aspects of the new Labour Codes, the Company will evaluate and account for any additional impact, if any, in subsequent periods.

**60 Events after the Reporting Period**

The Board of Directors, in its meeting held on 16th May 2026 has recommended a dividend of 40% ( Rs. 4 per fully paid up Equity Shares of ₹10/- each) for the year ended 31st March 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting.

**61. Ratio analysis and its elements**

| Ratio | Numerator | Denominator | 2025-26 | 2024-25 | Var % | Reasons for Variance (If change is > than 25%) |
|---|---|---|---|---|---|---|
| Current Ratio | Total current assets | Total current liabilities | 1.14 | 1.05 | 8.57% | Not applicable |
| Debt-equity ratio | Total Debt | Shareholders Equity | 0.75 | 0.77 | (2.60%) | Not applicable |
| Debt service coverage ratio | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest | Debt service = Interest + Lease Payments + Principal repayments | 2.23 | 0.48 | 312.96% | Decrease in Principal Repayments during the year. |
| Return on equity ratio (%) | Net profit after taxes | Average Shareholders Equity | 8.00% | 8.02% | (0.25%) | Not applicable |
| Inventory turnover ratio | Net Sales = Sales - Sales Return | Average Inventory | 4.58 | 4.26 | 7.51% | Not applicable |
| Trade receivables turnover ratio | Credit sales | Average Trade Receivables | 6.87 | 7.73 | (11.13%) | Not applicable |
| Trade payables turnover ratio | Credit purchases | Average Trade Payables | 6.19 | 5.51 | 12.34% | Not applicable |
| Net capital turnover ratio | Net Sales = Sales - Sales Return | Working capital = Total current assets - Total current liabilities | 20.15 | 51.50 | (60.87%) | Decrease in Sales and increase in working capital |
| Net profit ratio (%) | Net Profit / (Loss) | Net Sales= Sales - Sales Return | 4.00% | 3.48% | 14.94% | Not applicable |
| Return on capital employed (%) | Earnings before interest and taxes | Capital Employed= Total Tangible Networth + Total Debt + Deferred Tax Liability | 11.00% | 10.21% | 7.74% | Not applicable |
| Return on investment (%) | Interest (Finance Income) | Investment | 3.00% | 3.97% | (24.43%) | Not applicable |
| Interest Coverage Ratio (in times) | Earnings before interest and tax | Interest expense | 2.34 | 2.33 | 0.28% | Not applicable |
| Operating Profit Margin (in %) | Eamings before interest and tax | Total revenue (excluding other operating revenue) | 10.00% | 8.18% | 22.25% | Not applicable |
| Return on net worth (in %) | Net Profit | Equity | 8.00% | 7.74% | 3.36% | Not applicable |

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

**i) Details of Benami property.**

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

**ii) Utilisation of borrowed funds and share premium :**

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

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

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

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

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

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

**iii) Compliance with number of layers of companies:**

The Company has 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 of previous year.

**vii) Struck off Companies:**

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

**viii) Wilful Defaulter :**

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

**ix)** The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

**63** 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.

**64** All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

Vide our report of even date attached

For and on behalf of the Board of Directors

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

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Sathish Kuruppath**
Chief Financial Officer

**C.S.Sathyanarayanan**
Partner
M. No: 028328
Place : Coimbatore
Date : 16-May-2026

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Precot Limited**

**Report on the audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Precot Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), of the consolidated state of affairs of the Group as at March 31, 2026, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| <u>**Accounting and Discloure of Discontinued Operations – Closure of Hindupur Spnning Unit**</u><br><br>The Company's revenue is primarily derived from the sale of products. Revenue is recognised when control of the goods is transferred to the customer, performance obligations are satisfied, and the Company has an enforceable right to consideration. Revenue is measured at the transaction price, net of variable consideration such as rebates and discounts, allocated to the respective performance obligations.<br><br>The timing of transfer of control varies depending upon the contractual terms with customers and may occur upon dispatch, delivery, or formal customer acceptance. Accordingly, there is a risk that revenue may be recognised before the transfer of control to customers.<br><br>Considering that revenue is a key performance indicator and involves judgement in determining the timing of recognition and estimation of variable consideration, we identified revenue recognition as a Key Audit Matter. | **Our audit procedures included the following:-**<br><br>• Assessing the appropriateness of the Company's accounting policy for revenue recognition with reference to the requirements of Ind AS 115, Revenue from Contracts with Customers.<br>• Evaluated the design, implementation and operating effectiveness of key internal controls relating to revenue recognition.<br>• Performing substantive testing of revenue transactions on a sample basis by examining supporting documents such as customer contracts, sales invoices, dispatch documents, proof of delivery, shipping documents and customer acceptance records to assess whether performance obligations had been satisfied.<br>• Tested revenue transactions recorded before and after the year-end date to assess whether revenue was recognised in the appropriate accounting period in accordance with the Company's revenue recognition and cut-off policies.<br>• Assessed the adequacy and appropriateness of the disclosures relating to revenue recognition in the standalone financial statements in accordance with the requirements of Ind AS 115. |

**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 and consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. A) As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of changes in Equity and the Consolidated

Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in the **"Annexure";**

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

i) The consolidated financial statements disclose the impact of pending litigations as on 31st March 2026 on the consolidated financial position of the Group - Refer Note 48 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 2026;

iv) a) The management has represented that, to the best of its knowledge and belief, as disclosed in note no.62(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.62(ii)B to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v) The final dividend proposed with respect to previous year, declared and paid by the company during the year is in compliance with section 123 of the Companies Act 2013 as applicable. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General

Meeting. The amount of dividend proposed is in accordance with section 123 of the Companies Act 2013 as applicable.

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

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

c) Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

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

D) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of section 143(11) of the Act. We report that there are no disqualifications or adverse remarks in the CARO report.

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

**C.S.Sathyanarayanan**
Partner
Membership No. 028328
UDIN: 260283280MVQLM2408

Place : Coimbatore
Date : 16-May-2026

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

**Report on the Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

[Referred to under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report of even date to the members of Precot Limited on the Consolidated Financial Statements for the year ended March 31, 2026]

In conjunction with our audit of the consolidated financial statements of **Precot Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Group, which are entities incorporated in India, as of that date.

**Opinion**

In our opinion, the Group, which are entities incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2026, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

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

**Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

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

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

**C.S.Sathyanarayanan**
Partner
Membership No. 028328
UDIN: 260283280MVQLM2408

Place: Coimbatore
Date: 16-May-2026

## Consolidated Balance Sheet

₹ Lakhs

| Particulars | Note No. | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **1) Non-current Assets** | | | |
| ( a ) Property, Plant and Equipment | 2 | **50,868.63** | 47,134.31 |
| ( b ) Right of use Asset | 3 (a) | **390.08** | 552.50 |
| ( c ) Capital work-in-progress | 3 (b) | **515.55** | 308.54 |
| ( d ) Investment property | 3 © | **3,513.01** | 3,531.32 |
| ( e ) Intangible assets | 3 (d) | **129.87** | 95.76 |
| ( f ) Intangible assets under development | 3 (e) | **-** | 60.80 |
| ( g ) Financial Assets | | | |
| (i) Investments | 4 | **393.81** | 264.00 |
| (ii) Other Financial Assets | 5 | **854.97** | 1,036.15 |
| ( h ) Other non-current assets | 7 | **1,344.74** | 1,764.27 |
| **Total Non Current Assets** | | **58,010.66** | **54,747.65** |
| **(2) Current assets** | | | |
| ( a ) Inventories | 8 | **16,160.55** | **21,063.76** |
| ( b ) Financial Assets | | | |
| (i) Investments | 9 | **921.90** | 864.34 |
| (ii) Trade receivables | 10 | **13,482.35** | 11,320.78 |
| (iii) Cash and cash equivalents | 11 | **134.93** | 83.21 |
| (iv Bank balances other than (iii) above | 12 | **345.56** | 524.95 |
| (v) Loans | 13 | **77.84** | 79.62 |
| (vi) Other Financial Assets | 14 | **101.21** | 74.70 |
| ( c ) Other current assets | 15 | **3,806.96** | 4,796.82 |
| **Total Current Assets** | | **35,031.30** | **38,808.18** |
| Non Current assets held for sale | 16 | **117.35** | **313.38** |
| **TOTAL ASSETS** | | **93,159.31** | **93,869.21** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| ( a ) Equity Share capital | 17 | **1,200.00** | 1,200.00 |
| ( b ) Other Equity | 18 | **46,873.43** | 43,649.67 |
| EQUITY ATTRIBUTABLE TO OWNERS OF PRECOT LIMITED | | **48,073.43** | 44,849.67 |
| Non-controlling interest | 0.10 | **0.10** | |
| **Total Equity** | | **48,073.53** | **44,849.77** |
| **LIABILITIES** | | | |
| **(1) Non-current liabilities** | | | |
| ( a ) Financial Liabilities | | | |
| (i) Borrowings | 19 | **13,030.00** | 10,313.18 |
| (ii) Lease Liability | 20 | **116.51** | 263.78 |
| ( b ) Provisions | 21 | **360.89** | 702.35 |
| ( c ) Deferred tax liabilities (Net) | 6 | **723.14** | 702.72 |
| ( d ) Other non-current liabilities | 22 | **53.34** | 62.06 |
| **Total Non Current Liabilities** | | **14,283.88** | **12,044.09** |
| **(2) Current liabilities** | | | |
| ( a ) Financial Liabilities | | | |
| (i) Borrowings | 23 | **21,445.04** | 22,258.60 |
| (ii) Lease Liability | 24 | **137.84** | 113.46 |
| (iii) Trade payables | 25 | | |
| - Outstanding dues of Micro & Small Enterprises | | **278.95** | 400.28 |
| - Outstanding dues of Creditors other than Micro & Small Enterprises" | | **4,983.44** | 9,366.75 |
| (iv) Other Financial Liabilities | 26 | **3,298.82** | 4,251.37 |
| ( b ) Other current liabilities | 27 | **360.91** | 375.72 |
| ( c ) Provisions | 28 | **83.64** | 209.17 |
| ( d ) Current Tax Liabilities (Net) | 29 | **213.26** | - |
| **Total Current Liabilities** | | **30,801.90** | **36,975.35** |
| **TOTAL LIABILITIES** | | **45,085.78** | **49,019.44** |
| **TOTAL EQUITY AND LIABILITIES** | | **93,159.31** | **93,869.21** |

Summary of Material accounting policies and notes form an integral part of the Consolidated 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 : 16-May-2026

For and on behalf of the Board of Directors

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Satish Kuruppath**
Chief Financial Officer

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

₹ Lakhs

| | Particulars | Note No. | Year Ended 31st March 2026 | Year Ended 31st March 2025 |
|---|---|---|---|---|
| I | Revenue From Operations | 30 | **88,555.55** | 86,818.71 |
| II | Other income | 31 | **315.26** | 432.17 |
| III | **Total Income (I+II)** | | **88,870.81** | 87,250.88 |
| IV | **Expenses** | | | |
| | ( a ) Cost of materials consumed | 32 | **42,580.04** | 48,021.66 |
| | ( b ) Purchase of Stock-in-Trade | 33 | **2,718.92** | - |
| | ( c ) Changes in inventories of finished goods, stock in trade and work-in-progress | 34 | **1,200.49** | (168.63) |
| | ( d ) Employee benefits expense | 35 | **9,387.90** | 8,297.19 |
| | ( e ) Finance costs | 36 | **3,720.30** | 2,868.61 |
| | ( f ) Depreciation and amortization expenses | 37 | **2,877.24** | 1,864.81 |
| | ( g ) Other expenses | 38 | **21,391.75** | 19,575.97 |
| | **Total Expenses (IV)** | | **83,876.64** | 80,459.61 |
| V | **Profit before exceptional items and Tax (III - IV)** | | **4,994.17** | 6,791.27 |
| VI | **Exceptional items** | | **-** | - |
| VII | **Profit before tax from continuing operations (V - VI)** | | **4,994.17** | 6,791.27 |
| VIII | **Tax expense:** | | | |
| | (1) Current tax | 39 | **1,180.00** | 211.38 |
| | (2) Deferred tax | | **20.76** | 1,402.54 |
| | (3) Tax for earlier years | | **208.64** | - |
| IX | **Profit after Tax from continuning operations (VII - VIII)** | | **3,584.77** | 5,177.35 |
| | **Discontinued Operations** | | | |
| X | **Loss for the year from Discontinued operations before tax** | 40 | **-** | (2,380.16) |
| XI | **Less: Tax credit of Discontinued operations** | | **-** | 491.55 |
| XII | **Loss for the year from discontinued operations (X-XI)** | | **-** | (1,888.61) |
| XIII | **Profit for the year (continued & discontinued) (IX + XII)** | | **3,584.77** | 3,288.74 |
| XIV | **Other Comprehensive Income (OCI)** | | | |
| | **A. Items that will not be reclassified to profit or loss** | | | |
| | a) Remeasurement of the defined benefit plans | | **(1.35)** | (107.36) |
| | b) Gains / (Losses) on fair value of Equity instruments measured at fair value through OCI | | **-** | - |
| | c) Income tax relating to items that will not be reclassified to profit or loss | | **0.34** | 27.02 |
| | **Total Other Comprehensive Income** | | **(1.01)** | (80.34) |
| XV | **Total Comprehensive Income for the year (XIII + XIV)** | | **3,583.76** | 3,208.40 |
| XVI | Earnings per equity share for Profit from continuing operations of face value of ₹ 10/- each - Basic and Diluted (in ₹) | 41 | **29.87** | 43.14 |
| XVII | Earnings per equity share for Loss from discontinued operations of face value of ₹ 10/- each Basic and Diluted (in ₹) | | **-** | (15.74) |
| XVIII | Earnings per equity share for Profit from continuing and discontinued operations of face value of ₹ 10/- each - Basic and Diluted (in ₹) | | **29.87** | 27.41 |

Summary of Material accounting policies and notes form an integral part of the Consolidated 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 : 16-May-2026

For and on behalf of the Board of Directors

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Satish Kuruppath**
Chief Financial Officer

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

**Standalone Consolidated of changes in equity for the year ended 31st March 2026**

**A. EQUITY SHARE CAPITAL**

₹ Lakhs

| Balance as at April 1, 2025 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2025 | Changes in equity share capital during the year | Balance as at March 31, 2026 |
|---|---|---|---|---|
| 1,200.00 | - | 1,200.00 | - | 1,200.00 |

₹ Lakhs

| Balance as at April 1, 2024 | Changes in equity share capital due to prior period errors | Restated balance as at April 1, 2024 | Changes in equity share capital during the year | Balance as at March 31, 2025 |
|---|---|---|---|---|
| 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, 2025** | 48.19 | 355.00 | 2,736.46 | 11,796.41 | **28,223.96** | 1,302.27 | (812.62) | **43,649.67** |
| Profit for the year | - | - | - | - | 3,584.77 | - | - | **3,584.77** |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | - | - | (1.01) | **(1.01)** |
| Dividend Paid | - | - | - | - | (360.00) | - | - | **(360.00)** |
| **Balance as at 31st Mar, 2026** | **48.19** | **355.00** | **2,736.46** | **11,796.41** | **31,448.73** | 1,302.27 | (813.63) | **46,873.43** |
| **Balance as at 01st April, 2024** | 48.19 | 355.00 | 2,736.46 | 11,796.41 | 25,115.22 | 1,302.27 | (732.28) | **40,621.27** |
| Profit for the year | - | - | - | - | 3,288.74 | - | - | **3,288.74** |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | - | - | (80.34) | **(80.34)** |
| Dividend Paid - | | | | | (180) | - | **-** | **(180)** |
| **Balance as at 31st Mar, 2025** | **48.19** | **355.00** | **2,736.46** | **11,796.41** | **28,223.96** | **1,302.27** | **(812.62)** | **43,649.67** |

Summary of Material accounting policies & Notes form an integral part of the Consolidated 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 : 16-May-2026

For and on behalf of the Board of Directors

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Sathish Kuruppath**
Chief Financial Officer

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

₹ Lakhs

| Particulars | | Year Ended 31st March 2026 | | Year Ended 31st March 2025 |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Net Profit before exceptional items and tax** | | **4,994.17** | | **4,411.11** |
| **From continuing and discontinued operations** | | | | |
| Adjustments for : | | | | |
| Depreciation and amortization expenses | **2,877.24** | | 2,170.83 | |
| Interest income | **(186.40)** | | (240.39) | |
| (Gain)/Loss on fair valuation of financial assets at fair value through Profit and Loss (FVTPL) | **(1.91)** | | (30.65) | |
| (Profit)/Loss on sale of Property, Plant and Equipment (net) | **2.94** | | (13.97) | |
| Unrealised foreign exchange loss/(gain) | **314.84** | | 34.30 | |
| Liabilities no more payable | **(32.25)** | | (0.98) | |
| Finance cost (including fair value change in financial instruments) | **3,720.30** | | 3,308.09 | |
| Allowance for credit loss (net) | **(47.37)** | | 88.07 | |
| Bad debts written off | **–** | | 5.54 | |
| Gain on Termination of lease | **(1.86)** | | – | |
| Other adjustments | **–** | | (14.32) | |
| Interest income on IT refund | **(9.58)** | | (18.25) | |
| (Profit)/Loss on Sale of Investments (net) | **(5.14)** | | (32.76) | |
| | | **6,630.81** | | 5,255.51 |
| **Operating Profit before working capital changes** | | **11,624.98** | | 9,666.62 |
| Adjustments for : | | | | |
| (Increase) / Decrease in Inventories | **4,903.21** | | 2,163.43 | |
| (Increase) / Decrease in Trade Receivables | **(1,967.30)** | | 1,671.66 | |
| (Increase) / Decrease in Loans and Other Financial Assets | **182.95** | | 99.55 | |
| (Increase) / Decrease in Other Assets | **983.83** | | (1,072.19) | |
| Increase / (Decrease) in Trade Payable | **(4,504.64)** | | (541.29) | |
| Increase / (Decrease) in Other Financial Liabilities | **(916.15)** | | 797.92 | |
| Increase / (Decrease) in Other Liabilities and Provisions | **(519.95)** | | (1,119.83) | |
| | | **(1,838.05)** | | 1,999.25 |
| **Cash generated from Operations** | | **9,786.93** | | 11,665.86 |
| **Direct Taxes** | | **(741.79)** | | (83.88) |
| **Net Cash Flow from operating activities** | | **9,045.14** | | 11,581.99 |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of property, plant and equipment, including intangible assets and movement in capital work in progress and capital advances | **(7,008.48)** | | (4,468.79) | |
| Sale of Property, Plant and Equipment | **420.64** | | 67.73 | |
| Proceeds from sale of assets held for sale | **162.52** | | – | |
| Purchase of Non - Current Investments | **(129.81)** | | – | |
| Purchase of Current investments | **(55.64)** | | (3,457.17) | |
| Sale of current investments | **5.14** | | 3,934.47 | |
| Interest Received | **159.89** | | 249.70 | |
| **Net Cash flow used in investing activities** | | **(6,445.74)** | | **(3,674.06)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Interest Paid | **(3,686.40)** | | (3,419.04) | |
| Dividend paid | **(360.00)** | | (180.00) | |
| Proceeds / (Repayment) of Long Term Borrowings | **1,765.12** | | (3,877.21) | |
| Repayment of lease liability | **(144.13)** | | (137.78) | |
| Proceeds / (Repayments) of loans repayable on demand | **(301.66)** | | (460.83) | |
| **Net Cash Flow used in financing activities** | | **(2,727.07)** | | **(8,074.86)** |

₹ Lakhs

| Particulars | Year Ended 31st March 2026 | Year Ended 31st March 2025 |
|---|---|---|
| **Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)** | **(127.60)** | (166.93) |
| **Cash and Bank Balances as at** | | |
| **01.04.2025 and 01.04.2024 (Opening balance)** | **608.16** | 775.09 |
| Less: Bank balances not considered as Cash and Cash Equivalents as per Indian Accounting Standard 7 | **345.56** | 524.95 |
| **Cash and Cash Equivalents as at** | | |
| **31.03.2026 and 31.03.2025 (Closing balance) (Refer Note No 11)** | **134.93** | 83.21 |

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

| Particulars | Non Current Borrowings (including current maturities) | Current Borrowings | Lease Liability |
|---|---|---|---|
| **As on 31.03.2026** | | | |
| **Opening Balance as at 01st April, 2025** | **14,239.44** | **18,332.34** | **377.23** |
| Cash Flows (Net) - Proceeds/(Repayment) | 1,765.12 | (301.66) | (144.13) |
| Additions during the year - Impact on account of Ind AS 116 | - | - | 31.90 |
| Other adjustments | 181.99 | 242.51 | (10.65) |
| De-recognition of unamortised portion of finance charges | 15.30 | - | - |
| **Closing Balance as at 31st March, 2026** | **16,201.85** | **18,273.19** | **254.35** |
| **As on 31.03.2025** | | | |
| **Opening Balance as at 01st April, 2024** | **18,011.16** | **18,874.31** | **437.95** |
| Cash Flows (Net) - Proceeds/(Repayment) | (3,877.21) | (460.83) | (137.78) |
| Additions during the year - Impact on account of Ind AS 116 | - | - | 77.06 |
| Other adjustments | 105.49 | (81.14) | - |
| **Closing Balance as at 31st March, 2025** | **14,239.44** | **18,332.34** | **377.23** |

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

Vide our report of even date attached

For and on behalf of the Board of Directors

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

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Sathish Kuruppath**
Chief Financial Officer

**C.S.Sathyanarayanan**
Partner
M. No: 028328
Place : Coimbatore
Date : 16-May-2026

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

**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 three southern states of India viz., Tamil Nadu, Kerala, Karnataka with a total spinning capacity of 1,63,000 spindles. In 2013, the company has set up a Greenfield technical textile at Hassan in the State of Karnataka. The Equity shares are listed on the National Stock Exchange of India Limited.

**b. Summary of material accounting policies:**

**i. General Information and Statement of Compliance**

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

The Consolidated financial statements were authorized and approved for issue by the Board of Directors on 16 May 2026.

**ii. Basis of Preparation and Presentation**

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

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

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

**iii. Principles of Consolidation**

The Consolidated financial statements comprise the financial st statements of the Company and its subsidiary as at 31 March 2026. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual agreement with the other vote holders of the investee
- right arising from other contractual agreement
- the company's voting rights and potential voting rights

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the company obtains control over the Subsidiary and ceases when the company loses control over the Subsidiary. Assets, liabilities, Income and Expenditure of a Subsidiary acquired or disposed of during the year are included in Consolidated Financial Statements from the date the Groups gains control until the date the Company ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income (OCI) are attributed to the Equity holders of the Parent of the Group and to the non-controlling interest, even if this results in non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's Accounting Policies. All intra-group assets and liabilities, Equity, Income, Expenses and Cash Flow relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

- derecognizes the assets (including Goodwill) and liability of the subsidiary;
- derecognizes the carrying amount of any non-controlling interest;
- derecognizes the cumulative translation difference recorded in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investments retained;
- recognizes any surplus or deficit in Profit or Loss;
- reclassifies the Parent's share of components previously recognized in OCI to Profit or Loss or Retained earnings, as appropriate, as would be required if the Group has directly disposed of the related Assets or Liabilities.

**iv. Revenue recognition**

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

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

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

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

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

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

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

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

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

**v. Property, Plant and Equipment**

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

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

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

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

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

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

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

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

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

**vi. Investment Property**

Investment Property is a land or building, held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment properties, are measured at cost less accumulated depreciation and accumulated impairment loss, if any. The building components of Investment properties (if any) are depreciated using the straight-line method over their estimated useful lives.

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 sasset, depreciation is charged prospectively to reflect the changed pattern.

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

| Class of Assets | Useful Lives |
|---|---|
| Factory Buildings | 30 Years |
| Non- Factory Buildings | 60 Years |
| Improvements to Lease hold Buildings | Term of Lease or estimated useful life whichever is earlier |
| Plant and Equipment | 10 Years (on triple shift basis) |
| Solar Power Plant | 22 Years |
| Vehicles – Two wheeler | 10 Years |
| Vehicles – Four wheeler | 8 years |
| Furniture and Fixtures | 10 Years |
| Office equipments | 5 years |
| Computers | 3 years |

**vii. 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.

**VIII. 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.

**IX. 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.

**X. 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 efiect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is refiected 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 refiected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

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

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

b. net interest expense or income; and

c. re-measurement

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

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

**Short-term and other long-term employee benefits:**

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

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

**XI. 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.

**XII. Non-current assets held for sale**

Non-current assets are classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

**XIII. Financial Instruments**

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

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

**A. Financial Assets:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**B. Financial liabilities and equity instruments**

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

**i) Recognition and initial Measurement:**

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

**ii) Subsequent measurement**

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

**a. Loans and borrowings**

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

**b. Trade and other payables**

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

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

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

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

**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 afiects only that period, or in the period of the revision and future period, if the revision afiects 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 eficiency 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 fiows expected to arise from the asset and a suitable discount rate in order to calculate present value. When the actual cash fiows 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 outfiow 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 fiows at a pre-tax rate that refiects current market assessments of the time value of money and the risks specific to the liability.

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

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

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

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

**Change or amendment in accounting standards:**

Several amendments and interpretations apply for the first time for the annual periods beginning on are after 1st April 2025. These standards do not haven impact on the financial statements of the Company.

## 2. PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

| Particulars | Land | Building | Plant and equipment | Furnitures including Office Equipments | Vehicles | Computer | Total |
|---|---|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | | | |
| **As at 1st April 2024** | **26,026.02** | **7,012.26** | **34,025.33** | **223.60** | **532.62** | **254.09** | **68,073.92** |
| Additions / Adjustments | - | 920.17 | 7,791.61 | 16.82 | 130.74 | 25.43 | 8,884.77 |
| Deductions | - | 0.83 | 113.57 | 0.55 | 45.78 | 1.27 | 162.01 |
| Re-classifed as Investment property | 3,156.10 | 521.82 | - | - | - | - | 3,677.92 |
| Re-classifed as Non current assets held for sale | - | - | 551.55 | 13.91 | 24.36 | 15.09 | 604.91 |
| **As at 31st March 2025** | **22,869.92** | **7,409.78** | **41,151.82** | **225.96** | **593.22** | **263.16** | **72,513.86** |
| Additions | - | 1,285.85 | 5,259.15 | 16.42 | 204.38 | 21.86 | 6,787.66 |
| Deductions | - | - | 1,162.27 | 1.64 | 0.30 | 2.29 | 1,166.50 |
| Reclassified as Property Plant & Equipment | - | 5.93 | 107.14 | 4.51 | - | 9.51 | 127.09 |
| **As at 31st March 2026** | **22,869.92** | **8,701.56** | **45,355.84** | **245.25** | **797.30** | **292.24** | **78,262.11** |
| **Accumulated depreciation and impairment** | | | | | | | |
| **As at 1st April 2024** | **-** | **2,723.10** | **20,605.43** | **172.01** | **242.97** | **167.31** | **23,910.82** |
| Depreciation | - | 338.54 | 1,559.80 | 9.60 | 60.34 | 35.43 | 2,003.71 |
| Deductions | - | 0.34 | 51.77 | 0.50 | 43.06 | 1.18 | 96.85 |
| Re-classifed as Investment property | - | 146.60 | - | - | - | - | 146.60 |
| Re-classifed as Non current assets held for sale | - | - | 255.24 | 9.11 | 14.79 | 12.39 | 291.53 |
| **As at 31st March 2025** | **-** | **2,914.70** | **21,858.22** | **172.00** | **245.46** | **189.17** | **25,379.55** |
| Depreciation | - | 420.46 | 2,121.29 | 10.18 | 88.27 | 26.42 | 2,666.62 |
| Deductions | - | - | 730.51 | 1.50 | - | 1.42 | 733.43 |
| Reclassified as Property plant & Equipment | - | 2.60 | 68.63 | 2.17 | - | 7.34 | 80.74 |
| **As at 31st March 2026** | **-** | **3,337.76** | **23,317.63** | **182.85** | **333.73** | **221.51** | **27,393.48** |
| **Net Carrying Value** | | | | | | | |
| As at 31st March 2025 | 22,869.92 | 4,495.08 | 19,293.60 | 53.96 | 347.76 | 73.99 | 47,134.31 |
| **As at 31st March 2026** | **22,869.92** | **5,363.80** | **22,038.21** | **62.40** | **463.57** | **70.73** | **50,868.63** |

Certain Property, Plant and Equipment has been given as security against borrowings availed by the Company - ( Refer note no:19 & 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 | 1,422.87 | 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. |
| PPE | Freehold Land | 10,730.00 | Premier Cotton Spinning Mills Limited | No | 01-04-1965 | Name of the Company changed |
| PPE | Freehold Land | 2,983.00 | Premier Cotton Spinning Mills Limited | No | 30-09-1981 | Name of the Company changed |
| PPE | Freehold Land | 5,195.40 | Precot Mills Limited | No | 01-04-1992 | Name of the Company changed from Precot Mills Limited to Precot Limited vide Certificate of Incorporation dated 14.12.2020 |
| PPE | Freehold Land | 18.75 | Precot Meridian Limited | No | 01-10-2010 | Name of the Company changed |
| PPE | Freehold Land | 30.00 | Precot Meridian Limited | No | 08-10-2010 | Name of the Company changed |
| PPE | Freehold Land | 2.30 | Precot Meridian Limited | No | 24-10-2016 | Name of the Company changed |
| PPE | Freehold Land | 2,385.00 | Premier Cotton Spinning Mills Limited | No | 01-02-2018 | Name of the Company changed |

**3 (a) RIGHT OF USE ASSET:**

₹ Lakhs

| Particulars | Land | Building | Total |
|---|---|---|---|
| **Gross Carrying Value** | | | |
| **As at 1st April 2024** | **390.60** | **843.10** | **1,233.70** |
| Additions | - | 35.38 | 35.38 |
| Deductions | - | - | - |
| **As at 31st March 2025** | **390.60** | **878.48** | **1,269.08** |
| Additions | - | - | - |
| Deductions | - | 14.15 | 14.15 |
| As at 31st **March 2026** | **390.60** | **864.33** | **1,254.93** |
| **Accumulated Amortization and Impairment** | | | |
| **As at 1st April 2024** | **152.50** | **412.27** | **564.77** |
| Amortization | 30.50 | 121.31 | 151.81 |
| Deductions | - | - | - |
| **As at 31st March 2025** | **183.00** | **533.58** | **716.58** |
| Amortization | 30.50 | 123.08 | 153.58 |
| Deductions | - | 5.31 | 5.31 |
| **As at 31st March 2026** | **213.50** | **651.35** | **864.85** |
| **Net Carrying Value** | | | |
| As at 31st March 2025 | 207.60 | 344.90 | 552.50 |
| **As at 31st March 2026** | **177.10** | **212.98** | **390.08** |

**3(b) CAPITAL WORK IN PROGRESS**

**Net Carrying Value**

₹ Lakhs

| | |
|---|---|
| As at 31st March 2025 | 308.54 |
| **As at 31st March 2026** | **515.55** |

**Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2026 :**

₹ 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 | **515.55** | **-** | **-** | **-** | **515.55** |
| Projects temporarily suspended | **-** | **-** | **-** | **-** | **-** |

**Capital Work-in-progress (CWIP) ageing schedule as on 31st March 2025:**

₹ 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 | **277.73** | **30.81** | **-** | **-** | **308.54** |
| 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) INVESTMENT PROPERTY:**

₹ Lakhs

| Particulars | Land | Building | Total |
|---|---|---|---|
| **Cost** | | | |
| **As at 1st April 2024** | **-** | **-** | **-** |
| Reclassified from Property plant & Equipment | 3,156.10 | 521.82 | 3,677.92 |
| Additions | - | - | - |
| Deductions | - | - | - |
| **As at 31st March 2025** | 3,156.10 | 521.82 | 3,677.92 |
| Reclassified to Property plant & Equipment | - | 5.93 | 5.93 |
| Additions | - | - | - |
| Deductions | - | - | - |
| **As at 31st March 2026** | **3,156.10** | **515.89** | **3,671.99** |
| **Accumulated depreciation** | | | |
| **As at 1st April 2024** | **-** | **-** | **-** |
| Reclassified from Property plant & Equipment | | 125.44 | 125.44 |
| Depreciation | - | 21.16 | 21.16 |
| Deductions | - | - | - |
| **As at 31st March 2025** | **-** | **146.60** | **146.60** |
| Reclassified to Property plant & Equipment | - | 2.60 | 2.60 |
| Depreciation | - | 14.98 | 14.98 |
| Deductions | - | - | - |
| **As at 31st March 2026** | **-** | **158.98** | **158.98** |

**Net Carrying Value**

₹ Lakhs

| | | | |
|---|---|---|---|
| As at 31st March 2025 | 3156.10 | 375.22 | 3531.32 |
| **As at 31st March 2026** | **3156.10** | **356.91** | **3513.01** |

As stated in note no. 40, the company resolved to discontinue the operations of the Company's Spinning unit located at Hindupur, Andhra Pradesh. Consequently, certain land and buildings forming part of the said unit, which were earlier classified under "Property, Plant and Equipment" and used for operational purposes are no longer being used for the Company's production activities.

The company is yet to take a decision of its intended future use and hence these have been classified as Investment Property.

The fair value of the investment property as at 31st March 2026 is ₹ 6,406.36 Lakhs (PY: ₹ 3,706.70 lakhs). This valuation has been carried out by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

**3 (d) INTANGIBLE ASSETS:**

₹ Lakhs

| Particulars | Total |
|---|---|
| **Gross Carrying Value** | |
| **As at 1st April 2024** | **159.41** |
| Additions | 70.80 |
| Deductions | - |
| **As at 31st March 2025** | **230.21** |
| Additions | 76.15 |
| Deductions | - |
| **As at 31st March 2026** | **306.36** |
| **Accumulated Amortization and Impairment** | |
| **As at 1st April 2024** | **130.08** |
| Amortization | 4.37 |
| Deductions | - |
| **As at 31st March 2025** | **134.45** |
| Amortization | 42.04 |
| Deductions | - |
| **As at 31st March 2026** | **176.49** |
| **Net Carrying Value** | |
| As at 31st March 2025 | 95.76 |
| **As at 31st March 2026** | **129.87** |

**3 (e) INTANGIBLE ASSETS UNDER DEVELOPMENT**

₹ Lakhs

| | |
|---|---|
| **Net Carrying Value** | |
| As at 31st March 2025 | 60.80 |
| **As at 31st March 2026** | **-** |

**Intangible assets Under Development (IAUD) ageing schedule as on 31st March 2026**

₹ Lakhs

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

**Intangible assets under development (IAUD) ageing schedule as on 31st March 2025**

₹ Lakhs

| Particulars | Amount in IAUD for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 60.80 | - | - | - | 60.80 |
| 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 | | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| **Investment in equity shares at fair value through other comprehensive income**<br>**Trade Investments - Unquoted, fully paid up** | | | |
| 12,06,000 Shares | A.P. Gas Power Corporation Limited of Rs.10 each (as on 31.03.25 -12,06,000 shares) | **-** | - |
| 2,25,000 Shares | Sai Regency Power Corporation Private limited of Rs.10 each (as on 31.03.25 - 2,25,000 shares) | **-** | - |
| 14,000 Shares | OPG Energy Private Limited of Rs.10 each (as on 31.03.25 - 14,000 shares) | **-** | - |
| 1,08,870 Shares | Nagai Power Private Limited of Rs.10 each (as on 31.03.2t - 1,08,870 Shares )" | **-** | - |
| 83,004 Shares | Ind-Bharath Power Gencom Limited of Rs.10 each (as on 31.03.25 - 83,004 shares) | **-** | - |
| 1,94,265 Shares | Vishnupriya Farms private Limited of Rs.10 each (as on 31.03.25 - 1,94,265 shares) | **-** | - |
| 12,35,810 Shares | FEPL Phoenix Private Limited of Rs.10 each (as on 31.03.25 - 12,35,810 shares) | **264.00** | 264.00 |
| 12,98,052 Shares | Radiance TN Sunrise One Private Limited of Rs.10 each (as on 31.03.25 - Nil) | **129.81** | - |
| | | **393.81** | 264.00 |
| | **TOTAL INVESTMENTS** | **393.81** | **264.00** |
| **Aggregate amount of Quoted Investments and market value thereof Aggregate amount of Unquoted Investments** | | **393.81** | **264.00** |
| **Category-wise Non current investment** | | | |
| Financial assets carried at amortized cost | | - | - |
| Financial assets measured at fair value through other comprehensive income | | **393.81** | 264.00 |
| | **Total Non current investment** | **393.81** | **264.00** |

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

## 5. OTHER FINANCIAL ASSETS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Security Deposits | **854.97** | 1,036.15 |
| | **854.97** | 1,036.15 |

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

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **A. Deferred Tax Assets** | | |
| - On disallowances under the income tax act | **93.70** | 107.82 |
| - On employee benefit expense | **235.18** | 232.58 |
| - On fair value adjustment of financial instruments | **504.69** | 497.57 |
| - On lease liability | **62.63** | 92.79 |
| **TOTAL (A)** | **896.20** | 930.76 |
| **B. Deferred Tax Liability** | | |
| -On PPE and intangible assets | **(1,619.34)** | (1,633.48) |
| **TOTAL (B)** | **(1,619.34)** | (1,633.48) |
| **Deferred tax Asset/ (liabiities) (Net) (A+B) (Refer Note No.39)** | **(723.14)** | (702.72) |

## 7. OTHER NON-CURRENT ASSETS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Capital advances | **1,319.22** | 1,320.76 |
| Advance Tax (net) | **-** | 424.01 |
| Prepayments | **25.52** | 19.50 |
| | **1,344.74** | 1,764.27 |

## 8. INVENTORIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Raw Materials | **10,234.03** | 14,053.24 |
| Work-in-progress | **1,380.21** | 1,181.45 |
| Finished goods | **2,399.04** | 3,820.50 |
| Stock in trade | **27.18** | 2.50 |
| Stores and spares | **2,050.65** | 1,934.16 |
| Waste Cotton | **69.44** | 71.91 |
| | **16,160.55** | 21,063.76 |
| **Details of stock in transit** | | |
| Raw Materials | **878.07** | 2,505.97 |
| Stores and spares | **56.10** | 67.39 |
| **TOTAL** | **934.17** | 2,573.36 |

i) For method of valuation of inventories, refer note 1
ii) Inventory held at net realizable value amounting to ₹ 112.24 lakhs. (PY ₹359.01 Lakhs)
iii) The amount of write down of inventory recognised as an expense during the current year is ₹ 2.42 Lakhs (PY ₹13.38 Lakhs)
iv) There has been no reversal of such write down in the current year (PY ₹1 Lakh)
iii) Inventories have been given as security against certain bank borrowings of the Company (Refer note nos. 19 & 23)
iv) Cost of inventory recognised as an expense:

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Cost of materials consumed | **42,580.04** | 55,454.42 |
| Cost of traded goods sold | **2,718.92** | - |
| Consumption of Stores & Spare parts | **4,459.91** | 4,339.63 |
| Consumption of Fuel | **1,208.69** | 948.37 |

## 9. INVESTMENTS - At Fair Value through Profit and Loss

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Investments under Portfolio Management Scheme | **921.90** | 864.34 |
| **Total** | **921.90** | 864.34 |
| Aggregate value of Quoted Investments and Market Value thereof | **921.90** | 864.34 |
| Aggregate value of Unquoted Investments | **-** | - |

## 10. TRADE RECEIVABLES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Trade Receivable considered good - Unsecured** | **13,792.60** | 11,678.40 |
| Less: Allowance for expected credit loss | **310.25** | 357.62 |
| | **13,482.35** | 11,320.78 |

### Ageing as on 31st March 2026

₹ Lakhs

| Particulars | Outstanding for the following period from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | **10,501.90** | **2,997.93** | **136.89** | **28.48** | **1.05** | **126.35** | **13,792.60** |
| (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** | **10,501.90** | **2,997.93** | **136.89** | **28.48** | **1.05** | **126.35** | **13,792.60** |
| Less: Allowance for Expected Credit Loss | - | - | - | - | - | - | **(310.25)** |
| **Total** | **10,501.90** | **2,997.93** | **136.89** | **28.48** | **1.05** | **126.35** | **13,482.35** |

**Ageing as on 31st March 2025**

₹ Lakhs

| Particulars | Outstanding for the following period from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (I) Undisputed Trade Receivables - considered good | 8,573.48 | 2,745.64 | 150.44 | 56.22 | 43.15 | 84.20 | 11,653.13 |
| (ii) Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | 25.27 | - | 25.27 |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - |
| **Total** | **8,573.48** | **2,745.64** | **150.44** | **56.22** | **68.42** | **84.20** | **11,678.40** |
| Less: Allowance for Expected Credit Loss | - | - | - | - | - | - | **(357.62)** |
| **Total** | **8,573.48** | **2,745.64** | **150.44** | **56.22** | **68.42** | **84.20** | **11,320.78** |

**Movement in Allowance for expected credit loss is as follows:**

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Opening | **357.62** | 269.55 |
| Additions | **-** | 88.07 |
| Reversal | **47.37** | - |
| **Closing** | **310.25** | **357.62** |

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

Trade receivables have been given as collateral towards borrowings (Refer security note below Note 19 & 23).

The Company's exposure to credit and currency ris related to trade receivables are given in Note No.46.

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

## 11. CASH AND CASH EQUIVALENTS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Balances with Banks** | | |
| Current accounts | **134.51** | 82.39 |
| **Cash on hand** | **0.42** | 0.82 |
| | **134.93** | 83.21 |

## 12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Earmarked balances** | | |
| In Unclaimed dividend accounts | **17.10** | 10.78 |
| In margin money * | **328.46** | 514.17 |
| | **345.56** | 524.95 |

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

## 13. LOANS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Employee Loan / advances | **77.84** | 79.62 |
| | **77.84** | 79.62 |

## 14. OTHERS FINANCIAL ASSETS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Income accrued | **101.21** | 74.70 |
| | **101.21** | 74.70 |

## 15. OTHER CURRENT ASSETS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance to Suppliers & others | **1,078.20** | 1,945.70 |
| Export incentives receivable | **396.29** | 689.91 |
| Indirect tax balances / recoverable / credits | **2,142.99** | 1,904.58 |
| Other receivables | **0.07** | - |
| **Others** | | |
| Prepayments | **189.41** | 256.63 |
| | **3,806.96** | 4,796.82 |

## 16. NON CURRENT ASSETS HELD FOR SALE

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Assets classified as held for sale (Refer note no.40) | **117.35** | 313.38 |
| | **117.35** | 313.38 |

## 17. EQUITY SHARE CAPITAL

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Authorised** | | |
| 2,13,00,000 Equity Shares of ₹ 10 each | **2,130.00** | 2,130.00 |
| (31-03-26 and 31-03-25 - 2,13,00,000 Equity Shares of ₹ 10 each) | | |
| **Issued, Subscribed & fully Paid up** | | |
| 1,20,00,000 Equity Shares of ₹ 10 each fully paid up (31-03-26 and 31-03-25 - 1,20,00,000 Equity Shares of ₹ 10 each) | **1,200.00** | 1,200.00 |
| | **1,200.00** | 1,200.00 |

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

| Particulars | 31.03.2026 | | 31.03.2025 | |
|---|---|---|---|---|
| | Number | ₹ Lakhs | Number | ₹ Lakhs |
| At the beginning/end of the year | **1,20,00,000** | **1,200.00** | 1,20,00,000 | 1,200.00 |

**(ii) Terms / rights attached to equity shares :**

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

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

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

**(iii) Shareholding of promoter and promoter group as on 31st March 2026 and 31st March 2025:**

| S. No. | Promoter name | No. of Shares as on 31.03.2026 | % of total Shares as on 31.03.2026 | No. of Shares as on 31.03.2025 | % of total Shares as on 31.03.2025 | % change during the year |
|---|---|---|---|---|---|---|
| 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 | 21,54,912 | 17.96% | 23,22,801 | 19.36% | -1.40% |
| 4 | Prashanth Chandran | 21,54,911 | 17.96% | 19,87,022 | 16.56% | 1.40% |
| 5 | Divya Chandran | 1,91,250 | 1.59% | 1,91,250 | 1.59% | - |
| 6 | Viren Mohan | 14,319 | 0.12% | 14,319 | 0.12% | - |
| 7 | Vijay Mohan | 1,950 | 0.02% | 1,950 | 0.02% | - |
| 8 | Vikram Mohan | 1,875 | 0.02% | 1,875 | 0.02% | - |
| 9 | Vanitha Mohan | 1,275 | 0.01% | 1,275 | 0.01% | - |
| 10 | Madhura Mohan | 1,012 | 0.01% | 1,012 | 0.01% | - |

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

| S. No. | Particulars | Equity Shares | | | |
|---|---|---|---|---|---|
| | | As at 31.03.2026 | | As at 31.03.2025 | |
| | | 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 | **21,54,912** | **17.96%** | 23,22,801 | 19.36% |
| 4 | Prashanth Chandran | **21,54,911** | **17.96%** | 19,87,022 | 16.56% |

v) Shares allotted for consideration other than cash in the past 5 years - Nil.

vi) There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2026.

## 18. OTHER EQUITY

₹ Lakhs

| Particulars | | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| 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 | | **28,223.96** | 25,115.22 |
| Add : Profit for the year | | **3,584.77** | 3,288.74 |
| Add / (Less): Trfr from OCI on account of disposal of investments | | **-** | - |
| Less: Dividend for the year | | **(360.00)** | (180.00) |
| | **(B)** | **31,448.73** | **28,223.96** |
| **Other Comprehensive Income:** | | | |
| Opening balance | | 489.65 | 569.99 |
| Add: Additions during the year | | **(1.01)** | (80.34) |
| Less : Trfr to retained earnings on account of disposal of investments | | - | - |
| | **(C)** | **488.64** | **489.65** |
| | **(A+B+C)** | **46,873.43** | **43,649.67** |

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 Rs. 55 Lakh was transfered to capital redemption reserve consequent to the buy back of 5,50,000 equity shares in July '2002 as per the statutory requirement and
ii) ₹300 Lakh has been transferred from Meridian Industries Limited in 2006-07 to the Company in the course of business combination and can be utilized in accordance with the provisions of the Companies Act, 2013.

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

d) **Retained Earnings:**
Retained earnings are the profits that the Group has earned till date, less any dividends or other distribution to the shareholders.

## 19. BORROWINGS

₹ Lakhs

| Particulars | | 31.03.2026 | | 31.03.2025 | |
|---|---|---|---|---|---|
| | | Non Current | Current | Non Current | Current |
| **Secured Loans - at amortised cost** | | | | | |
| Term loans from Banks | | **12,923.21** | **3,127.46** | 10,162.96 | 3,871.49 |
| Less: Unamortised upfront fees on borrowings | | **17.28** | **7.68** | 25.87 | 8.48 |
| Less: Amount disclosed under current maturities | | - | **3,119.78** | - | 3,863.01 |
| | **( A )** | **12,905.93** | **-** | 10,137.09 | - |
| Loans from Others | | **138.04** | **64.54** | 204.71 | 81.92 |
| Less: Unmatured finance charges | | **13.97** | **12.47** | 28.62 | 18.67 |
| Less: Amount disclosed under current maturities | | **-** | **52.07** | - | 63.25 |
| | **( B )** | **124.07** | **-** | 176.09 | - |
| | **Total (A + B )** | **13,030.00** | - | 10,313.18 | - |

## I Term loans from Banks:

### a. Repayment Terms

₹ Lakhs

| Note No. | Terms of Loans | Bank | 31.03.2026 | 31.03.2025 | Description |
|---|---|---|---|---|---|
| 1 | Repayable in 2 monthly instalments aggregating to ₹ 42.88 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | Union Bank of India | 42.88 | 300.13 | GECL 3.0 Scheme |
| 1 | Repayable in 15 monthly instalments aggregating to ₹ 202.44 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | Union Bank of India | 202.44 | 364.38 | GECL 3.0 Scheme |
| | | State Bank of India | - | 89.34 | GECL 2.0 Scheme |
| 1 | Repayable in 20 monthly instalments aggregating to ₹ 174.90 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | State Bank of India | 174.90 | 279.90 | GECL 3.0 Scheme |
| 1 | Repayable in 22 monthly instalments aggregating to ₹ 819.04 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | Union Bank of India | 819.04 | 1,265.79 | GECL 3.0 Scheme |
| 1 | Repayable in 9 monthly instalments aggregating to ₹ 93.54 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | IDBI Bank | 93.54 | 218.58 | Working Capital Term Loan under GECL 2.0 Scheme |
| 2 | Repayable in 5 monthly instalments aggregating to ₹ 152.19 lakhs. The interest is payable on monthly basis and the rate of interest is 9.25% per annum. | Indian Overseas Bank | 152.19 | 517.44 | GECL 2.0 Scheme |
| 3 | Repayable in 60 monthly instalments aggregating to ₹ 1,886.69 lakhs. The interest is payable on monthly basis and the rate of interest is 7.90% per annum. | Axis Bank | 1,886.69 | - | Term loan - Spinning Modernisation |
| 4 | Repayable in 52 monthly instalments aggregating to ₹ 4,158.39 lakhs. The interest is payable on monthly basis and the rate of interest is 5.03% per annum. | Indian Overseas Bank | 4,158.39 | - | Term loan -Expansion of Spunlace Segment of Technical Textile Division |
| 5 | Repayable in 48 monthly instalments aggregating to ₹ 2,611.47 lakhs commencing from December 2026. The interest is payable on monthly basis and the rate of interest is 9.10% per annum. | Indian Overseas Bank | 2,611.47 | - | Term loan -Expansion of Technical Textile Division |
| 6 | Repayable in one bullet payment at the end of 36 months from the date of bill of lading with respective buyers credit, with an option to repay at the time of rollover and the rate of interest is 4.48% per annum. | Indian Overseas Bank | 320.62 | - | One time Buyers Credit - CAPEX |
| 6 | Repayable in one bullet payment at the end of 36 months from the date of bill of lading with respective buyers credit, with an option to repay at the time of rollover and the rate of interest is 4.33% per annum. | Indian Overseas Bank | 148.28 | - | One time Buyers Credit - CAPEX |
| 6 | Repayable in one bullet payment at the end of 36 months from the date of bill of lading with respective buyers credit, with an option to repay at the time of rollover and the rate of interest is 4.39% per annum. | Indian Overseas Bank | 454.45 | - | One time Buyers Credit - CAPEX |
| 6 | Repayable in one bullet payment at the end of 36 months from the date of bill of lading with respective buyers credit, with an option to repay at the time of rollover and the rate of interest is 4.48% per annum. | Indian Overseas Bank | 320.62 | - | One time Buyers Credit - CAPEX |
| 7 | Repayable in 69 monthly instalments aggregating to ₹ 4,107.14 lakhs. The interest is payable on monthly basis and the rate of interest is 9.60% per annum. | Union Bank of India | 4,107.14 | 4,821.43 | Term loan - Loan against property |
| 8 | Repayable in 67 monthly instalments aggregating to ₹ 878.64 lakhs. The interest is payable on monthly basis and the rate of interest is 8.60% per annum. | Union Bank of India | 878.64 | 900.00 | Term loan - Equipment Finance |
| | | Indian Overseas Bank | - | 414.38 | GECL 2.0 Scheme |
| | | IDBI Bank | - | 197.60 | Working Capital Term Loan under GECL 2.0 Scheme |
| | | Union Bank of India | - | 4,665.48 | Term loan - Spunlace |
| | | Total | 16,050.67 | 14,034.45 | |

**B. Security details:**

Note 1 : Pari passu second charge on current and fixed Assets of the Company.

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 : Exclusive charge on the Assets funded out of Term Loan.

Note 4 : First Charge on assets to be created out of term loan and collaterally secured by first charge on SF Nos: 185/1,187/3,190/2A, 185/2,187/5, 190/2C,195/1,195/3,187/2,189/1,189/3,196 Coimbatore Main Road, Nanjegoundan Pudur, Achipatti Post, Pollachi - 642 002 Tamil Nadu and Pari passu second charge on current assets both present and future of the Company.

Note 5 : First Charge on assets to be created out of term loan and collaterally secured by first charge on land admeasuring 25 acres & building situated at plot no.14-P, 15, 16, 26, 27, 28-P in survey no.37-P & 38-P, 68-P, 76-P and 77-P situated in the textile special economic zone, Karnataka Industrial Area Development Board within the village limit of Perumanahalli & Kenchanahalli, Shantigrama & Kasaba Hobli, Hassan Taluk & District, Karnataka and Pari passu second charge on current assets both present and future of the Company.

Note 6 : Exclusive charge on the assets created out of the facility and pari passu second charge on fixed assets of the Company.

Note 7 : First charge on 42.22 acres of Land and Building constructed thereon (Building no.18/69 to 18/115), at Survey no.58/1, Unit "A" in Puduserry west village, Puduserry, Palakkad owned by the Company.

Note 8 : First charge on assets created out of the loan.

II - Hire purchase loans from financial institution of ₹ 202.58 Lakhs (March 31, 2025 : ₹ 286.63 Lakhs) carries interest @ 7.75% to 8.80% p.a. The loans are repayable in 60 monthly instalments starting from the respective date of finance. The loan is secured by sepcific assets financed (Vehicle).

**20. LEASE LIABILITIES**

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Lease Liabilities - Non - Current (Refer note no: 55) | **116.51** | 263.78 |
| | **116.51** | 263.78 |

**21. PROVISIONS**

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Provision for Gratuity (Refer note no: 42) | **360.89** | 702.35 |
| | **360.89** | 702.35 |

## 22. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Deferred Government Grant* | **53.34** | 62.06 |
| | **53.34** | 62.06 |

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

## 23. BORROWINGS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Secured loans at amortised cost** | | |
| **Loans repayable on demand:** | | |
| From Banks | | |
| - Domestic Currency Loans | **1,487.66** | 1,664.13 |
| - Foreign Currency Loan | **16,785.53** | 16,668.21 |
| Current maturities of long-term borrowings (Refer note no: 19) | **3,171.85** | 3,926.26 |
| | **21,445.04** | 22,258.60 |

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

2 In respect of the above, working capital rupee loans carry interest rate ranging from 8.25% p.a. to 10.20% p.a. and working capital foreign currency loans carry interest rate ranging from 1.00 % p.a. to 2.25 % p.a. plus applicable SOFR.

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

## 24. LEASE LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Lease Liabilities - Current (Refer note no. 55) | **137.84** | 113.46 |
| | **137.84** | 113.46 |

## 25. TRADE PAYABLES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Trade payables** | | |
| - Total outstanding dues of Micro and Small Enterprises (Refer note no. 50) | **278.95** | 400.28 |
| - Total outstanding dues of creditors other than Micro and Small Enterprises | **4,983.44** | 9,366.75 |
| | **5,262.39** | 9,767.03 |

The Company's exposure to Currency risk and liquidity risk in relation to Trade Payables are disclosed in note no. 46.

### Ageing as on 31st March 2026

₹ Lakhs

| Particulars | Outstanding for the following period from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) MSME | | | | | | |
| a) Micro and Small | **172.38** | **101.19** | **5.38** | - | - | **278.95** |
| ii) Others | **1,606.34** | **3,377.10** | - | - | - | **4,983.44** |
| iii) Disputed dues - Micro and Small | - | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | **1,778.72** | **3,478.29** | **5.38** | - | - | **5,262.39** |

**Ageing as on 31st March 2025**

₹ Lakhs

| Particulars | Outstanding for the following period from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| i) MSME | | | | | | |
| a) Micro and Small | 400.28 | - | - | - | - | 400.28 |
| ii) Others | 3,947.30 | 5,419.45 | - | - | - | 9,366.75 |
| iii) Disputed dues - Micro and Small | - | - | - | - | - | - |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **4,347.58** | **5,419.45** | **-** | **-** | **-** | **9,767.03** |

## 26. OTHER FINANCIAL LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Interest accrued but not due on borrowings | **45.66** | 58.96 |
| Unpaid dividends | **17.10** | 10.78 |
| Accrued Employee benefits | **823.73** | 2,096.40 |
| Other payables and accurals* | **2,412.33** | 2,085.23 |
| | **3,298.82** | 4,251.37 |

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

## 27. OTHER CURRENT LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Statutory Liabilities | **123.69** | 133.35 |
| Advance from Customers | **227.71** | 232.36 |
| Deferred Government Grant - (Refer note no. 22) | **8.72** | 8.72 |
| Others | **0.79** | 1.29 |
| | **360.91** | 375.72 |

## 28. PROVISIONS

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Provision for employee benefits - Gratuity - (Refer note no: 42) | **83.64** | 209.17 |
| | **83.64** | 209.17 |

## 29. CURRENT TAX LIABILITIES

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Current Tax Libility (Net) | **213.26** | – |
| | **213.26** | – |

## 30. REVENUE FROM OPERATIONS

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| **Sale of Products - Manufactured Goods** | | |
| Sale of Yarn | **54,753.30** | 57,346.93 |
| Sale of Technical Textile products | **28,773.89** | 25,756.08 |
| ***Sale of Products - Traded Goods*** | | |
| Sale of Yarn | **1,681.74** | - |
| **Total (A)** | **85,208.93** | 83,103.01 |
| **Other operating revenue** | | |
| Scrap Sales | **2,765.05** | 2,907.48 |
| Export Incentive | **545.34** | 770.96 |
| Others* | **36.23** | 37.26 |
| **Total (B)** | **3,346.62** | 3,715.70 |
| **Total (A+B)** | **88,555.55** | 86,818.71 |

** Others includes packing charges collected.*

## 31. OTHER INCOME

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Interest Income from financial assets | **186.40** | 210.59 |
| Interest Income on Income tax refund | **9.58** | 18.25 |
| Gain/(Loss) on fair value measurement of financial instruments | **1.91** | 30.65 |
| Gain on Termination of lease | **1.86** | - |
| Net gain on sale of investments | **5.14** | 32.76 |
| Gains on exchange fluctuations (net) - (Refer note no: 53) | **-** | 86.05 |
| Government grant - (Refer note no: 22 & 27) | **8.72** | 14.47 |
| Miscellaneous Income | **101.65** | 39.40 |
| | **315.26** | 432.17 |

## 32. COST OF MATERIALS CONSUMED

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Cotton | **42,580.04** | 48,021.66 |
| | **42,580.04** | 48,021.66 |

| Particulars of Materials consumed | 2025 - 26 | | 2024 - 25 | |
|---|---|---|---|---|
| | **% of Consumption** | **₹ Lakhs** | % of Consumption | **₹ Lakhs** |
| Imported | **54.33** | **23,135.33** | 35.50 | 17,048.81 |
| Indigenous | **45.67** | **19,444.71** | 64.50 | 30,972.85 |
| **Total** | **100.00** | **42,580.04** | 100.00 | 48,021.66 |

## 33. PURCHASE OF STOCK IN TRADE

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Purchase of Stock in Trade | 2718.92 | – |
| | 2718.92 | – |

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

₹ Lakhs

| Particulars | | 2025 - 26 | 2024 - 25 |
|---|---|---|---|
| **Inventory at the end of the year** | | | |
| **Work in Progress** | | | |
| Yarn and Waste cotton | | 888.60 | 1,029.12 |
| Technical Textile products | | 561.05 | 224.24 |
| | a | 1,449.65 | 1,253.36 |
| **Finished Goods** | | | |
| Yarn | | 2,246.34 | 3,623.67 |
| Technical Textile products | | 152.70 | 196.83 |
| Traded Goods | | 27.18 | 2.50 |
| | b | 2,426.22 | 3,823.00 |
| **Total** | c = (a + b) | 3,875.87 | 5,076.36 |
| **Inventory at the beginning of the year** | | | |
| **Work in Progress** | | | |
| Yarn and Waste cotton | | 1,029.12 | 790.02 |
| Technical Textile products | | 224.24 | 610.49 |
| | d | 1,253.36 | 1,400.51 |
| **Finished Goods** | | | |
| Yarn | | 3,623.67 | 2,610.24 |
| Technical Textile products | | 196.83 | 894.17 |
| Traded Goods | | 2.50 | 2.81 |
| | e | 3,823.00 | 3,507.22 |
| **Total** | f = (d + e) | 5,076.36 | 4,907.73 |
| **(Increase) / decrease in Inventories (f-c)** | | 1,200.49 | (168.63) |

## 35. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Salaries, Wages and Bonus | 8,124.71 | 7,354.07 |
| Contributions to Provident fund and other funds | 369.42 | 355.78 |
| Gratuity Expense (Refer Note no.42) | 331.67 | 51.75 |
| Staff welfare expenses | 562.10 | 535.59 |
| **Total** | 9,387.90 | 8,297.19 |

## 36. FINANCE COST

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Interest expense | 2,853.36 | 2,604.06 |
| Interest on lease liabilities | 31.90 | 41.68 |
| Unwinding of interest on financial liabilities | 15.30 | 45.43 |
| Premium on redemption of debentures | - | 30.95 |
| Exchange differences regarded as an adjustment to borrowing cost | 587.78 | - |
| Other borrowing costs * | 231.96 | 146.49 |
| | 3,720.30 | 2,868.61 |

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

## 37. DEPRECIATION AND AMORTIZATION

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Depreciation of Property, Plant & Equipment - Refer note no: 2 & 3 (c) | **2,681.62** | 1,708.63 |
| Depreciation on Right of use assets - Refer note no: 3 (a) | **153.58** | 151.81 |
| Amortization of Intangible asset - Refer note no: 3 (d) | **42.04** | 4.37 |
| | **2,877.24** | 1,864.81 |

## 38. OTHER EXPENSES

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Consumption of Stores & Spare parts | **4,459.91** | 4,154.69 |
| Power & Fuel (Net) (Refer note no: 49) | **6,961.60** | 6,570.70 |
| Processing Charges | **1,536.07** | 1,599.34 |
| Repairs and Maintenance | | |
| - Buildings | **396.29** | 245.89 |
| - Machinery | **2,798.99** | 2,248.36 |
| - Others | **210.81** | 171.71 |
| Rent | **13.56** | 15.59 |
| Rates and Taxes | **278.95** | 107.98 |
| Loss on exchange fluctuations (net) - (Refer note no: 53) | **776.04** | - |
| Selling & Distribution expenses | **2,726.53** | 3,033.63 |
| Bank Charges | **237.16** | 257.91 |
| Communication Expenses | **73.05** | 54.92 |
| Travelling Expenses | **230.66** | 152.98 |
| Professional Charges | **229.78** | 359.57 |
| Auditor's Remuneration - (Refer note: 38 (A)) | **25.25** | 24.70 |
| Loss on sale of assets (net) | **2.94** | 4.24 |
| Expected credit Loss / Advances Written off (Net) | **-** | 93.36 |
| CSR Expenses - (Refer note no.: 52) | **21.01** | 75.05 |
| Miscellaneous Expenses | **413.15** | 405.35 |
| **Total** | **21,391.75** | **19,575.97** |

## 38 (A): Auditors Remuneration

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| a) For Statutory Audit | 19.00 | 17.00 |
| b) For Taxation services | 3.20 | 4.30 |
| c) For Other services | 2.20 | 2.64 |
| d) For reimbursement of expenses | 0.85 | 0.76 |
| | **25.25** | **24.70** |

## 39. Tax Expense

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

₹ Lakhs

| Particulars | 2025- 26 | 2024 - 25 |
|---|---|---|
| Current Tax | | |
| Current tax on profit for the year | **1,180.00** | 211.38 |
| Charge/ (Credit) in respect of current tax for earlier years | **208.64** | - |
| **TOTAL (A)** | **1,388.64** | 211.38 |
| Deferred Tax | | |
| Origination / reversal of temporary differences | **20.76** | 1,402.54 |
| Tax Credit of Discontinued Operations | **-** | (491.55) |
| **TOTAL (B)** | **20.76** | **910.99** |
| **Total Tax expense recognized in Statement of Profit and Loss - (A)+(B)** | **1,409.40** | **1,122.37** |

### (b) Tax expenses recognised in other comprehensive income

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| **Items that will not be reclassified to profit or loss** | | |
| Remeasurements of the defined benefit plans | **(0.34)** | (27.02) |
| Net fair value loss on investments in equity instruments at FVTOCI | - | - |
| **Total Tax expense recognized in other comprehensive income** | **(0.34)** | **(27.02)** |

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

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Profit before tax | **4,994.17** | 4,411.11 |
| Enacted tax rate | **25.17%** | 25.17% |
| Expected income tax expense/(benefit) at statutory tax rate | **1,256.93** | 1,110.19 |
| *Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:* | | |
| Expenses not deductible in determining taxable profits | **(229.52)** | 47.87 |
| Income exempt from taxation | **-** | - |
| Effect of utilisation of tax losses | **-** | (345.06) |
| Effect of reversal of deferred tax on tax losses | **-** | 360.56 |
| Disallowances and reversals - net | **173.35** | (51.19) |
| Charge / (Credit) in respect of earlier years | **208.64** | - |
| **Tax expense for the year** | **1,409.40** | **1,122.37** |

**Note:**

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

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

₹ Lakhs

| Particulars | Deferred Tax Assets / (Liabilities) as on 01.04.2025 | Recognised in profit or loss | Recognised in OCI | Deferred Tax Assets / (Liabilities) as on 31.03.2026 |
|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | |
| - On PPE and intangible assets | (1,633.48) | 14.14 | - | (1,619.34) |
| - On disallowances under the income tax act | 107.82 | (14.12) | - | 93.70 |
| - On employee benefit expense | 232.58 | 2.26 | 0.34 | 235.18 |
| - On fair value adjustment of financial instruments | 497.57 | 7.12 | - | 504.69 |
| - On lease liability | 92.79 | (30.16) | - | 62.63 |
| **Net Deferred tax asset/(liabilities)** | **(702.72)** | **(20.76)** | **0.34** | **(723.14)** |

₹ Lakhs

| Particulars | Deferred Tax Assets / (Liabilities) as on 01.04.2024 | Recognised in profit or loss | Recognised in OCI | Deferred Tax Assets / (Liabilities) as on 31.03.2025 |
|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | |
| - On PPE and intangible assets | (1,438.56) | (194.92) | - | (1,633.48) |
| - On disallowances under the income tax act | 90.69 | 17.13 | - | 107.82 |
| - On unused tax losses and benefits | 360.56 | (360.56) | - | - |
| - On employee benefit expense | 570.42 | (364.86) | 27.02 | 232.58 |
| - On fair value adjustment of financial instruments | 490.58 | 6.99 | - | 497.57 |
| - On lease liability | 107.56 | (14.77) | - | 92.79 |
| **Net Deferred tax asset/(liabilities)** | **181.25** | **(910.99)** | **27.02** | **(702.72)** |

## 40. DISCONTINUED OPERATIONS

The Board of Directors at their meeting held on 27th February 2025 have decided to close the operations of one of the spinning units located at Hindupur, Andhra Pradesh, considering the unsustainable losses over the past several years and with no visibility of any significant improvement in the near future.

Consequently, the working results of the unit has been disclosed in discontinued operations during the year ended 31st March 2025 in Standalone and Consolidated Financial Statements. The comparative figures for the year ended 31st March 2025 presented in the statement of Profit and Loss continued to be disclosed as discontinued operations.

**The Broad Description of Assets & Liabilities pertaining to the discontinued operation is as follows:** ₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| 1. **Description of Assets:-** | | |
| (a) Plant & Equipment | **264.81** | 2775.5 |
| (b) Other Non-current Assets | **7.36** | 261.54 |
| (c) Other Current Assets | - | 2,370.24 |
| 2. **Description of Liabilities:-** | | |
| (a) Non-Current Liabilities | **-** | - |
| (b) Other Liabilities including provision of retrenchment compensation | **-** | **2,390.36** |

**Financial performance of the discontinued operations:**

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **3. Financial performance of the discontinued operations:** | | |
| Revenue | - | 11,743.23 |
| **Total expenses** | **-** | **14,123.39** |
| Loss before tax | - | (2,380.16) |
| Tax Credit | - | 491.55 |
| Loss from Discontinued operations | - | (1,888.61) |

4. **Cash Flow information:-**

Net cash inflows from operating activities for the current year- ₹ Nil & Previous year- ₹ 1,762.66 lakhs.

Net cash flow used in investing activities for the current year- ₹ Nil & Previous year- ₹ (162.75) lakhs.

5. **Description of assets held for sale consequent to discontinued operations.**

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Plant & Equipment | 107.30 | 296.32 |
| Computer | 0.57 | 2.69 |
| Furniture including office Equipments | 1.33 | 4.80 |
| Vehicles | 8.15 | 9.57 |
| **Total** | **117.35** | **313.38** |

## 41. EARNINGS PER SHARE (EPS)

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Profit after tax from continuing operations | **3,584.77** | 5,177.3 |
| Loss after tax from discontinued operations | **-** | (1,888.61) |
| Profit after tax for the year (Net of continued & Discontinued operations) | **3,584.77** | 3,288.74 |
| Weighted Average number of equity shares used in computing EPS | **1,20,00,000** | 1,20,00,000 |
| Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share) fro continuing operations | **29.87** | 43.14 |
| Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share) from discontinued operations | **-** | (15.74) |
| Basic & Diluted Earnings per share (in ₹) (Face value of ₹ 10 per share) from continuing & discontinued operations | **29.87** | 27.41 |
| Face Value per equity share (in ₹) | **10.00** | 10.00 |

## 42. Employee Benefit Plans

### a) Defined contribution plans - Provident Fund

Pursuant to the provisions of the Code on Social Security, 2020 and the rules framed thereunder (to the extent notified and applicable), eligible employees of the Company are entitled to receive provident fund benefits. The Company and the employees contribute monthly to the Employees' Provident Fund ("EPF") scheme at the prescribed rate on eligible wages/salary, as notified by the Government of India from time to time (currently 12% for fiscal years 2026 and 2025). Employees may also opt for voluntary provident fund contributions in accordance with the applicable regulations.

The contributions are remitted to the statutory provident fund administered by the Employees' Provident Fund Organisation ("EPFO") under the Government of India. The Company's obligation under this defined contribution plan is limited to the amount of contributions required to be made during the period. Accordingly, no actuarial or investment risk is borne by the Company.

Contributions payable by the Company to the defined contribution plan are recognised as an employee benefits expense in the Statement of Profit and Loss in the period in which the related services are rendered. The expense recognised during the period towards this providend fund contribution amounted to Rs. 313.78 Lakhs (March 31, 2025 - Rs. 380.83 Lakhs).

### b) Defined contribution plans - Employee State Insurance

Pursuant to the provisions of the Code on Social Security, 2020 and the rules framed thereunder (to the extent notified and applicable), eligible employees of the Company are covered under the Employees' State Insurance ("ESI") scheme. Under the scheme, the Company contributes at the prescribed rate on eligible wages/salary, as notified by the Government of India from time to time (currently 3.25% by the employer and 0.75% by the employee for fiscal years 2026 and 2025).

The scheme is administered by the Employees' State Insurance Corporation ("ESIC"), which provides medical, sickness, maternity and other related benefits to eligible employees and their dependants in accordance with the applicable regulations. The Company's obligation under this defined contribution plan is limited to the contributions payable during the period.

Contributions payable by the Company are recognised as an employee benefits expense in the Statement of Profit and Loss in the period in which the related services are rendered.

The expense recognised during the period towards ESI contribution amounted to ₹ 55.64 Lakhs (March 31, 2025 - ₹ 63.44 Lakhs).

### c) Defined Benefit Plans - Gratuity

The Company operates a funded gratuity scheme for eligible employees in accordance with the provisions of the Code on Social Security, 2020 and the Payment of Gratuity Act, 1972, to the extent applicable and notified. The gratuity plan is a defined benefit plan administered through a separately managed trust.

Under the plan, eligible employees are entitled to a lump-sum gratuity payment on retirement, resignation, death, permanent disablement or termination of employment, based on the employee's last drawn salary and years of continuous service, subject to the provisions of the applicable law. Employees who complete the minimum qualifying period of service prescribed under the applicable regulations become eligible for gratuity benefits.

The gratuity fund is managed by a trust governed by a Board of Trustees. The trustees are responsible for the administration of the fund and for the investment of plan assets in accordance with the applicable laws and investment guidelines prescribed by the Government of India.

The gratuity liability is determined on the basis of an actuarial valuation carried out at each reporting date using the projected unit credit method. Re-measurements comprising actuarial gains and losses, the effect of changes in the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest) are recognised immediately in Other Comprehensive Income and are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Company, together with the Board of Trustees, periodically reviews the funding position of the gratuity plan, including the asset-liability matching strategy and investment risk profile. Contributions to the gratuity fund are made based on actuarial recommendations and applicable regulatory requirements.

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

| | Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| A) | **Net employee benefit expense (recognised in Employee Benefits Expenses):** | | |
| | Current service Cost | **83.63** | 101.44 |
| | Plan amendment's past service cost | **213.56** | - |
| | Interest cost | **103.85** | 134.33 |
| | Expected return on Plan Asset | **(69.37)** | (48.29) |
| | **Net employee benefit expenses** | **331.67** | 187.49 |
| | Actual Return on Plan Assets | **9.84** | 33.05 |
| B) | **Amount recognised in Balance Sheet:** | | |
| | Defined Funded Obligation | **1,368.89** | 2,055.47 |
| | Fair Value of Plan Assets | **924.36** | 1,143.94 |
| | **Surplus / (Deficit)** | **444.53** | 911.53 |
| C) | **Changes in the present value of the defined benefit obligation:** | | |
| | Opening defined benefit obligation | **2,055.47** | 1993.60 |
| | Current service cost | **83.63** | 101.44 |
| | Plan amendment's past service cost | **213.56** | - |
| | Interest cost | **103.85** | 134.33 |
| | Benefits paid | **(1,029.44)** | (266.02) |
| | Net actuarial (gains)/losses on obligation for the year recognised under OCI | **(58.18)** | 92.12 |
| | **Closing defined benefit obligation** | **1,368.89** | 2,055.47 |
| D) | **Changes in the fair value of plan assets:** | | |
| | Opening Fair Value of Plan Assets | **1143.96** | 226.91 |
| | Actual Return on Plan Asset | **9.84** | 33.05 |
| | Contributions | **800.00** | 1150.00 |
| | Benefits Paid | **(1,029.44)** | (266.02) |
| | **Closing fair value of plan assets** | **924.36** | 1,143.94 |

The Company expects to contribute ₹ 83.64 Lakhs to the gratuity fund in the next year (March 31, 2025: 209.16 Lakhs) against the short-term liability of ₹ 83.64 Lakhs (March 31, 2025: ₹ 209.16 Lakhs ) as per the actuarial valuation.

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

₹ Lakhs

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Investments with HDFC Group Unit Linked Plan - Option B | **100%** | 100% |

**E) Remeasurement adjustments:**

₹ Lakhs

| | | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| a) | Actuarial (gains)/losses arising from changes in - | | |
| | - demographic assumptions | **(4.05)** | - |
| | - financial assumptions | **162.43** | 60.78 |
| | - experience adjustments | **(216.56)** | 31.34 |
| b) | Return on plan assets, excluding amount included in net interest expense/(income) | **59.53** | 15.24 |
| | **Total amount recognised in other comprehensive income** | **1.35** | 107.36 |

**Actuarial assumptions and sensitivity :**

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

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Discount rate | **7.13%** | 6.74% |
| Expected rate of return on assets | **7.13%** | 6.74% |
| Salary Escalation | **5.00%** | 3.00% |
| Attrition Rate | **8.00%** | 5.00% |
| Mortality | **Indian Assured Lives Mortality (2012 - 14) Ultimate** | |

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

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

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

Expected benefit payments for the year ending:

₹ Lakhs

| Year Ending | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Year 1 | **59.37** | 134.91 |
| Year 2 | **59.96** | 129.24 |
| Year 3 | **111.98** | 227.13 |
| Year 4 | **123.05** | 234.68 |
| Year 5 | **100.77** | 215.68 |
| Beyond 5 Years | **913.76** | 1,113.83 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 9.38 years (March 31, 2025: 9.83 years)

**(iii) Sensitivity analysis**

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

₹ Lakhs

| | Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| a) | Effect of 1% change in assumed discount rate on defined benefit obligation | | |
| | 1% increase | (1,278.55) | (1,940.89) |
| | 1% decrease | 1,470.14 | 2,182.12 |
| b) | Effect of 1% change in assumed salary escalation rate on defined benefit obligation | | |
| | 1% increase | (1,467.32) | (2,182.18) |
| | 1% decrease | 1,279.01 | 1,939.15 |
| c) | Effect of 1% change in assumed attrition rate on defined benefit obligation | | |
| | 1% increase | (1,376.20) | (2,076.31) |
| | 1% decrease | 1,360.81 | 2,032.76 |

**iv) Experience adjustments**

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 | 2023 - 24 | 2022 - 23 | 2021 - 22 |
|---|---|---|---|---|---|
| Defined Benefit Obligation | **1,368.89** | 2,055.47 | 1,993.59 | 1,859.87 | 1,724.25 |
| Plan Assets | **924.36** | 1,143.94 | 226.92 | 362.72 | 375.80 |
| Surplus / (Deficit) | **(444.53)** | (911.53) | (1,766.69) | (1,497.15) | (1,348.45) |
| Experience Adjustments on Plan Liabilities – Loss / (Gain) | **216.56** | (31.34) | (51.15) | (72.64) | (595.08) |
| Experience Adjustments on Plan Assets – Gain / (Loss) | **(59.53)** | (15.24) | 26.69 | (16.87) | 5.48 |

## 43. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

**The carrying value of financial instruments by categories as at 31st March 2026 were as follows:**

₹ Lakhs

| Particulars | Note | Cost | FVTPL | FVTOCI | Amortised Cost | Total Carrying Value |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| Investments | 4 & 9 | - | 921.90 | 393.81 | - | 1,315.71 |
| Trade receivables | 10 | - | - | - | 13,482.35 | 13,482.35 |
| Cash and Cash equivalents | 11 | - | - | - | 134.93 | 134.93 |
| Other bank balance | 12 | - | - | - | 345.56 | 345.56 |
| Loans | 13 | - | - | - | 77.84 | 77.84 |
| Other Financial Assets | 5 & 14 | - | - | - | 956.18 | 956.18 |
| **Financial Liabilities** | | | | | | |
| Borrowings | 19 & 23 | - | - | - | 34,475.04 | 34,475.04 |
| Lease Liability | 20 & 24 | - | - | - | 254.35 | 254.35 |
| Trade payables | 25 | - | - | - | 5,262.39 | 5,262.39 |
| Other Financial Liabilities | 26 | - | - | - | 3,298.82 | 3,298.82 |

**The carrying value of financial instruments by categories as at 31st March 2025 were as follows**

₹ Lakhs

| Particulars | Note | Cost | FVTPL | FVTOCI | Amortised Cost | Total Carrying Value |
|---|---|---|---|---|---|---|
| **Financial Assets:** | | | | | | |
| Investments | 4 & 9 | - | 864.34 | 264.00 | - | 1,128.34 |
| Trade receivables | 10 | - | - | - | 11,320.78 | 11,320.78 |
| Cash and Cash equivalents | 11 | - | - | - | 83.21 | 83.21 |
| Other bank balance | 12 | - | - | - | 524.95 | 524.95 |
| Loans | 13 | - | - | - | 79.62 | 79.62 |
| Other Financial Assets | 5 & 14 | - | - | - | 1,110.85 | 1,110.85 |
| **Financial Liabilities:** | | | | | | |
| Borrowings | 19 & 23 | | - | - | 32,571.78 | 32,571.78 |
| Lease Liability | 20 & 24 | | - | - | 377.24 | 377.24 |
| Trade payables | 25 | | - | - | 9,767.03 | 9,767.03 |
| Other Financial Liabilities | 26 | | - | - | 4,251.37 | 4,251.37 |

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

Investments in subsidiaries are carried at cost.

Investements in unquoted equity shares are carried at FVTOCI.

Investements through Portfolio Management scheme is carried at FVTPL.

## 44. FAIR VALUE MEASUREMENT

### a) Fair value hierarchy

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

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

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

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

**(b) Level wise disclosure of financial instruments:**

₹ Lakhs

| Particulars | As at 31st March 2026 | | | | As at 31st March 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying Amount | Level 1 | Level 2 | Level 3 | Carrying Amount | Level 1 | Level 2 | Level 3 |
| **Financial assets measured at fair value through Profit and Loss account (FVTPL)** | | | | | | | | |
| Trade investments through Portfolio Management scheme | **921.90** | **921.90** | - | - | 864.34 | 864.34 | - | - |
| **Financial assets measured at fair value through other comprehensive income (FVTOCI)** | | | | | | | | |
| Trade Investments in unquoted equity shares | **393.81** | **-** | - | 393.81 | 264.00 | - | - | 264.00 |
| **Financial assets measured at amortised cost** | | | | | | | | |
| Trade receivables | **13,482.35** | **-** | - | - | 11,320.78 | - | - | - |
| Cash and Cash equivalents | **134.93** | **-** | - | - | 83.21 | - | - | - |
| Other bank balance | **345.56** | **-** | - | - | 524.95 | - | - | - |
| Loans | **77.84** | **-** | - | - | 79.62 | - | - | - |
| Other Financial Assets | **956.18** | **-** | - | - | 1,110.85 | - | - | - |
| **Financial liabilities measured at amortised cost** | | | | | | | | |
| Borrowings | **34,475.04** | **-** | - | - | 32,571.78 | - | - | - |
| Lease Liability | **254.35** | **-** | - | - | 377.24 | - | - | - |
| Trade payables | **5,262.39** | **-** | - | - | 9,767.03 | - | - | - |
| Other Financial Liabilities | **3,298.82** | **-** | - | - | 4,251.37 | - | - | - |

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.

**45 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 2026 | As at 31st March 2025 |
|---|---|---|
| Cash and cash equivalents | 134.93 | 83.21 |
| Other bank balances | 345.56 | 524.95 |
| Non-current bank deposits | 0.00 | 0.00 |
| Current investments | 921.90 | 864.34 |
| **Total cash (a)** | **1,402.39** | **1,472.50** |
| **Non-current borrowings** | **13,030.00** | **10,313.18** |
| Current borrowings | 21,445.04 | 22,258.60 |
| **Total borrowings (b)** | **34,475.04** | **32,571.78** |
| **Net debt c=(b-a)** | **33,072.65** | **31,099.28** |
| **Total equity (d)** | **48,073.53** | **44,849.77** |
| **Gearing ratio (c/d)** | **0.69** | **0.69** |

## 46. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

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

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

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

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

**1) Market Risk**

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

**a) Interest Rate Risk**

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

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

₹ Lakhs

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| Fixed rate borrowings | **176.14** | 239.34 |
| Floating rate borrowings | **34,298.90** | 32,332.44 |
| **Total borrowings** | **34,475.04** | **32,571.78** |
| Total Net borrowings | **34,475.04** | 32,571.78 |
| Add: Upfront fees | **51.40** | 81.65 |
| **Total borrowings** | **34,526.44** | **32,653.43** |

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

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit/ (loss) for the year ended 31st March 2026 would decrease / increase by Rs. 345.26 Lakhs (for the year ended 31st March 2025 : decrease / increase by Rs. 326.53 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 2026 | | | As at 31st March 2025 | | |
|---|---|---|---|---|---|---|
| | USD | Euro | GBP/ CHF | USD | Euro | GBP / CHF |
| Trade Receivables | 5,220.21 | 125.36 | 186.08 | 3,835.87 | 421.17 | 47.34 |
| Buyers' credit | (917.55) | - | - | (184.65) | - | - |
| Trade and other Payables | (72.70) | (50.16) | (4.11) | - | (19.35) | (0.48) |
| Foreign currency term loan | (1,914.64) | - | - | | (4,665.49) | |
| Packing Credit | (8,677.36) | (118.48) | (2.11) | (15,125.17) | (151.09) | (31.87) |
| **TOTAL** | **(6,362.04)** | **(43.28)** | **179.86** | **(11,473.95)** | **(4,414.76)** | **14.99** |

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 2026 | | | As at 31st March 2025 | | |
|---|---|---|---|---|---|---|
| | USD | Euro | GBP/ CHF | USD | Euro | GBP / CHF |
| Trade and other payable | 525.68 | - | - | (3,743.36) | | |
| Packing Credit | 7,712.93 | - | - | - | - | - |
| Foreign Currency Term Loan | 2,243.76 | - | - | - | - | - |
| Buyers' credit | 280.47 | - | - | - | - | - |
| **TOTAL** | **10,762.84** | **-** | **-** | **(3,743.36)** | **-** | **-** |

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 | |
|---|---|---|---|
| | | 2025 - 26 | 2024 - 25 |
| USD | +5% | (318.10) | (573.70) |
| | -5% | 318.10 | 573.70 |
| EURO | +5% | (2.16) | (220.74) |
| | -5% | 2.16 | 220.74 |
| GBP/CHF | +5% | 8.99 | 0.75 |
| | -5% | (8.99) | (0.75) |

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-26 | 33 | Sell | 82.50 | 7,712.93 |
| 31-Mar-26 | 6 | Buy | (32.62) | (3,049.91) |
| 31-Mar-25 | 10 | Buy | (43.80) | (3,743.46) |

**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 | |
|---|---|---|---|---|
| | 2025 - 26 | 2024 - 25 | 2025 - 26 | 2024 - 25 |
| Cotton | (2,264.95) | (2,401.08) | 2,264.95 | 2,401.08 |

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

### Information about major customers

Customers with more than 5% of the total value of trade receivables as at 31st March 2026 and 31st March 2025 are as follows :

₹ Lakhs

| Particulars | As at 31st March 2026 | | | As at 31st March 2025 | | |
|---|---|---|---|---|---|---|
| | No. of Parties | Amount Outstanding | % | No of Parties | Amount outstanding | % |
| **Customers** | | | | | | |
| - within India | **4** | **3,237.38** | **23.47%** | 3 | 2,471.11 | 21.16% |
| - Outside India | **1** | **1,309.08** | **9.49%** | 1 | 786.02 | 6.73% |

### 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, 2026** | | | | | | |
| Long term borrowings | **-** | **-** | **12,390.93** | **639.07** | **13,030.00** | **13,030.00** |
| Short term borrowings | **18,273.19** | **3,171.85** | **-** | **-** | **21,445.04** | **21,445.04** |
| Trade payables | **-** | **5,262.39** | **-** | **-** | **5,262.39** | **5,262.39** |
| Lease Liability | **-** | **137.84** | **116.51** | **-** | **254.35** | **254.35** |
| Other financial liabilities | **-** | **3,298.82** | **-** | **-** | **3,298.82** | **3,298.82** |
| **At 31st March, 2025** | | | | | | |
| Long term borrowings | - | - | 8,470.96 | 1,842.22 | 10,313.18 | 10,313.18 |
| Short term borrowings | 18,332.34 | 3,926.26 | - | - | 22,258.60 | 22,258.60 |
| Trade payables | - | 9,767.03 | - | - | 9,767.03 | 9,767.03 |
| Lease Liability | - | 113.46 | 263.78 | - | 377.24 | 377.24 |
| Other financial liabilities | - | 4,251.37 | - | - | 4,251.37 | 4,251.37 |

## 47 Capital Commitments:

₹ Lakhs

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account | 528.16 | 1,176.68 |
| **Total** | **528.16** | **1,176.68** |

## 48 Contingent Liabilities:

₹ Lakhs

| Contingent liabilities in respect of | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| Bills discounted | **5,012.26** | 1,325.34 |
| Guarantees | **436.41** | 436.41 |
| Letters of credit outstanding | **493.07** | 2,039.67 |
| **Claims not acknowledged as debts (Refer note below)** | **9,524.24** | **8,794.94** |
| **Obligation with respect to Export Promotion Capital Goods (EPCG) Licences** | | |
| a) Export Obligation | **-** | 823.03 |
| b) Quantum of Duty saved | **-** | 137.17 |
| **Contingent liabilities under litigation :** | | |
| Disputed Statutory Liabilities not provided for | **351.56** | 401.30 |
| Disputed Other Liabilities not provided for | **1,224.09** | 1,224.09 |

**Note :** Electricity bills of Southern Power Distribution Company of Andhra Pradesh Limited reflects an amount aggregating to Rs. 9,524.24 Lakh as "Court Case Arrears & Surcharge". The Board further noted that this is a unilaterally arrived at figure, with no details made available to the Company. Further this amount is not mentioned as the amount payable in the bill but under "Court Case Arrears". This could be consequent to various litigations pending with regard to Andhra Pradesh Gas Power Corporation Limited.

**49** Power and Fuel is net of wind power income of ₹ 236.49 lakhs (PY ₹ 206.21 lakhs) representing power supplied to the grid against which equivalent consumption was made in-house.

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

₹ Lakhs

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in : | | |
| Principal amount due to Micro & Small Enterprises | **278.95** | 400.28 |
| Interest due on above | **-** | - |
| **Total** | **278.95** | **400.28** |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day. | **-** | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006. | **0.79** | 0.48 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | **9.36** | 8.57 |
| 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.

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

₹ Lakhs

| Contingent liabilities in respect of | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| a. Exchange difference capitalized during the year | **-** | 39.89 |
| b. Depreciation charged to Profit & loss a/c thereon | **29.07** | 25.15 |
| c. Exchange difference pertaining to assets sold during the year | **-** | - |
| d. Remaining amount to be amortized* | **129.53** | 158.60 |

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

**52. Corporate Social Responsibility (CSR) activities :**

₹ Lakhs

| Particulars | | 2025 - 26 | 2024 - 25 |
|---|---|---|---|
| a) | Gross amount required to be spent by the Company during the year | **18.88** | 79.09 |
| b) | Unspent amount pertaining to earlier years | **-** | - |
| c) | Total amount required to be spent by the Company - (a + b) | **18.88** | 79.09 |
| d) | Amount spent during the year | | |
| | i) Construction/acquisition of any asset | **-** | - |
| | ii) On purposes other than (i) above | **21.01** | 79.09 |
| e) | Balance amount to be spent / (Excess spent) - (c - d) | **(2.13)** | - |
| 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 The Kuppuswamy Naidu Charity Trust for promoting health care in relation to CSR expenses | **-** | 20.00 |

The above Expenditure incurred in FY 2024-25 includes 4.04 Lakhs spent towards CSR activities carried out by the unit which has discontinued its operations during FY 2024-2025.

**53** Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities amounting to (Rs. 314.84 lakhs) - PY - Rs. 34.30 lakhs.

**54 Related Party Disclosure :**

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

| | |
|---|---|
| Holding Co | Nil |
| Subsidiary | Suprem Associates (Partnership firm) |
| Key Management Personnel (KMP) | Mr. Ashwin Chandran (Chairman and Managing Director),<br>Mr. Prashanth Chandran (Vice Chairman & Managing Director)<br>Mr. T. Kumar (Executive Director)<br>Mr. Ravikumar Abburu (Executive Director)<br>Mr. P. Vijay Raghunath ((Non Executive Director)<br>Mr. Arun Selvaraj (Non Executive Director)<br>Mr. Vinay Balaji Naidu (Non Executive Director)<br>Mr. Prakash (Non Executive Director)<br>Mrs. Suguna Ravichandran (Non Executive Director)<br>Mr. M K Ravindra Kumar (Chief Financial Officer) - Upto 31.12.2025<br>Mrs. S. Kavitha (Company Secretary) - Upto 15.11.2025<br>Mr. Satish Kuruppath (Chief Financial Officer) - From 31.03.2026<br>Mr. Achuth Menon (Company Secretary) - From 13.02.2026 |
| **Others** | |
| - Relative of KMP | Mr.Sarath Chandran |
| - Enterprise in which KMP has control | Suprem Enterprises<br>Ashwanth Primarius Enterprises LLP<br>The Kuppuswamy Naidu Charity Trust |

₹ Lakhs

| Nature of transactions | FY 2025 - 26 | | | FY 2024 - 25 | | |
|---|---|---|---|---|---|---|
| | Subsidiaries | KMP | Others | Subsidiaries | KMP | Others |
| Remuneration (including perquisites - Refer note below) | - | 560.63 | 0.13 | - | 489.82 | 0.50 |
| Commission | - | 57.22 | 14.06 | - | 168.17 | 26.94 |
| Sitting fees | - | 13.18 | - | - | 11.35 | - |
| Royalty | - | - | 193.52 | - | - | 18.59 |
| CSR Paid | - | - | - | - | - | 20.00 |
| Capital expenses | - | - | - | - | 30.00 | - |
| Amount payable | - | 102.22 | 29.67 | - | 168.17 | 28.13 |

**Note:**

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.

The Company has provided residential accommodation owned by it to the Chairman & Vice Chairman and Managing Director as perquisite. No rent has been charged for the use of the premises. The fair rental value of the accommodation has not been independently determined by the Company.

**55. Leases**

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

**i) The movement in lease liabilities is as follows:**

₹ Lakhs

| Particulars | 2025 - 26 | 2024 - 25 |
|---|---|---|
| Balance at the beginning of the year | **377.24** | 437.95 |
| Additions during the year | **-** | 35.38 |
| Derecognition of Lease Liability | **(10.66)** | - |
| Finance cost accrued during the year | **31.90** | 41.68 |
| Payment of lease liabilities | **(144.13)** | (137.78) |
| **Balance at the end of the year** | **254.35** | 377.24 |
| Current lease liabilities | **137.84** | 113.46 |
| Non-current lease liabilities | **116.51** | 263.78 |
| **Amount recognised in Statement of Profit & Loss for the year ended :** | | |
| Interest on lease liabilities | **31.90** | 41.68 |
| Depreciation on right-of-use assets | **153.58** | 151.80 |
| Expenses relating to short term lease liabilities/leases of low value assets | **15.83** | 12.58 |

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

| Particulars | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Less than one year | **156.85** | 145.78 |
| One to five years | **121.54** | 288.86 |
| More than five years | **-** | - |
| **Total** | **278.39** | 434.64 |

**56. Operating Segments**

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

**Information about Geographical revenue and non current assets :**

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

**a) Revenue from Operations** ₹ Lakhs

| Particulars | As at 31st March 2026 | As at 31st March 2025 |
|---|---|---|
| **Continuing Operations** | | |
| Within India | **45,298.93** | 41,279.67 |
| Outside India | **39,910.00** | 41,823.34 |
| **Total** | **85,208.93** | 83,103.01 |
| **DisContinued Operations** | | |
| Within India | **-** | 10,749.36 |
| Outside India | **-** | 521.92 |
| **Total** | **-** | 11,271.28 |
| **Grand Total** | **85,208.93** | 94,374.29 |

**b) Non current assets:**

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

**57. 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.

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

| Particulars | As at 31st March 2026 | 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 | **-** | - | - |

**59** Effective November 21, 2025, the Government of India consolidated 29 existing labour laws into four Labour Codes, namely the Code on Wages, 2019. The new Labour Codes have resulted in a one-time increase in the provision for gratuity on account of recognition of past service cost. Pursuant to the implementation of the new Labour Codes, the

Company has recognised an estimated one-time incremental gratuity charge of Rs.213.56 lakhs for the quarter and year ended March 31, 2026, based on actuarial valuation.

Upon notification of the related rules under the new Labour Codes by the Government, and any further clarifications issued on other aspects of the new Labour Codes, the Company will evaluate and account for any additional impact, if any, in subsequent periods.

**60. Additional information as required under schedule III to the companies Act, 2013 of entities consolidated as Subsidiaries.**

| 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**<br>Precot Ltd | 95.13% | 45733.43 | 100% | 3583.76 |
| **Subsidiary**<br>Suprem Associates | 4.87% | 2340.00 | | |

**61 Events after the Reporting Period**

The Board of Directors, in its meeting held on $16^{th}$ May'2026 has recommended a dividend of 40 % ( ₹ 4 per fully paid up Equity Shares of ₹10/- each) for the year ended $31^{st}$ March 2026, subject to the approval of the shareholders at the ensuing Annual General Meeting.

**62 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 intermedicary shall:

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

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

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

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

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

**iii) Compliance with number of layers of companies:**

The Company has 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 registered with the Registrar of Companies (ROC) beyond the statutory period.

**63** The amounts and disclosures included in the financial statements of the previous year have been reclassified wherever necessary to confirm to the current year classification.

**64** All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

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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 : 16-May-2026

For and on behalf of the Board of Directors

**Ashwin Chandran**
Chairman and Managing Director
(DIN : 00001884)

**Satish Kuruppath**
Chief Financial Officer

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

**Achuth Menon**
Company Secretary
(ACS No. 63980)

NOTICE is hereby given that the 64th Annual General Meeting of the shareholders of the Company will be held on, Thursday, 20th August 2026 at 4.00 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, 2026 including audited balance sheet as at 31st March 2026, 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, circulated to all the shareholders and as presented to the meeting, be and are hereby, approved and adopted.

2. **To appoint a Director in place of Mr T Kumar (DIN:07826033), who retires by rotation and being eligible, offers himself for reappointment**

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

   **RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of **Mr T Kumar (DIN: 07826033),** who retires by rotation and being eligible offers himself for reappointment, as a Director.

3. **To Declare a Dividend**

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

   **RESOLVED THAT** the dividend @ Rs 4 per equity share of Rs. 10 each, fully paid- up, be and is hereby declared for the financial year ended March 31,2026 and the same be paid to those Members whose names appear on the Company's Register of Members on 13th August 2026 .

**SPECIAL BUSINESS:**

4. **Variation in the Terms and Conditions of Remuneration Payable to Mr. Ashwin Chandran [DIN: 00001884] Chairman and Managing Director**

   **RESOLVED THAT** pursuant to the provisions of Sections 197, 198 of the Companies Act, 2013 ("the Act") read with Section II of Part II of Schedule V to the Companies Act, 2013, Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to vary the terms and conditions relating to the remuneration payable to Mr. Ashwin Chandran [DIN: 00001884] Chairman and Managing Director as approved by the Members through a special resolution at the 63rd Annual General Meeting held on 20th August 2025, to the following extent:

   In the event of inadequacy of profits or loss in any financial year during the tenure of Mr. Ashwin Chandran, Chairman and Managing Director, the remuneration as approved by the Members at the 63rd Annual General Meeting held on 20th August 2025, shall be the minimum remuneration payable to Mr. Ashwin Chandran, Chairman and Managing Director in terms of Section 197(3) of the Companies Act, 2013 read with provisions of Section II Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** save and except for the aforesaid variation relating to the minimum remuneration payable in the event of absence or inadequacy of profits, all other terms and conditions governing the appointment and remuneration of Mr. Ashwin Chandran [DIN: 00001884] Chairman and Managing Director as approved by the Members through a special resolution at the 63rd Annual General Meeting held on 20th August 2025 shall remain unchanged and continue to be in effect.

**RESOLVED ALSO THAT** Mr. M Achuth Menon, Company Secretary & Compliance Officer or in his absence Mr. Satish Kuruppath, Chief Financial Officer be and are hereby authorised to carry out all such acts, deeds and such other matters as may be required to give effect to this resolution.

5. **Variation in the Terms and Conditions of Remuneration Payable to Prashanth Chandran (DIN:01909559) Vice Chairman and Managing Director.**

**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 of the Companies Act, 2013 ("the Act") read with Section II of Part II of Schedule V to the Companies Act, 2013, Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to vary the terms and conditions relating to the remuneration payable to Mr. Prashanth Chandran [DIN: 01909559] Vice Chairman and Managing Director as approved by the Members through a special resolution at the 63rd Annual General Meeting held on 20th August 2025, to the following extent:

In the event of inadequacy of profits or loss in any financial year during the tenure of Mr. Prashanth Chandran [DIN: 01909559] Vice Chairman and Managing Director, the remuneration as approved by the Members at the 63rd Annual General Meeting held on 20th August 2025, shall be the minimum remuneration payable to Mr. Prashanth Chandran [DIN: 01909559] Vice Chairman and Managing Director in terms of Section 197(3) of the Companies Act, 2013 read with provisions of Section II Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** save and except for the aforesaid variation relating to the minimum remuneration payable in the event of absence or inadequacy of profits, all other terms and conditions governing the appointment and remuneration of Mr. Prashanth Chandran [DIN: 01909559] Vice Chairman and Managing Director as approved by the Members through a special resolution at the 63rd Annual General Meeting held on 20th August 2025 shall remain unchanged and continue to be in effect.

**RESOLVED ALSO THAT** Mr. M Achuth Menon, Company Secretary & Compliance Officer or in his absence Mr. Satish Kuruppath, Chief Financial Officer be and are hereby authorised to carry out all such acts, deeds and such other matters as may be required to give effect to this resolution.

6. **Variation in the Terms and Conditions of Remuneration Payable to Mr. T Kumar (DIN:07826033) as Executive Director.**

**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 of the Companies Act, 2013 ("the Act") read with Section II of Part II of Schedule V to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to vary the terms and conditions relating to the remuneration payable to Mr. T Kumar (DIN:07826033) as Executive Director as approved by the Members through a special resolution at the 63rd Annual General Meeting held on 20th August 2025, to the following extent:

In the event of inadequacy of profits or loss in any financial year during the tenure of Mr. T Kumar (DIN:07826033) as Executive Director, the remuneration as approved by the Members at the 63rd Annual General Meeting held on 20th August 2025, shall be the minimum remuneration payable to Mr. T Kumar (DIN:07826033) as Executive Director in terms of Section 197(3) of the Companies Act, 2013 read with provisions of Section II Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** save and except for the aforesaid variation relating to the minimum remuneration payable in the event of absence or inadequacy of profits, all other terms and conditions governing the appointment and remuneration of Mr. T Kumar (DIN:07826033) as Executive Director as approved by the Members through a special resolution at the 63rd Annual General Meeting held on 20th August 2025 shall remain unchanged and continue to be in effect.

**RESOLVED ALSO THAT** Mr. M Achuth Menon, Company Secretary & Compliance Officer or in his absence Mr. Satish Kuruppath, Chief Financial Officer be and are hereby authorised to carry out all such acts, deeds and such other matters as may be required to give effect to this resolution.

7. **Variation in the Terms and Conditions of Remuneration Payable to Mr. Ravi Kumar Abburu (DIN:10622002) Director- Technical Textiles**

**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 of the Companies Act, 2013 ("the Act") read with Section II of Part II of Schedule V to the Companies Act, 2013, Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to vary the terms and conditions relating to the remuneration payable to Mr. Ravi Kumar Abburu (DIN:10622002) Director-Technical Textiles as approved by the Members through a special resolution at the 63rd Annual General Meeting held on 20th August 2025, to the following extent:

In the event of inadequacy of profits or loss in any financial year during the tenure of Mr. Ravi Kumar Abburu (DIN:10622002) Director- Technical Textiles, the remuneration as approved by the Members at the 63rd Annual General Meeting held on 20th August 2025, shall be the minimum remuneration payable to Mr. Ravi Kumar Abburu (DIN:10622002) Director- Technical Textiles in terms of Section 197(3) of the Companies Act, 2013 read with provisions of Section II Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** save and except for the aforesaid variation relating to the minimum remuneration payable in the event of absence or inadequacy of profits, all other terms and conditions governing the appointment and remuneration of Mr. Ravi Kumar Abburu (DIN:10622002) Director- Technical Textiles as approved by the Members through a special resolution at the 63rd Annual General Meeting held on 20th August 2025 shall remain unchanged and continue to be in effect.

**RESOLVED ALSO THAT** Mr. M Achuth Menon, Company Secretary & Compliance Officer or in his absence Mr. Satish Kuruppath, Chief

Financial Officer be and are hereby authorised to carry out all such acts, deeds and such other matters as may be required to give effect to this resolution.

**8. 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), at the remuneration of Rs.4.50 lakhs, in addition to reimbursement of travel and out-of-pocket expenses, payable to Mr. R. Krishnan, Cost Accountant (Registration 7799), who was appointed as Cost Auditor of the Company to conduct the audit of the cost records for the financial year 2026-27 as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified.

By order of the Board
**M Achuth Menon**
Company Secretary
(ACS No. 63980)

Coimbatore
22-July-2026

**NOTES:**

1. Ministry of Corporate Affairs ("MCA") has vide its Circular No. 09/2024 dated September 19, 2024 read with Circular No.20 dated May 05, 2020 Circular No.02 dated January 13, 2021, Circular No.19 dated December 08, 2021, Circular No.21 dated December 14, 2021 Circular No. 3 dated May 5, 2022 and Circular No. 10 dated December 28, 2022 permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.

2. **Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.**

3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/ Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through their registered email address to, madhu@ksrandco.in with copies marked to the Company at achuthmenon@precot.com and to its RTA at investor.helpdesk@in.mpms.mufg.com

4. The Register of Members and Share Transfer books of the Company will remain closed from 14th August 2026 to 20th August 2026.

5. The explanatory statement pursuant to section 102 of the Act, with respect to Special Business set out in the Item No 4,5,6,7 & 8 is annexed thereto .

6. Dividend recommended by the Board of Directors, if approved by the Members at the ensuing Annual General Meeting, will be credited / dispatched to those members within 30 days from the date of declaration, whose name appear on the Register of Members of the Company as on 13th August 2026. In respect of the dematerialized shares dividend will be paid on the basis of the beneficial ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 13th August 2026. Dividend is subject to deduction of applicable rates as per the relevant provisions of income Tax, Act 1961 and rules made thereunder. A separate circular through email is being sent to each shareholder with complete details relating to the deduction of tax at source from dividend.

7. **Updation of KYC for Physical Folios:**

   As per SEBI Master Circular bearing reference no. SEBI/ HO/ MIRSD/ POD- 1 / P/ CIR/ 2024 / 37 dated May 7 , 2024 and subsequent circulars on the subject, Dividend will be withheld if shares held in physical folio is not KYC compliant. SEBI as per the above referred Circular has directed as under:

A) It shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Contact Details, (Postal Address with PIN and Mobile Number), Bank Account Details, and Specimen Signature for physical folios.

B) Any payment including dividend, interest or redemption payment in respect of such folios is permitted only through electronic mode w.e.f. April 1,2024, and such payment shall be made electronically only upon furnishing of KYC details by the shareholders holding shares in Physical mode.

   We therefore request you to update your KYC details by submitting the relevant documents viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 on or before 13th August 2026 . The formats for updation of KYC details and Nomination are available on Registrar & Transfer Agent's (MUFG Intime India Pvt. Ltd.) web site at https://in.mpms.mufg.com/.

8. Members holding shares in physical form are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses/change of bank account, either to the company or its registrar and share transfer agent MUFG Intime India Private Limited.

9. Members who are holding shares in Electronic form are requested to intimate immediately their change of address/change of bank account, if any to their respective Depository Participant.

10. Members who hold shares in physical form in multiple accounts in identical names or joint accounts in the same order of names are requested to send the share certificates to the company's registrar and share transfer agent, MUFG Intime India Private Limited for consolidation into a single account.

11. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2025-26 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated October 3, 2024. Further, a letter providing the web link including the exact path where the complete details of the Annual Report is available will be sent to the shareholders who have not registered their email address. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2025-26 will also be available on the Company's website http: //www.precot.com/ investors; website of the National Stock Exchange of India Ltd at www.nse.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

12. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

**13. Registration of email ID and Bank Account details:**

In case the shareholder's email ID is already registered with the Company / its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent to the registered email address.

In case the shareholder has not registered his/ her/ their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- Shareholders may send the Form ISR -1 along with the requisite documents to the RTA through postal means to their address at MUFG Intime India Private Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.

OR

- In the case of Shares held in Demat mode:

  The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

14. The physical copies of the documents will also be available at the company's registered office for inspection during normal business hours on working days.

15. In compliance with section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) amendment rules, 2015, and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by MUFG Intime India Private Limited.

Mr Madhusudhanan Company Secretary in Practice has been appointed as the scrutinizer to scrutinize remote e-voting process in a fair and transparent manner. The results of e-voting along with voting by ballot at the Annual General Meeting to be held on will be announced by the Chairman of the meeting within two working days of conclusion 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 MUFG Intime and will also be intimated to stock exchange after declaration of results by the Chairman. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Detailed communication regarding the prescribed TDS rates for various categories, conditions for Nil / preferential TDS and details/documents required thereof are being sent to the members. Members are requested to submit the documents as stated in the communication online by clicking https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html on or before 13th August, 2026.

16. The voting period begins at 9.00 AM on 16th August,2026 and ends at 5.00 PM on 19th August,2026. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 13th August,2026, may cast their vote electronically. The e-voting module shall be disabled by MUFG Intime India Private Limited for voting thereafter.

**General Guidelines for shareholders:**

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

**Remote e-Voting Instructions for shareholders**

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

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

Individual Shareholders holding securities in demat mode with NSDL

**METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility**

**Shareholders who have registered for NSDL IDeAS facility:**

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login".

b) Enter User ID and Password. Click on "Login”

c) After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

**Shareholders who have not registered for NSDL IDeAS facility:**

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

b) Proceed with updating the required fields.

c) Post successful registration, user will be provided with Login ID and password.

d) After successful login, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL**

a) Visit URL: https://www.evoting.nsdl.com

b) Click on the "Login" tab available under 'Shareholder/Member' section.

c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with CDSL**

**METHOD 1 - Individual Shareholders registered with CDSL Easi/ Easiest facility**

**Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:**

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com.

b) Click on New System Myeasi Tab

c) Login with existing my easi username and password

d) After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.

e) Click on "Link Intime/MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

Shareholders who have not registered for CDSL Easi/ Easiest facility:

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration

b) Proceed with updating the required fields.

c) Post registration, user will be provided username and password.

d) After successful login, user able to see e-voting menu.

e) Click on "Link Intime/MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL**

a) Visit URL: https://www.cdslindia.com

b) Go to e-voting tab.

c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) After successful authentication, click on ""Link Intime/MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with Depository Participant**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, user shall navigate through "e-voting" option.

c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.

d) After successful authentication, click on ""Link Intime/MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Login method for shareholders holding securities in physical mode /**

**Non-Individual Shareholders holding securities in demat mode**

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

a) Visit URL: https://instavote.linkintime.co.in

Shareholders who have not registered for INSTAVOTE facility:

b) Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:

**A. User ID:**

NSDL demat account - User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account - User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form - User ID is Event No + Folio Number registered with the Company.

**B. PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:**

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:**

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in NSDL form, shall provide 'D' above

**Shareholders 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).

- ❖ Enter Image Verification (CAPTCHA) Code
- ❖ Click "Submit" (You have now registered on InstaVote).

**Shareholders who have registered for INSTAVOTE facility:**

c) Click on "Login" under 'SHARE HOLDER' tab.

   A. User ID: Enter your User ID

   B. Password: Enter your Password

   C. Enter Image Verification (CAPTCHA) Code

   D. Click "Submit"

d) Cast your vote electronically:

   A. After successful login, you will be able to see the "Notification for e-voting".

   B. Select 'View' icon.

   C. E-voting page will appear.

   D. 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).

   E. After selecting the desired option i.e. Favour / Against, click on 'Submit'.

   A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

**Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")**

**STEP 1 - Custodian / Corporate Body / Mutual Fund Registration**

a) Visit URL: https://instavote.linkintime.co.in

b) Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"

c) Fill up your entity details and submit the form.

d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@ linkintime.co.in.

e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

**STEP 2 - Investor Mapping**

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on "Investor Mapping" tab under the Menu Section

c) Map the Investor with the following details:

   A. 'Investor ID' -

   i. NSDL demat account - User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678

ii. CDSL demat account - User ID is 16 Digit Beneficiary ID.

B. 'Investor's Name - Enter Investor's Name as updated with DP.

C. 'Investor PAN' - Enter your 10-digit PAN.

D. 'Power of Attorney' - Attach Board resolution or Power of Attorney.

*File Name for the Board resolution/ Power of Attorney shall be - DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.

E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

**STEP 3 - Voting through remote e-voting**

The corporate shareholder can vote by two methods, during the remote e-voting period.

**METHOD 1 - VOTES ENTRY**

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on "Votes Entry" tab under the Menu section.

c) Enter the "Event No." for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under "On-going Events".

d) Enter "16-digit Demat Account No." for which you want to cast vote.

e) 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).

f) 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.

OR

**METHOD 2 - VOTES UPLOAD**

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will be able to see the "Notification for e-voting".

c) Select "View" icon for "Company's Name / Event number".

d) E-voting page will appear.

e) Download sample vote file from "Download Sample Vote File" tab.

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 - 4918 6000.

**Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

**Forgot Password:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- ❖ Click on **"Login"** under 'SHARE HOLDER' tab.
- ❖ Click **"forgot password?"**
- ❖ Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- ❖ Click on "SUBMIT".

*In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.*

***User ID:***

*NSDL demat account - User ID is 8 Character DP ID followed by 8 Digit Client ID.*

*CDSL demat account - User ID is 16 Digit Beneficiary ID.*

*Shareholders holding shares in physical form - User ID is Event No + Folio Number registered with the Company.*

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- ❖ Click on **'Login'** under "Custodian / Corporate Body/ Mutual Fund" tab
- ❖ Click **"forgot password?"**
- ❖ Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- ❖ Click on **"SUBMIT".**

*In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 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 has forgotten the password:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders 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".

**Process and manner for attending the Annual General Meeting through InstaMeet:**

**Login method for shareholders to attend the Annual General Meeting through InstaMeet:**

a. Visit URL: https://instameet.in.mpms.mufg.com & click on **"Login".**

b. Select the "Company" and 'Event Date' and register with your following details:

**E. Demat Account No. or Folio No:**

Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.

Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

Shareholders holding shares in physical form - shall provide Folio Number.

**F. PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

G. **Mobile No:** Enter your Mobile No.

H. **Email ID:** Enter your email Id as recorded with your DP/ Company.

e) **Click "Go to Meeting"**

You are now registered for InstaMeet, and your attendance is marked for the meeting.

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

1. Shareholders who would like to speak during the meeting must register their request with the company by sending their request mentioning their name, demat account number, folio number, e-mail ID, Mobile number to secretary@precot.com at least 15 days before the AGM.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
4. Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.*

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

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote”

b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET

c) Click on 'Submit'.

d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

e) 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'.

f) 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. 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 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 General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.*

*Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.*

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

*Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.*

**Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 - 4918 6000 / 4918 6175.

By order of the Board
**M Achuth Menon**
Company Secretary
(ACS No. 63980)

Coimbatore
22-July-2026

**Explanatory Statement**

(pursuant to Section 102 of the Companies Act, 2013

**Item No. 4**

The Members of the Company had, by way of a Special Resolution passed at the 63rd Annual General Meeting held on 20th August 2025, approved the appointment and remuneration payable to Mr. Ashwin Chandran (DIN: 00001884), Chairman and Managing Director, for a period of three years effective from 01st April, 2026 to 31st March, 2029.

As approved by the Members, the remuneration payable to Mr. Ashwin Chandran comprises salary, perquisites, allowances, commission and other benefits as stated in the said resolution. In order to provide clarity on payment of remuneration to Mr. Ashwin Chandran in the event of absence or inadequacy of profits, such that the remuneration agreed to be paid to him shall remain to be the minimum remuneration that the Company will pay which is in accordance with the provisions of Section 197(3) read with Section II Part II to the Companies Act, 2013.

Considering the responsibilities discharged by Mr. Ashwin Chandran in leading the affairs of the Company and with a view to ensuring continuity and certainty in his remuneration, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has approved a variation in the terms governing the payment of minimum remuneration in the event of absence or inadequacy of profits.

Accordingly, in terms of Section 197(3) read with Section II Part II to the Companies Act, 2013 the resolution under Item No 4 is proposed as a Special Resolution to be in force during the financial year 2026-27 to 2028-29.

The proposed variation is intended only to modify the basis for payment of minimum remuneration during a year of absence or inadequacy of profits. There is no increase in the remuneration approved by the Members at the 63rd Annual General Meeting. All other terms and conditions relating to the appointment and remuneration of Mr. Ashwin Chandran, including salary, perquisites, allowances, commission and other benefits as approved by the Members on 20th August 2025, shall remain unchanged.

The Board is of the opinion that the proposed variation is in the best interests of the Company, as it provides certainty regarding the remuneration payable to the Chairman and Managing Director while ensuring continuity of leadership and management.

The Nomination and Remuneration Committee and the Board of Directors have approved the proposed variation, subject to the approval of the Members by way of a Special Resolution.

Except Mr. Prashanth Chandran Vice Chairman and Managing Director and his relatives, to the extent of their shareholding, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution.

The Board recommends the Special Business set out at Item No. 4 of the Notice for approval by the Members.

**Item No. 5**

The Members of the Company had, by way of a Special Resolution passed at the 63rd Annual General Meeting held on 20th August 2025, approved the appointment and remuneration payable to Mr. Prashanth Chandran [DIN: 01909559] Vice Chairman and Managing Director for a period of three years effective from 01st April, 2026 to 31st March, 2029.

As approved by the Members, the remuneration payable to Mr. Prashanth Chandran comprises salary, perquisites, allowances, commission and other benefits as stated in the said resolution. In order to provide clarity on payment of remuneration to Mr. Prashanth Chandran in the event of absence or inadequacy of profits, such that the remuneration agreed to be paid to him shall remain to be the minimum remuneration that the Company will pay which is in accordance with the provisions of Section 197(3) read with Section II Part II to the Companies Act, 2013.

Considering the responsibilities discharged by Mr. Prashanth Chandran in leading the affairs of the Company and with a view to ensuring continuity and certainty in his remuneration, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has approved a variation in the terms governing the payment of minimum remuneration in the event of absence or inadequacy of profits.

Accordingly, in terms of Section 197(3) read with Section II Part II to the Companies Act, 2013 the resolution under Item No 5 is proposed as a Special Resolution to be in force during the financial year 2026-27 to 2028-29.

The proposed variation is intended only to modify the basis for payment of minimum remuneration during a year of absence or inadequacy of profits. There is no increase in the remuneration approved by the Members at the 63rd Annual General Meeting. All other terms and conditions relating to the appointment and remuneration of Mr. Prashanth Chandran including salary, perquisites, allowances, commission and other benefits as approved by the Members on 20th August 2025, shall remain unchanged.

The Board is of the opinion that the proposed variation is in the best interests of the Company, as it provides certainty regarding the remuneration payable to the Vice Chairman and Managing Director while ensuring continuity of leadership and management.

The Nomination and Remuneration Committee and the Board of Directors have approved the proposed variation, subject to the approval of the Members by way of a Special Resolution.

Except Mr. Ashwin Chandran Chairman and Managing Director and his relatives, to the extent of their shareholding, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution.

The Board recommends the Special business set out at Item No. 5 of the Notice for approval by the Members.

**Item No. 6**

The Members of the Company had, by way of a Special Resolution passed at the 63rd Annual General Meeting held on 20th August 2025, approved the appointment and remuneration payable to Mr. T Kumar (DIN:07826033) as Executive Director, for a period of three years effective from 01st April, 2026 to 31st March, 2029.

As approved by the Members, the remuneration payable to Mr. T Kumar comprises salary, perquisites, allowances, performance incentives and other benefits as stated in the said resolution. In order to provide clarity on payment of remuneration to Mr. T Kumar in the event of absence or inadequacy of profits, such that the remuneration agreed to be paid to him shall remain to be the minimum remuneration that the Company will pay which is in accordance with the provisions of Section 197(3) read with Section II Part II to the Companies Act, 2013.

Considering the responsibilities discharged by Mr. T Kumar in leading the affairs of the Company and with a view to ensuring continuity and certainty in his remuneration, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has approved a variation in the terms governing the payment of minimum remuneration in the event of absence or inadequacy of profits.

Accordingly, in terms of Section 197(3) read with Section II Part II to the Companies Act, 2013 the resolution under Item No 6 is proposed as a Special Resolution to be in force during the financial year 2026-27 to 2028-29.

The proposed variation is intended only to modify the basis for payment of minimum remuneration during a year of absence or inadequacy of profits. There is no increase in the remuneration approved by the Members at the 63rd Annual General Meeting. All other terms and conditions relating to the appointment and remuneration of Mr. T Kumar including salary, perquisites, allowances, performance incentives and other benefits, as approved by the Members on 20th August 2025, shall remain unchanged.

The Board is of the opinion that the proposed variation is in the best interests of the Company, as it provides certainty regarding the remuneration payable to the Executive Director while ensuring continuity of leadership and management.

The Nomination and Remuneration Committee and the Board of Directors have approved the proposed variation, subject to the approval of the Members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution.

The Board recommends the Special Business set out at Item No. 6 of the Notice for approval by the Members.

**Item No. 7**

The Members of the Company had, by way of a Special Resolution passed at the 63rd Annual General Meeting held on 20th August 2025, approved the appointment and remuneration payable to Mr. Ravi Kumar Abburu (DIN:10622002) Director- Technical Textiles for a period of three years effective from 01st April, 2026 to 31st March, 2029.

As approved by the Members, the remuneration payable to Mr. Ravi Kumar Abburu comprises salary, perquisites, allowances, performance incentives and other benefits as stated in the said resolution. In order to provide clarity on payment of remuneration to Mr. Ravi Kumar Abburu in the event of absence or inadequacy of profits, such that the remuneration agreed to be paid to him shall remain to be the minimum remuneration that the Company will pay which is in accordance with the provisions of Section 197(3) read with Section II Part II to the Companies Act, 2013.

Considering the responsibilities discharged by Mr. Ravi Kumar Abburu in leading the affairs of the Company and with a view to ensuring continuity and certainty in his remuneration, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has approved a variation in the terms governing the payment of minimum remuneration in the event of absence or inadequacy of profits.

Accordingly, in terms of Section 197(3) read with Section II Part II to the Companies Act, 2013 the resolution under Item No 7 is proposed as a Special Resolution to be in force during the financial year 2026-27 to 2028-29.

The proposed variation is intended only to modify the basis for payment of minimum remuneration during a year of absence or inadequacy of profits. There is no increase in the remuneration approved by the Members at the 63rd Annual General Meeting. All other terms and conditions relating to the appointment and remuneration of Mr. Ravi Kumar Abburu including salary, perquisites, allowances, performance incentives and other benefits, as approved by the Members on 20th August 2025, shall remain unchanged.

The Board is of the opinion that the proposed variation is in the best interests of the Company, as it provides certainty regarding the remuneration payable to the Chairman and Managing Director while ensuring continuity of leadership and management.

The Nomination and Remuneration Committee and the Board of Directors have approved the proposed variation, subject to the approval of the Members by way of a Special Resolution.

none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution.

The Board recommends the Special Business set out at Item No. 7 of the Notice for approval by the Members.

**Item No. 8**

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 2026-27.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the members of the company.

Accordingly, the consent of the members is sought for passing an ordinary resolution as set out in Item No. 8 of the notice, for ratification of the remuneration payable to the cost auditor for the financial year 2026-27. The Board of Directors recommends the resolution for approval of the members.

None of the Directors or Key Managerial Personnel of the company or their relatives, is concerned or interested in the resolution.

**Corporate Identification Number (CIN) : L17111TZ1962PLC001183**

Registered Office: SF No.559/4, D Block, 4th Floor, Hanudev Info Park, Nava India Road, Udaiyampalayam, Coimbatore - 641 028 Tamil Nadu, India. Phone : 0422-4321100;

Email : secretary@precot.com

Website : www.precot.com

By order of the Board

Coimbatore
22-July-2026

**M Achuth Menon**
Company Secretary
(ACS No. 63980)

**Annexure A:**

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

**I. General Information:**

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

₹ Lakhs

| Particulars | 2025-26 | 2024-25 |
|---|---|---|
| Sales and other Income | 98,904 | 87,251 |
| Profit before Tax and depreciation | 7,871 | 8,656 |
| Profit after Tax from continuing operations | 3,585 | 5,177 |
| (Loss) after tax from discontinued operations | - | (1,889) |
| Profit for the period (net of continuing & discontinued operations) | 3,585 | 3,288 |
| Paid up Equity Capital | 1,200 | 1,200 |
| Reserves and Surplus | 44,533 | 41,309 |
| Basic and Diluted Earnings per share (₹) from | | |
| - Continuing operations | 29.87 | 43.14 |
| - Discontinued operations | - | (15.74) |
| - Continuing operations & Discontinued operations | 29.87 | 27.41 |

5. Foreign investments and collaborators, if any : Nil

**II. Information about the Appointees:**

**Mr. Ashwin Chandran**

Variation in terms of Remuneration proposed: Refer Resolution no.4

Comparative remuneration profile with respect to industry, size of the company and profile of the position. While in the opinion of the Board there is no specific comparable industry metrics for drawing comparisons for his remuneration, the responsibilities shouldered by him and his performance can be said to be 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:

He is the Chairman and Managing Director of the Company and he is related to Mr. Prashanth Chandran, Vice Chairman and Managing Director.

**Mr. Prashanth Chandran**

Remuneration proposed: Refer Resolution no.5

Comparative remuneration profile with respect to industry, size of the company and profile of the position. While in the opinion of the Board there is no specific comparable industry metrics for drawing comparisons for his remuneration, the responsibilities shouldered by him and his performance can be said to be 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 :

He is the Vice Chairman and Managing Director of the Company and he is related to Mr. Ashwin Chandran, Chairman and Managing Director.

**Mr. T Kumar**

Remuneration proposed: Refer Resolution no.6

Comparative remuneration profile with respect to industry, size of the company and profile of the position. While in the opinion of the Board there is no specific comparable industry metrics for drawing comparisons for his remuneration, the responsibilities shouldered by him and his performance can be said to be 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.

**Mr. Ravi Kumar Abburu**

Remuneration proposed: Refer Resolution no.7.

Comparative remuneration profile with respect to industry, size of the company and profile of the position. While in the opinion of the Board there is no specific comparable industry metrics for drawing comparisons for his remuneration, the responsibilities shouldered by him and his performance can be said to be commensurate with the remuneration packages paid in comparable companies.

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

Director - Technical Textiles of the Company

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

**III. Other Information:**

1. Reasons for loss or inadequate profits: While loss or inadequate profits are not expected, however, there may be any events arising out of various business and global risk factors. The proposed remuneration in the event of loss or inadequate profits shall be the minimum remuneration as approved by the shareholder at the Annual General Meeting held on 20th August 2025.
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 variation in terms of remuneration package of the managerial persons: Mentioned in the explanatory statement of the notice.
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: Not Applicable
   b. Details of fixed component and performance linked incentives along with the performance criteria: Not Applicable
   c. Service contracts, notice period, severance fees: Not Applicable
   d. Stock option details: Not Applicable

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

If undelivered please return to :

Precot Limited

(CIN: L17111TZ1962PLC001183)
S.F. No. 559/4, D Block, 4th Floor, Hanudev Info Park,
Nava India Road, Udaiyampalayam,Coimbatore - 641028.
Tel: 0422-4321100  Email: secretary@precot.com
Website: www.precot.com