KPR
MILL LIMITED

FASO™
ITALIAN AT HEART

18th annual report 2020-21

THE POWER BEHIND OUR PROGRESS

HIGHLIGHTS 2020-21

(₹ in Lakhs)

Total Revenue	3,56,899
PBDIT	86,840
PBT	68,886
PAT	51,526
Cash Profit	66,196
Assets	2,99,184
Net Worth	2,35,017
EPS ₹	74.88
Cash EPS ₹	96.20

FULLY AIRCONDITIONED GARMENT FACTORY AT THEKKALUR

The noble virtue of dedicating every success to the 'Team work', by the Promoters of KPR, has built and sustained the growth momentum of KPR ever since its inception. Their consistent success is driven by the concept 'There is no substitute for hard work'. Their tiny but determined entry in the Textile arena during 1984 has now grown KPR as a renowned business group in India engaged in Textiles, Sugar, Ethanol, Automobiles, Power generation and Education with over 24,000 dedicated work force. A forerunner in Quality and operational excellence, KPR has grown stronger setting many standards for the Industry. KPR, built on fabulous values has been continuously adjudged as one of the Top 500 Listed Companies and Top 100 CEO's in India. Their strong vision became reality through their sweat, determination, sustained efforts, proven management skills and team efforts.

The prestigious 'K.P.R. Mill Limited' has 12 Manufacturing units of advanced technology equipped with a capacity to produce 1,00,000 MT of yarn per annum; 40,000 MT fabrics per annum; 115 million ready-made knitted apparel per annum, one of the largest Garment Producers in India. Industry acclaimed ETP embedded Fabric Processing capacity of 25,000 MT per annum equipped with Advanced Cold Processing Technology and Sophisticated Printing Division with a capacity to print 7500 MT per annum; 1,00,000 High Fashion Garments placement printing per day; 66 Wind mills with a total green power generation capacity of 61.92 MW; Co-gen Cum Sugar Plant with a capacity of 40 MW & 10,000 TCD and Ethanol Plant with 130 KLPD capacity. Prompted by the growth prospects, KPR is expanding its Garment and Sugar based Ethanol Capacities which are in progress. Initial response to their maiden venture into Retail Business under its own Brand **'FASO'** producing first of its kind **100% Organic cotton** Menswear, is good.

MAYER & CIE - KNITTING MACHINE OF ADVANCED TECHNOLOGY

CHAIRMAN'S LETTER

Dear Shareholders,

It gives me immense pleasure to share with you all that substantiating its strength, even during tough times, KPR could sustain the better performance trend. We have delivered growth despite complex economic scenario caused by the Pandemic. Our growth during the year was propelled by the encouraging demand for the products from all segments. We registered a highest ever revenue and profit during the year Total revenue of ₹ 3569 Crores, PBT of ₹ 689 Crores and a PAT of ₹ 515 Crores - notwithstanding the challenges. The concerted efforts of entire KPR Team and the support of all stakeholders made this possible.

The Cotton prices remained stable for most part of the period. India continues to be a cotton surplus Country and the Global cotton harvest area as well production is also reported to have gone up in 2021. Cotton yarn prices in India have been increasing because of dried-up inventories as supplies have failed to match demand and in line with the increase in Cotton prices. Still, Indian yarn prices continue to be lower than international prices. The sustained quality and prompt delivery continue to enable KPR to attract more Garment orders from the customers whose activities revived after relaxations. The Employees' responsible attitude during pandemic, prompted by KPR's exemplary employee welfare practices, has enabled improved productivity even during pandemic proving KPR's unique competence. KPR's success and growth are shaped by its strengths that gives competitive advantage over others. This enabled prompt execution of orders with the backing of our excellent infrastructures, dynamic management and dedicated work force. Sugar & Ethanol business adds both revenue and profitability. Gauging market demand we have mooted our expansion plans in the segments of Garment and Sugar cum Ethanol.

However, the sudden surge in the second wave of pandemic is posing challenges to the Government that has been administering the vaccination drive. New restrictions were implemented which are likely to temporarily impede Nation's growth. But, its spread should be contained by adopting all means by the Government and the responsible support from the Public is essential. The market's big hope is on the vaccination drive and

WORKERS HOSTEL AT KARUMATHAMPATTY MILLS WITH 'FEEL AT HOME' FACILITIES

on the strong festive season. Also, the fact that most countries with resources are coming to India's help has boosted sentiment. The absence of a nationwide lockdown and the limited impact of lockdowns announced by the States have reduced anxiety. We also appeal to everyone to strictly observe and adopt all safety measures to contain the impact of the pandemic by all possible means.

MAJOR CAPEX

The recently added latest technology vortex machine produces various blends and range of value added viscose yarn that creates new wave of fashion. The new advanced technology knitting facility housing the contemporary imported knitting machines is adding value to the production facilities.

EXPANSION

Expansion in the production capacities of Garment and Sugar, Co-gen & Ethanol through our wholly owned Subsidiary 'KPR Sugar and Apparels Limited are in progress.

KPR EXPORTS PLC ETHIOPIA

Concern is mounting about the devastating effects of the ethnic conflict raging in Tigray, Ethiopia since November 2020. Attracted by the various incentives offered by its Government, many Garment manufacturing Units were established by various Countries in Ethiopia. The sudden political conflict erupted therein had constrained those Manufacturing Units to terminate their activities considering the safety and security of its Labour and investment. With no reprieve in sight we may also have to withdraw our garment activities from Ethiopia for which we are closely monitoring the situation with caution.

RETAIL BUSINESS- FASO

The retail Brand **FASO** launched throughout southern part of the nation has been well accepted as per the preliminary feedback from the Markets. Considering the emergence of second wave of pandemic, we are cautiously and prudently planning its reach at Pan India level. We earnestly hope that the unique characters of FASO such as 100% Organic Cotton, ultra soft comfort and skin friendliness shall mark its presence in the Menswear market after its full fledged launch.

OUR WORK FORCE - THE GREATEST ASSET

The COVID-19 pandemic is first and foremost a human tragedy that has played out across the globe. People have experienced unprecedented levels of disruption in their homes and communities, as well as in their work. If there is a silver lining in all of this, it's that organizations and leaders are stepping up in critical areas to mitigate the impacts. This is how KPR has approached the whole issue. Rebuilt the employees' confidence level by protecting their health and well being; boosted their morale by addressing their safety and financial security concerns; continued entire HR facilities despite closure of production activities. This unique employee care entailed the migrant work force employed with us to respond positively breaking the urge to return to native places by staying with us at our Factories.

HIGHER EDUCATION - A MASTER PIECE OF KPR's HR POLICY

KPR Mill's education initiative for women employees continues to yield excellent results. As a part of the initiative and unique attempt, last year we selected 52 employees to undergo 'Placement training'. Extending all facilities like food, accommodation, books and other infrastructures at College premises, they were given special training on different life skills so as to make them Industry ready and empower them to meet the needs and expectations of the leading Recruiters. The training program lasted for about 45 days. We are glad to report that in the very first year of our outstanding attempt itself, out of 52 Employees trained by us, 45 got placement in various reputed companies. This unique service in the interest of the work force, which none other Companies in the Industry might have ever tried would not only uplift the employees' families but the Society as a whole. By up-skilling the employees to secure placements at other reputed firms, without confining them to our own entity; KPR feels proud to have gone one step ahead of others in fulfilling the societal obligation.

We are happy to share with you all the consistent achievement by the candidates of our KPR IAS ACADEMY in 2019 Civil Services Examination also. Out of 52 candidates appeared 24 Candidates have passed (around 50%).

FUTURE AHEAD

While Indian manufacturers have more or less mastered the skill of exporting cotton-based apparel, a high market potential awaits Indian apparel manufacturers. The Indian apparel companies are expected to achieve double-digit growth in the financial year 2022, however on a low base. The Government of India has also realized the importance of supporting this segment.

The Union Budget announcement to launch Seven mega textile parks in three years (Two parks in Tamilnadu) to enable the textile industry to attract large investments, employment generation, and become globally competitive, is really a significant boost to the Indian textiles sector. This scheme is expected to create world class infrastructure, with plug-and-play facilities to enable and create global champions in exports. With the large international buyers already looking at increasing their sourcing from India, the formation of textile parks helps India gather a bigger share of the apparel and textile export trade. Details are awaited from the Government.

Global concern about the immediate and long-term impact of pandemic is now increasing at a rapid pace. The subject is of significance for all since it impacts not just our lives but that of the future generation. The issue therefore needs to be addressed with utmost priority and collectively with the active participation of all the stakeholders, including businesses, governments and organisations as also the people. Strengthened by healthy infrastructure and skilled labour force, our performance continues to be good and the prospects are bright. We always believe that our hard work, team effort, commitment to social sustainability have created a strong presence in the markets that will drive the growth in the year ahead.

ACKNOWLEDGEMENT

I am grateful to the entire Management, for their invaluable team work rising to this challenge and ensuring business continuity focusing on progress. I am thankful to the Board of Directors for their guidance towards the growth of the Company. I would like to thank our Bankers, Shareholders and all Stakeholders for their continued support and confidence.

With best wishes
K.P.Ramasamy
Chairman

BOARD OF DIRECTORS


K.P. Ramasamy
Chairman


KPD Sigamani
Managing Director


P. Nataraj
Managing Director


C.R. Anandakrishnan
Executive Director


E.K. Sakthivel
Executive Director


Dr. K. Sabapathy
Director


K.N.V. Ramani
Director


G.P. Muniappan
Director


A.M. Palanisamy
Director


C. Thirumurthy
Director


Dr. S. Ranganayaki
Director

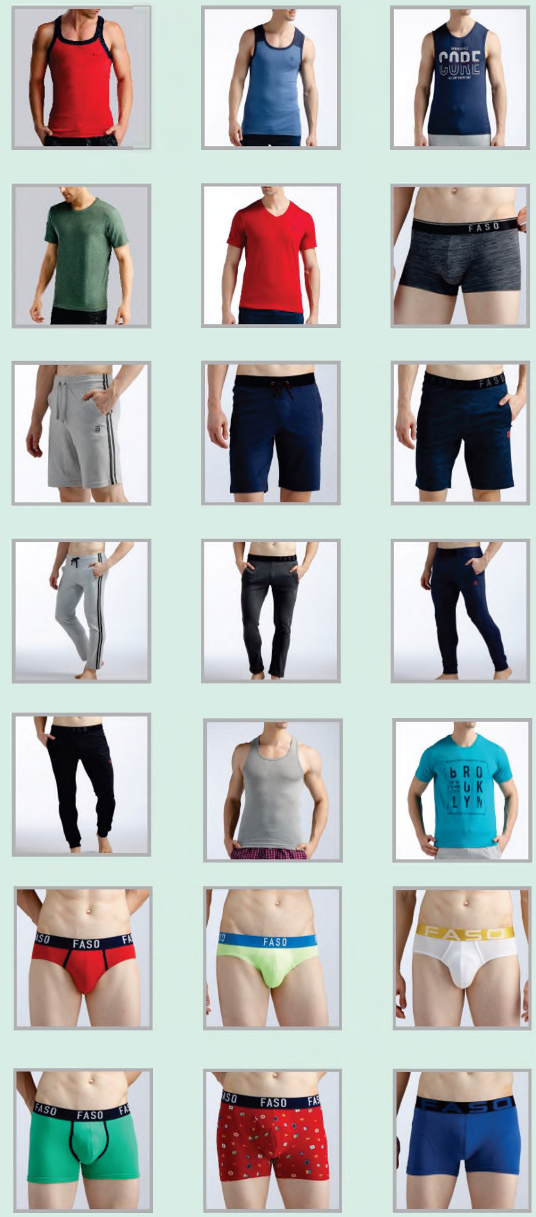

P. Selvakumar
Director

FASO®

ITALIAN AT HEART

INNERWEAR

ATHLEISURE



42 STYLES

REGISTERED OFFICE

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

CORPORATE OFFICE

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

CHIEF FINANCIAL OFFICER

PL Murugappan

COMPANY SECRETARY & COMPLIANCE OFFICER

P. Kandaswamy

STATUTORY AUDITORS

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

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Private Limited
Selenium, Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500032
Toll Free No: 1800 309 4001
Email:einward.ris@kfintech.com

COMPANY CIN

L17111TZ2003PLC010518

DIRECTORS' REPORT

Dear Members,

The Board of Directors' take pleasure in presenting the report on the operations and business of the Company along with Audited Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL RESULTS (₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Sales and Other Income:-				
Domestic Sales	**1,81,428**	1,61,954	**2,22,655**	1,85,795
Export Sales	**1,06,694**	1,18,246	**1,20,059**	1,34,781
Other Income	**11,038**	13,253	**14,185**	18,333
	2,99,160	2,93,453	**3,56,899**	3,38,909
Profit before Interest & Depreciation	**70,235**	51,099	**86,840**	65,841
Less : Interest	**1,961**	3,541	**3,284**	4,965
Depreciation	**9,792**	9,891	**14,670**	13,709
Profit Before Tax	**58,482**	37,667	**68,886**	47,167
Less : Taxation:-				
Provision for Current Tax	**15,453**	10,084	**17,427**	11,850
Tax relating to earlier years	**201**	(944)	**259**	(927)
	15,654	9,140	**17,686**	10,923
Deferred Tax expense / Credit	**(434)**	(934)	**(326)**	(1,424)
Profit After Tax	**43,262**	29,461	**51,526**	37,668
Other Comprehensive Income (Net of tax)	**-**	-	**-**	-
Total Comprehensive Income	**43,262**	29,461	**51,526**	37,668

REVIEW OF OPERATIONS

KPR reported a good results in the year under review also with the encouraging demand from all segments. The Cotton prices remained stable for most part of the year, yarn market was bullish and garment order levels were also comfortable. The garment orders started bouncing back from the vaccum caused by the pandemic. The Industry witnessed a significant shift in demand from formal wear to casual wear. Since KPR is primarily in the casual wear segment the trend continues to be more favorable to us. The consequential thrust in demand for yarn, fabric and processing activities have accelerated the drive in Tirupur Knitwear Market. KPR's trendsetter welfare facilities and the dedicated employees' participation enhanced the productivity even during the COVID time ensuring KPR's outstanding ability and sustained competitiveness.

WAY FORWARD

Proving its strong fundamentals and leadership, KPR was able to withstand all hurdles during this tough time by delivering good performance. The recently added latest technology vortex machine produces various blends and range of value added viscose yarn that creates new wave of old fashion. KPR is largely engaged in manufacturing cotton products, and of course the market is slowly moving into value added manmade fiber also. So as to meet the demand from the Customers we have installed the vortex machine. The establishment of a new advanced technology knitting facility housing the contemporary imported knitting machines would add value to the production facilities. The additional Garment capacity envisaged would also add up to the Revenue. However putting a spoke in the wheel of Nation's progress the second wave of the pandemic has started surging and the lock down restrictions are also re-introduced. We have to wait and watch its impact on the economy carefully.

COVID 19 IMPACTS

The entire world was passing through uncertainity that was never seen before due to COVID-19 pandemic. Like, many other sectors of the economy textile industry have been hit hard by closing down its business. During this challenging time, our priority was the well-being of all of us. Our focus was to support the government's public health initiative and instructions regarding social distancing.

DIRECTORS' REPORT

In compliance with the statutory lockdown directions, the operations of the Company was suspended for more than a month, and that was from 24.03.2020. Lockdown was extended by the Tamil Nadu government up to 03.05.2020, effective from 06.05.2020 the operations commenced partially with restricted work force as per the government guidelines. Operations were ramped up gradually with all necessary safety precautions for the employees and KPR remained operational, and continue to serve all stakeholders. Due to COVID, almost all manufacturing companies faced the issue of migrated labor in entire country returning all to their hometowns causing severe labor shortage. Whereas in KPR it was different. KPR never faced such an issue at all, even during that challenging time. Thanks to its unique, and best HR practices. The industry acclaimed HR policy adopted by the management since beginning rewarded KPR during this crisis period. The feel at home facility at KPR encouraged migrated workers to stay back enjoying the continued comfortable accommodation provided by KPR with nutritious food, recreation, education facilities and safety measures. Our executives and employees had successfully repositioned to ensure that our work progresses. In addition, admiring our genuine approach and positive attitude all the customers and stakeholders supported and stood with us during the critical time. We want to thank them all for their dedicated and continued support.

The second wave of the pandemic has started spreading all over the world and the Nation. Though the vaccines are being administered, we have to wait and watch the situation carefully to ascertain its impact on the business.

BRANDED RETAIL BUSINESS

FASO

Entire FASO products are manufactured with 100% Organic Cotton, super fine compact yarn, super soft micro nylon elastics with the best workmanship. These key factors ensure ultra-soft comfort and skin friendly. Currently offering 43 styles, mix of inner wear & athleisure and planning to add some more styles during the current year. FASO is now available in all major locations of Tamil Nadu, Kerala, Andhra Pradesh, Telangana and Karnataka (34 distributors and 2000 retailers). It is also available in some of the Hyper Market and through online in Amazon, Myntra, Ajio, Flipkart, Shoppers stop (online), Fynd & faso.in. The market response is good. We are planning to widen its reach gradually. Its launch in North East market is planned during the second Quarter of FY 2021-22, subject to prevailing COVID Pandemic Regulations and restrictions.

DIVIDEND

The Interim Dividend @ 75% on equity shares (₹ 3.75/- per Equity Share) declared by the Board of Directors at their meeting held on 03.02.2021 was paid to the shareholders.

The Board in its meeting held on 28.04.2021 has recommended a Final Dividend of 15% (₹ 0.75) on Equity Shares of ₹ 5 each (Rupees Five only), subject to the approval of the Members at the 18th (Eighteenth) Annual General Meeting.

RESERVES

During the year under review the Company has not transferred any amount to its General Reserve.

FINANCE

We are glad to share with you that the strong fundamentals, sustained team efforts, and prudential financial management enabled comfortable liquidity position even during the COVID-19 pandemic. As such, KPR neither availed any moratorium nor any COVID Loan announced by the Government during and after Covid lockdown period. In fact, we have even repaid some of the high cost long term debt thereby reducing the Finance cost.

SUBSIDIARY COMPANIES

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

I. QUANTUM KNITS PVT. LIMITED
II. K.P.R. SUGAR MILL LIMITED
III. JAHNVI MOTOR PRIVATE LIMITED
IV. GALAXY KNITS LIMITED
V. KPR SUGAR AND APPARELS LIMITED
VI. KPR EXPORTS PLC
VII. KPR MILL PTE. LTD.

QUANTUM KNITS PVT. LIMITED

The garment business has been consolidated for effective management.

DIRECTORS' REPORT

K.P.R. SUGAR MILL LIMITED

SUGAR AND COGEN

Considering the prospects the Sugar Plant's Crushing capacity has been increased from 5000 TCD to 10000 TCD during the year. We are happy to inform that our prompt payment practice has earned a reputation among the cane growers and we continue to enjoy their support. In the FY 2020-21 the sugarcane crushing commenced in November 2020 and produced 85,423.10 MT of sugar. Out of 1,028.79 Lakh units of power generated 600.13 Lakh units were sold and 428.66 lakh units captively consumed. The monthly sugar sales quota system introduced by the Central Government to the Sugar Mills fixing the quantity as well as the price at which sugar can be sold every month continues. During the year we have exported 21,279 MT of Sugar.

ETHANOL PLANT

The 'State of the Art' Ethanol plant with 90 KLPD capacity commissioned during the last year has been adding to the revenue of the Company. During the year 23,373 KL of Ethanol was produced, using Sugar Syrup and Molasses. 23,600 KL was sold to oil marketing Companies. Enthused by huge potential and positive outlook for ethanol production in India, its production capacity has been increased to 130 KLPD and 6 MW Co gen with Incineration Boiler.

These expansions will further increase the value addition and the revenue of the Company.

JAHNVI MOTOR PRIVATE LIMITED

The outbreak of COVID-19 pandemic has impacted the sale of Automobile manufacturers across the country as the supply chain was widely disturbed and customers were forced to stay indoor due to the nation-wide lockdown imposed by the government. Despite these adverse factors the Company could sell 51 Audi Cars and 31 Harley Davidson Motor cycles earning a total revenue of ₹ 50.47 Crores. Consequent on the closure of production activities by Harley Davidson in India its Dealership has been discontinued.

GALAXY KNITS LIMITED

The Company has not yet commenced its operation.

KPR SUGAR AND APPARELS LIMITED

Sensing huge potential and positive outlook, it was decided to increase the manufacturing capacities in Garment and Sugar cum Ethanol segments. To facilitate the same a separate wholly owned Subsidiary under the name 'KPR Sugar and Apparels Limited' (KPRSAL) was promoted holding its entire equity stake with us. We have nominated our Directors therein and controlling its entire Board. KPRSAL is setting up a new Garment manufacturing unit at Chengappally, Tirupur District, Tamilnadu with a capacity to produce 42 million Garments per annum. A Memorandum of Understanding has been entered into with the Government of Tamilnadu that may facilitate infrastructures and regulatory requirements. KPRSAL is also setting up a Sugar, Co-Gen-cum-ethanol plant with a capacity to produce 10,000 TCD Sugar, 220 KLPD Ethanol and 50 MW Co-gen at Gulbargah District, Karnataka. The Single window approval from the Government of Karnataka in respect of the said Project has also been obtained. These new moves are expected to increase the value addition and thereby enhance the revenue of the Group as a whole.

KPR EXPORTS PLC - ETHIOPIA

Responding to the invitation from Ethiopia Investment Commission (EIC) and upon the request and assurances from its Government to render all assistance and support, we had set up an Apparel manufacturing unit under the name 'KPR Exports PLC' at Mekelle Industrial Park, Mekelle, Tigray Region, Ethiopia, during 2018. Erecting required machinery and equipment and engaging workers after training them at our manufacturing unit in India, we have been producing and exporting Apparels since 2018. While things were smooth till October 2020, suddenly due to emergence of some ethnic conflict resulting in riot and tension near Mekelle, Tigray Region, entire activities in the said Industrial Park became standstill. Like other textile Companies established therein, we also had to shut down our entire activities and the workers had to be pulled out to safety places considering their safety and security. We are closely monitoring the situation and appropriate steps will be taken based on the developments.

During the year the Company has earned a revenue of ₹ 393 Lakhs.

KPR MILL PTE. LTD - SINGAPORE

The wholly owned Subsidiary established at Singapore for the purpose of marketing the Products manufactured at Ethiopia has generated a revenue of ₹ 1,197 Lakhs during the year.

FIXED DEPOSITS

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

DIRECTORS

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

Mr. E.K. Sakthivel, Executive Director, who retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

KEY MANAGERIAL PERSONNEL AND MANAGERIAL REMUNERATION CRITERIA

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

ANNUAL PERFORMANCE EVALUATION

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

COMMITTEES

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

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

POLICIES

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

I. Nomination & Remuneration Policy
II. Related Party Transaction Policy
III. CSR Policy
IV. Whistle Blower Policy consisting of Vigil Mechanism
V. Policy on Determining Material Subsidiaries
VI. Code for Fair Disclosure
VII. Risk Management Policy
VIII. Dividend Distribution Policy
IX. Policy for Disclosure of Material Events / Information
X. Policy on Succession Planning for Board and Senior Management

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Act & Regulation 17(9) of the Listing Regulation, the Company has framed a Risk Management Policy and has constituted a risk management committee. The Risk Management Committee held its meeting on 24.03.2021 in which all members were present.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

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

CSR EXPENDITURE

During the year, in pursuance of the recommendations of the CSR committee the Company has contributed ₹ 730.02 Lakhs being

2% of the average three years net profit of the Company towards implementing the CSR activities. Annual Report on CSR, as required by the Act, is appended.

BOARD MEETINGS

The Board of Directors met Five times during the financial year on 27.06.2020, 12.08.2020, 24.09.2020, 27.10.2020 and 03.02.2021. The Composition of Board, procedure, dates and other details are included in the Corporate Governance Report that forms part of this Report.

CONSOLIDATED FINANCIAL STATEMENTS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were only between Holding Company and Wholly owned Subsidiary Companies in the ordinary course of business, whose accounts are consolidated with Holding Company and placed before the shareholders at the General Meeting for approval.

The Transactions as required under Indian Accounting Standards AS-24 are reported in Note 39 of the Notes to Accounts of the Standalone Financial Statements as well as Note 38 of the Notes to Accounts of the Consolidated Financial Statements of your Company. The Company's Policy on dealing with related party transactions is available on the Company's website.

EMPLOYEE WELFARE

KPR always believes that the work environments need to be healthy, employee-friendly and their entire basic needs and tools should be present at the workplace to enhance the employees' satisfaction and performance. Through its commendable labour practices followed over the years, KPR continues to enjoy the sustained support from its workforce even during the pandemic times also. That is the strength of KPR, built over a period of time. We are proud to declare that almost all the migrant workers employed at KPR; that is in thousands, stayed back in our factory premises itself disregarding the urge to move to native places during pandemic. Not only that, but their dedicated participation has enhanced the productivity even during the Pandemic time. Our ability to attract and retain the best and the well trained employees even during difficult period ensure competitive advantage over our peer groups' effectiveness and sustained competitiveness. At this juncture, we wish to thank all those who have communicated their commendations through various media for the **'employee caring'** attitude of KPR during the pandemic. There were several messages, phone calls, appreciations, not only within the industry but from the people of all walks of life hailing KPR as the **'Management with human touch'**.

As regards **Higher Education to Employees,** adding feather in the cap of our efforts to uplift their values, around 45 Employees got placement in the on-campus selection conducted by some of the eminent entities under our intiative.

PARTICULARS OF EMPLOYEES

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

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

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

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

IV. The Directors have arranged preparation of the accounts for the financial year ended 31.03.2021 on a going concern basis.

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

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

In pursuance of Regulation 34(2)(6) of the Listing Regulations, the Business Responsibility Report, containing the initiatives taken by the company from environmental, social and governance perspective, forms part of this Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

RATIO OF REMUNERATION TO EACH DIRECTOR

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

SIGNIFICANT & MATERIAL ORDER PASSED BY THE REGULATORS

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

DETAILS REGARDING ISSUE OF SHARES

The Company has not issued any new shares during the year and the paid up Capital of the Company remains at ₹ 34,40,50,000 consisting of 6,88,10,000 Equity Shares of ₹ 5/- each.

DIRECTORS' REPORT

AUDITORS

In the 14th Annual General Meeting of the Company held on 28.08.2017, M/s. B S R & Co LLP, Chartered Accountants (ICAI Firm Regn. No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a period of 5 Years from the Financial Year 2017 – 18. The Audit committee and the Board recommend the continuity of BSR & Co LLP, Chartered Accountants as Statutory Auditors for the FY 2021-22.

AUDITORS REPORT

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

COST RECORDS

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

COST AUDIT

In pursuance of Companies (Cost Records and Audit) Rules, 2014, the Company has appointed a Cost Auditor for the Company to audit the cost records for the Financial Year 2020-21.

SECRETARIAL AUDIT REPORT & CERTIFICATES AND SECRETARIAL STANDARDS COMPLIANCE

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

Annual Secretarial Compliance Report certifying compliance of SEBI Regulations has been obtained and filed with the Stock Exchanges.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 has been uploaded in the Company's website: https://kprmilllimited.com/financial-result_annual-reports/

MATERIAL CHANGES

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year as on 31.03.2021 and the date of this Report.

NO CHANGES IN THE BUSINESS

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD
K.P. Ramasamy
Chairman
DIN: 00003736

Coimbatore
28.04.2021

ADDENDUM TO DIRECTORS' REPORT

To: Shareholders of K.P.R. MILL LIMITED

Dear Members,

Please refer to the Directors' Report forming part of Annual Report of FY 2020-21 that was approved by the Board of Directors (Board) on 28.04.2021. Consequent on the recommendation by the Board for sub-division of Equity shares of the Company as well as amendment to the Capital Clause of the Memorandum of Association of the Company in its Meeting held on 27.07.2021 the following reporting have to be included under 'Material Changes' in the aforesaid Directors' Report for FY 2020-21.

SUB-DIVISION OF EQUITY SHARES

The Board of Directors of the Company in its meeting held on 27.07.2021 have recommended the sub division of one Equity Share of the face value ₹ 5 each of the Company into 5 Equity Shares of the face value ₹ 1 each, subject to the approval of shareholders of the Company.

Accordingly, suitable resolutions have been included in the notice of the 18th Annual General Meeting of the Company seeking the approvals from the shareholders of the Company for the sub-division of Equity Shares and for consequential amendment to the Capital clause of the Memorandum of Association of the Company.

FOR AND ON BEHALF OF THE BOARD
K.P. Ramasamy
Chairman
DIN: 00003736

Coimbatore
27.07.2021

ANNEXURE TO THE DIRECTORS' REPORT

Form AOC – 1

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

Financial Summary of Subsidiary Companies

(₹ in Lakhs)

Particulars	K.P.R. Sugar Mill Limited	Quantum Knits PVT. Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	K.P.R. Sugar and Apparels Limited	KPR Exports PLC	KPR Mill PTE Ltd
Share Capital*	583	10	5	193	1,836	1,594	28
Reserves & Surplus	48,683	2,016	(1)	1,252	9,340	(616)	(155)
Total Assets	77,566	2,113	4	2,621	20,909	1,469	783
Total Liabilities	28,300	87	-	1,176	9,733	491	910
Investments (Excluding investment in subsidiaries)	-	-	-	-	-	-	-
Turnover	64,615	136	-	5,047	-	393	1,197
Profit / (loss) Before Tax	10,498	12	-	348	-	(231)	(182)
Provision for Tax	2,044	3	-	95	-	-	(2)
Profit / (loss) After Tax	8,454	9	-	253	-	(231)	(180)
Proposed Dividend	-	-	-	-	-	-	-
% Share Holding	100	100	100	100	100	100	100

* Includes share application money pending allotment of ₹ 1,170 lakhs relating to KPR Exports PLC and ₹ 7 lakhs relating to KPR Mill Pte. Ltd and ₹ 698 Lakhs relating to KPR Sugar and Apparels Limited

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

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

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

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

Name of the Director	Title	% Increase Over Previous year	Ratio of Remuneration to MRE
Mr. K.P. Ramasamy	Chairman	No increase	250.88
Mr. KPD Sigamani	Managing Director	No increase	250.88
Mr. P. Nataraj	Managing Director	No increase	250.88
Mr. C.R. Anandakrishnan	Executive Director	No increase	9.65
Mr. E.K. Sakthivel	Executive Director	No increase	7.89
Mr. P. Selvakumar	Whole time Director	No increase	4.66

2. Remuneration paid to Non-Executive Directors

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

ANNEXURE TO THE DIRECTORS' REPORT

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

Name of the KMP	Title	% Increase Over Previous year
Mr. PL. Murugappan	Chief Financial Officer	No increase
Mr. P. Kandaswamy	Company Secretary	No increase

4. **Percentage increase in the Median Remuneration of employees in the financial year :** No increase
5. **Number of Permanent Employees on the roll of the Company at the end of the year :** 20,027
6. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration.**

   During the year there was no increase in the remuneration.
7. **It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.**

For and on behalf of the Board
K.P. Ramasamy
Chairman
DIN : 00003736

Coimbatore
28.04.2021

ANNEXURE TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2020-21

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

   India harbors one of the earliest and richest traditions of CSR in the world in the form of philanthropy emphasising on the importance of observing ethical practices and principles while conducting commercial activities. In modern India, CSR is attributed with a whole new dimension undertaking social reforms like rural development, women empowerment and promotion of education.

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

2. **The Composition of the CSR Committee**

The composition of the Committee is as follows

Name of the Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held During the year	Number of Meeting of CSR committee attended during the year
Mr. K.P.Ramasamy	Chairman	1	1
Mr. KPD Sigamani	Managing Director	1	1
Mr. P. Nataraj	Managing Director	1	1
Dr. S. Ranganayaki	Independent Director	1	1

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

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

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

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

6. Average net profit of the company as per section 135(5) : **₹ 36,501 Lakhs**

7. (a). Two percent of average net profit of the company as per section 135(5) : **₹ 730.02 Lakhs**
   (b). Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **Nil**
   (c). Amount required to be set off for the financial year if any : **Nil**
   (d). Total CSR obligation for the financial year (7a+7b- 7c) : **₹ 730.02 Lakhs**

8. (a). CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
832.02	Nil				

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

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

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

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the Project (₹ in lakhs)	Mode of Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
1.	Promotion of Education - Scholarship	Education	Yes	Tamil Nadu	Coimbatore	730.02	Yes	-	-
2.	Donation to Chief Minister's Relief Fund – Covid-19	Disaster Management		Tamil Nadu		102.00	Yes	-	-
	Total					**832.02**			

(d). **Amount spent in Administrative Overheads :** Nil

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

(f). **Total amount spent for the Financial Year (8b+8c+8d+8e) :** ₹ 832.02 Lakhs

ANNEXURE TO THE DIRECTORS' REPORT

(g). Excess amount for set off, if any

Sl. No	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	730.02
(ii)	Total amount spent for the Financial Year	832.02
(iii)	Excess amount spent for the financial year [(ii)-(i)]	102.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
(1)	(2)	(3)	(4)	(5)			(6)
1.							
2.			NIL				
3.							
	Total						

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

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

ANNEXURE TO THE DIRECTORS' REPORT

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : **Not Applicable**

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

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

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

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

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

Coimbatore	**P. Nataraj**	**K.P. Ramasamy**
28.04.2021	Managing Director	Chairman
	DIN: 00229137	CSR Committee
		DIN: 00003736

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO COMPANIES (ACCOUNTS) RULES, 2014

A) CONSERVATION OF ENERGY

a) ENERGY CONSERVATION MEASURES TAKEN

1) To reduce power consumption, in all units, the tube lights, high bay lights and street lights were replaced by LED tube lights with improved Lux level and power saving.
2) To reduce power consumption in humidification plants of Arasur and Sathy Units, the existing pumps and motors (IE2 efficiency) have been replaced by IE3 efficiency class motors with suitable high efficiency pumps.

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

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

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

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

FORM A – PARTICULARS IN RESPECT OF ENERGY CONSUMPTION

PARTICULARS	UNITS	2020-21	2019-20
1. Power & Fuel Consumption			
A) Electricity			
i) Connected Load	KVA	42,915	42,615
ii) Purchase of Units	Lakh Units	210	98
iii) Total Amount	₹ Lakhs	1,601	726
iv) Rate Per Unit (Average)	₹	7.64	7.41
v) Demand Charges	₹ Lakhs	1,581	1,671
B) Electricity from Third Party			
i) Purchase of Units	Lakh Units	1,439	1,530
ii) Total Amount	₹ Lakhs	6,774	5,589
iii) Rate Per Unit (Average)	₹	4.71	3.65
2. Own Generation			
i) Through Diesel Generator			
Units generated	Lakh Units	3	3
Total Amount	₹ Lakhs	66	63
Cost/Unit	₹	23.11	22.94
Units/Litre of Diesel	Units	3.26	4.25
ii) Through Wind Mill			
Units generated	Lakh Units	863	1,016
iii) Through Steam Turbine Units			
Coal/Furnace Oil / Others	Units	NIL	NIL
3. Consumption per unit of Production			
a) Production of Yarn	Kgs	7,6030,242	8,07,56,948
Electricity (units) per Kg of yarn Production	Units	2.71	2.69
b) Processed Fabric	Kgs	1,78,59,844	1,75,45,081
Electricity (units) per Kg of Fabric Processed	Units	1.15	1.23
c) Garment Produced – In House	No. of Pcs	8,46,22,665	8,67,02,530
Electricity consumed/ Garment Production	Units	0.23	0.23

ANNEXURE TO THE DIRECTORS' REPORT

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

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

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

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

   Sustained quality of products at economized cost.

3. Future Plan of Action:

   Continuous focus on innovations in Textile development processes & products.

4. Technology absorption, adaptation and innovation:

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakhs)

S.No	Particulars	2020-21	2019-20
1	Foreign Exchange earned through exports amounted to	1,06,694	1,19,727
2	Foreign exchange used	25,864	59,127

For and on behalf of the Board

K.P. Ramasamy
Chairman
DIN: 00003736

Coimbatore
28.04.2021

ANNEXURE TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by K.P.R. Mill Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutary compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, subject to the Annual Report, the Company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder

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

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

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

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

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

   e) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

vi. And other applicable laws to a Textile Industry viz., Textile Control Orders, Textile Committee Produce Cess Act, Textiles (Development and Regulation) Order etc.,

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

ANNEXURE TO THE DIRECTORS' REPORT

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Women Director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

a) Public / Rights / Preferential Issues of Shares / Debentures / Sweat Equity

b) Redemption

c) Foreign Technical Collabaration

d) Merger / Amalgamation / Reconstruction, etc

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

K. Radhakrishnan B.Com ACS
Practising Company Secretary
ACS No: 30614 CP No: 16911

Place: Coimbatore
Date: 28.04.2021
UDIN : A030614C000200080

ANNEXURE TO THE DIRECTORS' REPORT

'Annexure A'

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

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

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

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

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

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

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

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

K. Radhakrishnan B.Com ACS
Practising Company Secretary
ACS No: 30614 CP No: 16911

Place: Coimbatore
Date: 28.04.2021

ANNEXURE TO THE DIRECTORS' REPORT

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

To

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

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

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

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

Place: Coimbatore
Date : 28.04.2021
UDIN : A030614C000200157

K. Radhakrishnan B.Com ACS
Practising Company Secretary
ACS No: 30614 CP No: 16911

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Adherence to the standard Corporate Governance practices will ensure investors' confidence in the Companies. The good Corporate Governance structure consists of voluntary ethical code of business conducts which are conducive to the expansion of investment in them and facilitate higher rates of return.

BOARD OF DIRECTORS

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

Name of the Director	Category	Number of Directorships held**	Number of Committee Memberships in Other Companies***	
			Chairman	Member
Mr. K.P. Ramasamy	Executive Director	10	-	-
Mr. KPD Sigamani	Executive Director	11	-	-
Mr. P. Nataraj	Executive Director	11	-	-
Mr. C.R. Anandakrishnan	Executive Director	3	-	-
Mr. E.K. Sakthivel	Executive Director	1	-	-
Dr. K. Sabapathy	Independent Director	4	-	-
Mr. G.P. Muniappan	Independent Director	5	2	-
Mr. K.N.V. Ramani	Independent Director	7	5	1
Mr. A.M. Palanisamy	Independent Director	7	2	-
Mr. C. Thirumurthy	Independent Director	1	-	-
Dr. S. Ranganayaki	Independent Woman Director	4	-	-
Mr. P. Selvakumar	Executive Director	4	-	-

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

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

Name of the Director	Names of Listed Entity in which directorships held	Category of Director
1. Mr. G.P. Muniappan	K.G. Denim Limited	Independent Director
2. Mr. K.N.V. Ramani	Bannari Amman Spinning Mills Limited	Independent Director
	Shiva Texyarn Limited	Independent Director
	K.G. Denim Limited	Independent Director
	LGB Forge Limited	Independent Director
	Shiva Mills Limited	Independent Director
3. Mr. A.M. Palanisamy	Kovai Medical Center and Hospital Limited	Independent Director

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

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management. The roles and offices of Chairman and CEO are separated to promote balance of power.

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

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

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

SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

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

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

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

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

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

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

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

Key Board Qualification & experience

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

BOARD PROCEDURE

Five Board Meetings were held during the year under review. The dates and notices were fixed/ issued well in advance in compliance with the Secretarial Standards. Meetings were held on 27.06.2020, 12.08.2020, 24.09.2020, 27.10.2020 and 03.02.2021. The Agenda and Notes on agenda containing all material information such as Purchase and stock of raw materials; Production, Sale, Export, Realisation and stock details of yarn fabric and Garments; data on Fabric processing; Capacity utilization in each segment; wind power generated, power consumed, availment of working capital facilities and term loan; FOREX risk exposures, annual budget, capital expenditure, sale of assets, proposal for Investments & Projects and status of its implementation, financials of Subsidiary Companies; Cash flow Statement; Comparison of performance with the budget; applicable Regulatory changes etc., are circulated to the Directors in advance for facilitating meaningful and focused discussions at the Meetings. The attendance record of each Director at the Board Meetings and at the last Annual General Meeting is given below:

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

Note: Due to COVID -19 Pandemic restrictions and considering the safety and health factors of the Directors, Auditors and the Shareholders of the Company, the above Meetings were conducted with Video conference facilities to enable their attendance through virtual mode.

AUDIT COMMITTEE

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

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

During the year under review, the Audit Committee met Four times supported with Video conference facilities and the attendance of each Member through physical/virtual mode is furnished as below:

Name of the Member	Attendance at the Meetings held on			
	27.06.2020	12.08.2020	27.10.2020	03.02.2021
Mr. G. P. Muniappan Independent & Non- Executive Director (Chairman)	✓	✓	✓	✓
Dr. K. Sabapathy - Independent & Non -Executive Director	✓	✓	✓	✓
Mr. P. Nataraj - Non-Independent & Executive Director	✓	✓	✓	✓

✓ Attended

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

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

The Committee recommends the appointment & remuneration of Internal Auditors, Statutory Auditors, Cost Auditors and Secretarial Auditor. A qualified Chartered Accountant with good exposure conducts Internal Audit. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 24.09.2020.

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

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

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

Name of the Member	Attendance at the Meeting held on 23.06.2020
Mr. G.P. Muniappan - Independent & Non - Executive Director (Chairman)	✓
Dr. K. Sabapathy - Independent & Non - Executive Director	✓
Dr. S. Ranganayaki - Independent & Non - Executive Director	✓

✓ Attended

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

Name of the Director	Remuneration paid during the year 2020 – 21 (₹ in Lakhs)	Sitting fees for attending meeting of the board and/or committee there of (₹ in Lakhs)
Mr. K.P. Ramasamy	572.00	Nil
Mr. KPD Sigamani	572.00	Nil
Mr. P. Nataraj	572.00	Nil
Mr. C.R. Anandakrishnan	22.00	Nil

Name of the Director	Remuneration during the year 2020 – 21 (₹ in Lakhs)	Sitting fees for attending meeting of the board and/or committee there of (₹ in Lakhs)
Mr. E.K. Sakthivel	18.00	Nil
Dr. K. Sabapathy	Nil	3.90
Mr. K.N.V. Ramani	Nil	1.20
Mr. G.P. Muniappan	Nil	3.90
Mr. A.M. Palanisamy	Nil	1.50
Mr. C. Thirumurthy	Nil	1.50
Dr. S. Ranganayaki	Nil	1.50
Mr. P. Selvakumar	11.52	Nil

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

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has a Stakeholder Relationship Committee to consider and resolve the grievances of security holders of the Company.

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

The Committee consists of 3 Directors of whom 2 are Independent. It held four Meetings during the Financial Year supported with Video conference facilities and the attendance of each member through physical / virtual mode is furnished as below:

Name of the Member	Attendance at the Meetings held on			
	23.06.2020	12.08.2020	27.10.2020	03.02.2021
Dr. K. Sabapathy – Independent & Non - Executive Director (Chairman)	✓	✓	✓	✓
Mr. G.P. Muniappan – Independent & Non-Executive Director	✓	✓	✓	✓
Mr. P. Nataraj – Non - Independent & Executive Director	✓	✓	✓	✓

✓ Attended

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

Nature of complaint / queries received during the Financial Year 2020 - 21	No. of Complaints
For non-receipt of dividend, annual report, shares Lodged for transfer, issue of duplicate share certificates.	NIL
Queries / Complaints redressed	NIL
Pending queries/ complaints as on 31.03.2021	NIL

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Mr. K.P. Ramasamy	-	Non - Independent & Executive Director (Chairman)
Mr. KPD Sigamani	-	Non - Independent & Executive Director
Mr. P. Nataraj	-	Non - Independent & Executive Director
Dr. S. Ranganayaki	-	Independent & Non - Executive Director

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

The Corporate Social Responsibility Committee held one Meeting during the Financial Year and the attendance of each Member is furnished as below:

Name of the Member	Attendance at the meeting held on 23.06.2020
Mr. K.P. Ramasamy – Non Independent & Executive Director (Chairman)	✓
Mr. KPD Sigamani – Non Independent & Executive Director	✓
Mr. P. Nataraj – Non Independent & Executive Director	✓
Dr. S. Ranganayaki– Independent & Non-Executive Director	✓

✓ Attended

RISK MANAGEMENT

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

Name of the Member	Attendance at the meeting held on 24.03.2021
Mr. P. Nataraj – Non Independent & Executive Director (Chairman)	✓
Dr. K. Sabapathy - Independent & Non Executive Director	✓
Mr .P.L.Murugappan - Chief Financial Officer	✓

✓ Attended

FAMILIARISATION PROGRAM

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

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

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

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

The following is the Web link for the details imparted to the Independent Directors:
https://kprmilllimited.com/file/wp-content/uploads/2021/04/Familiarization-programme-2020-21.pdf

CEO/ CFO CERTIFICATION

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

GENERAL BODY MEETING

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

Annual General Meeting	Date	Venue	Time of Meeting
15th	27.08.2018	Ball Room, Hotel The Residency, Avinashi Road, Coimbatore - 641018.	11.30 A.M.
16th	28.08.2019	Ball Room, Hotel The Residency, Avinashi Road, Coimbatore - 641018.	11.30 A.M.
17th	24.09.2020	Video Conferencing (VC) / Other Audio Visual Means (OAVM)	02.30 P.M.

POSTAL VOTING AND E-VOTING

In pursuance of the Listing agreement, E-Voting at the 17th AGM and remote e-voting were extended to all the Shareholders of the company to facilitate Voting on the Subjects/Resolutions contained in the 17th AGM notice. To conduct the voting procedure in a fair and transparent manner, a Scrutinizer was appointed for the above purposes. Accordingly the Scrutinizer conducted the voting process and submitted his reports on the voting polled, to the Chairman of the Company.

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

No Postal Ballot was conducted during the year.
As on date of this report, the Company does not foresee any immediate need for postal ballot to pass any Special Resolution.
During the year under review no Extra Ordinary General Meetings were held.

DISCLOSURE:

I. None of the transactions with related parties during the year 2020-2021 were in conflict with the interest of the Company and all the transactions were only with the Wholly Owned Subsidiary Companies.

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

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

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

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

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

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

MEANS OF COMMUNICATION

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

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

i. Quarterly Results are usually published in "Business Standard" (English) and in "Makkal Kural" (Tamil)

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

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

SHAREHOLDERS INFORMATION

Annual General Meeting for the financial year 2020-21		
Day and Date	:	Thursday, 9th September 2021
Time	:	02.30 P.M. (IST) through Video conferencing (VC) / Other Audio Visual Means (OAVM)

DATE OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from 03.09.2021 to 09.09.2021 (Both days inclusive) for the purpose of Final Dividend and Annual General Meeting of the Company.

DATE OF PAYMENT OF DIVIDEND

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

SHARE DETAILS:

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

BSE Limited, **Scrip Code: 532889**

1st Floor, Rotunda Buildings,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

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

Exchange Plaza, Plot: C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

The Annual Listing Fee payable to the Stock Exchanges for the Financial Year 2020-21 have been paid in full.

DEMATERIALISATION OF SHARES

Members have the option to hold their shares in demat form either through the National Securities Depository Limited or the Central Depository Services Limited. The ISIN Number of the Company is INE930H01023.

The Annual Custodian Fee for the Financial Year 2020-21 to NSDL and CDSL have been paid in full.

As on 31.03.2021, shares representing 99.99 percentage of the total paid up capital of the Company are held in dematerialized form with NSDL and CDSL.

REGISTRAR AND TRANSFER AGENTS:

KFin Technologies Private Limited
Selenium, Tower B,
Plot 31-32, Serilingampally Mandal, Financial District,
Nankramguda, Hyderabad – 500032
Toll Free No: 1800 309 4001
E-mail : einward.ris@kfintech.com
Website : https://www.kfintech.com
and https://ris.kfintech.com

Additional Feature:

KPRISM - Now you can download the mobile app and see your portfolios serviced by KFINTECH. Check Dividend status, request for annual reports, change of address, change / update Bank mandate and download standard forms. Register one time to use all the functionalities available on the website and / or the android mobile app.

Website - https://kprism.kfintech.com/

Play Store -
https://play.google.com/store/apps/details?id=com.karvy.kprismv3
(Android mobile application)
QR Code - As given below.

SHARE TRANSFER SYSTEM

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

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

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

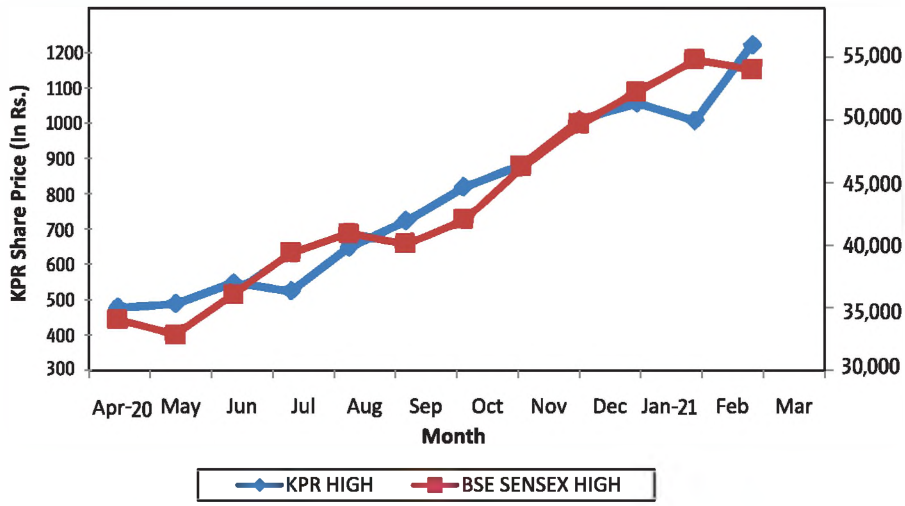
In respect of shares to be transferred in physical form, the facility has been done away with as per the new amendment SEBI (LODR amendment) Regulation, 2018. Unless and until the shares in physical forms are converted in to Demat, the transfer of shares/securities cannot be done. It is to be made clear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

MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., during the financial year 2020-2021 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Total Traded Quantity (in Crs) (₹)	High (₹)	Low (₹)	Total Traded Quantity (in Crs) (₹)
April 2020	471.00	316.90	0.0007	480.00	316.50	0.0197
May 2020	481.90	395.05	0.0005	450.00	396.00	0.0134
June 2020	535.30	420.05	0.0033	533.75	417.05	0.0326
July 2020	513.55	415.85	0.0022	515.00	415.10	0.0247
August 2020	627.20	408.25	0.0319	678.60	415.00	0.1614
September 2020	695.00	533.00	0.0121	695.00	536.00	0.1952
October 2020	782.95	625.00	0.0135	784.00	626.10	0.1665
November 2020	840.00	722.40	0.0112	844.00	725.00	0.1221
December 2020	955.35	756.70	0.0184	954.00	751.25	0.1995
January 2021	999.20	849.00	0.0120	1000.00	848.80	0.1129
February 2021	954.35	885.10	0.0075	953.70	830.20	0.0881
March 2021	1151.00	923.95	0.0120	1150.00	922.40	0.1692

KPR Share Price Vs BSE Sensex



DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH 2021 :

Shareholdings	No.of Shareholders	% of Shareholders	No.of Shares	% of Equity
1 - 500	18,700	92.89	11,11,452	1.62
501 - 1000	677	3.36	5,04,696	0.73
1001 - 2000	323	1.60	4,77,668	0.69
2001 - 3000	116	0.58	2,91,725	0.42
3001 - 4000	54	0.27	1,96,730	0.29
4001 - 5000	45	0.22	2,03,118	0.30
5001 - 10000	87	0.43	5,98,955	0.87
10001 & Above	129	0.65	6,54,25,656	95.08
Total	**20,131**	**100.00**	**6,88,10,000**	**100.00**

Shareholding Pattern as on 31st March 2021

Category	Number of Shares Held	% of Holding
Promoters & Promoters Group	5,14,13,051	74.72
Mutual Funds	1,05,53,917	15.34
Foreign Institutional Investors	14,78,547	2.15
NRIs	2,96,596	0.43
Bodies Corporate	2,97,647	0.43
Public	47,70,242	6.93
Total	**6,88,10,000**	**100.00**

Shareholding of Directors as on 31st March 2021

S.No	Name of Director	Shareholding
1	Mr. K.P. Ramasamy	1,48,71,362
2	Mr. KPD Sigamani	1,48,71,362
3	Mr. P. Nataraj	1,48,71,362
4	Mr. C.R.Anandakrishnan	1,390
5	Mr. E.K.Sakthivel	-
6	Dr. K. Sabapathy	-
7	Mr. K.N.V. Ramani	-
8	Mr. G.P.Muniappan	-
9	Mr. A.M. Palanisamy	-
10	Mr. C.Thirumurthy (Shares in the name of relative only)	10
11	Dr. S. Ranganayaki	-
12	Mr. P. Selvakumar	-

PLANT LOCATION

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

ADDRESS FOR CORRESPONDENCE

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

For your reference the Company's CIN: L17111TZ2003PLC010518

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

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

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

CAPITAL INTEGRITY AUDIT

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

PREVENTION OF INSIDER TRADING

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

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

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

SUBSIDIARY

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

MATERIAL SUBSIDIARY

The Company has also formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website of the Company. The Website link to the policy as provided here:

https://kprmilllimited.com/file/wp-content/uploads/2018/11/4.Policy-on-Material-Subsidiaries.pdf

It has determined that K.P.R. Sugar Mill Limited is a Material Subsidiary Company as per the Listing Regulation.

RELATED PARTY TRANSACTIONS (RPT)

There has been no materially significant related party transaction with the Company's Promoters, Directors, KMP and the Management, their Subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions in pursuance of Ind-AS are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and the details of such policies are disseminated on the website of the Company.

The Website link to the policy as provided here:
https://kprmilllimited.com/file/wp-content/uploads/2020/08/Related-Party-Transaction-Policy.pdf

DETAILS OF NON – COMPLIANCE BY LISTED ENTITY

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS:

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

REGARDING SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of sexual harassment of women at workplace (prevention, prohibition and redressal act) 2013 Internal Complaints Committee has been formed. There were no complaints filed/disposed or pending during the financial year 2020-2021.

TRANSFERS TO IEPF ACCOUNT OF CENTRAL GOVERNMENT

The Company has transferred the following unpaid dividend Accounts which remained unpaid for more than seven years that were due for transfer during the financial year 2020-2021 to the Investor Education and Protection Fund of the Central Government:

Transfer of Dividend to IEPF Account

S. No	Dividend	Date of Transfer	Amount of Transfer
01	Interim Dividend 2012-2013	10.06.2020	73,311.00
02	Final Dividend 2012-13	12.10.2020	88,740.00
03	Interim Dividend 2013-2014	14.12.2020	95,944.00

Transfer of Shares to IEPF Account

No. of Share Holder	No. of Shares	Date of Transfer
4	300	13.11.2020
6	421	11.12.2020
2	240	19.01.2021

FEES TO STATUTORY AUDITOR

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W – 100022) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

(₹ in Lakhs)

Particulars	Amount
Services as Statutory auditors (including quarterly audits)	15.00
Tax Audit	-
Services for Tax Matters	-
Other Matters	-
Re-imbursement of out-of-pocket expenses	0.80
Total	**15.80**

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES

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

REPORT ON COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS

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

1. The Board:

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

2. Shareholder Rights:

Though some of the Shareholders have not furnished their e-mail ID with the Depository, RTA and Company, despite various reminder request every year through AGM notice, effective from 01.04.2021 we are planning to send half-yearly declaration of financial performance including summary of the significant events, if any, in last six-months to the shareholders having mail ID's through E-mail.

3. Modified opinion(s) in Audit Report:

The Company is already in the regime of unqualified financial statements only.

4. Separate posts of Chairperson and Chief Executive Officer:

The Company has appointed separate persons to the post of Chairman and Managing Director / CEO.

5. Reporting of Internal Auditor:

The Internal Auditor is reporting directly to the Audit Committee.

The above Corporate Governance Report has been placed before the Board of Directors at their Meeting held on 28.04.2021 and the same was approved thereat.

CODE OF CONDUCT AND ETHICS – DECLARATION

It is hereby declared that the Board of Directors of the Company have adopted a Code of Conduct for the Board members and Senior/Key Management of the Company and the same has also been posted in the website of the Company and that all the Board Members and Senior/Key Management Personnel to whom this Code of Conduct is applicable have affirmed the compliance of Code of Conduct during the year 2020- 2021.

Coimbatore
28.04.2021

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

CERTIFICATE

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

1. The Certificate is issued in accordance with the terms of our engagement letter dated March 11, 2021.

2. We have examined the compliance of conditions of Corporate Governance by K.P.R. Mill Limited ("the Company"), for the year ended March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') as amended from time to time, pursuant to the listing agreement of the Company with the National Stock Exchange of India Limited and the BSE Limited (collectively referred to as "the Stock exchanges").

Management's responsibility for compliance with the conditions of the Listing Regulations

3. The Company's Management is responsible for compliance of conditions of Corporate Governance including the preparation and maintenance of all relevant supporting records and documents as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the above-mentioned Listing Regulations.

Auditors' responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2021.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under the Section 143 (10) of the Companies Act, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Restriction on use

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

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

Place : Chennai
Date : April 28, 2021

K. Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 21214150AAAAAP8638

CERTIFICATE

CEO / CFO CERTIFICATE

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

In relation to the **Audited Financial Accounts of the Company as at 31.03.2021** we hereby certify that:

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

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

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

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

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

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

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

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

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

Place : Coimbatore
Date : April 28, 2021

PL Murugappan
Chief Financial officer

P. Nataraj
Chief Executive Officer &
Managing Director

MANAGEMENT DISCUSSIONS AND ANALYSIS

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

ECONOMY

Global

When the pandemic struck, the world was totally unprepared to deal with a contingency of such magnitude and was caught napping. Global growth projected at 6% in 2021, is moderating to 4.4% in 2022. The projections for 2021 and 2022 are stronger than in the October 2020 World Economic Outlook(IMF). The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. Thanks to extraordinary policy support and progress on vaccination, the global economy is beginning to emerge from the worst phases of the pandemic across countries to near normalcy. The Corporate sector in many countries is gradually recovering from the pandemic over-indebtedness. Therefore, ongoing support remains necessary. However the emerging subsequent wave of pandemic surrounds this outlook with little uncertainty which we have to wait and watch.

India

India, one of the major emerging nation, has so far avoided extensive disruption due to pandemic. The reason is that India has accumulated a massive pile of foreign currency reserves in the last few years and relatively have low inflation*. This means that, unlike many of its peers, India can afford to allow a decline in reserves in order to stabilize its currency without resort to raising interest rates. In the past, Indian business investment has been stalled, in part, due to high costs of capital. India is now in a good position to change this and allow for an acceleration in investment. However, after a period in which many observers were confident that India was on the verge of herd immunity, the country faces yet another serious outbreak of the virus which is likely to hurt economic growth. Although vaccinations are under way, the speed of distribution has not been sufficient to offset the transmission of new variants.

(*Global economic insights - Deloitte)

TEXTILE INDUSTRY

Global

The COVID-19 pandemic has challenged the textile industry drastically in 2020. The largest markets for the textile industry in the world, has suffered from the prolonged lockdowns and restrictions in the majority of countries along with the sudden drop in international demand for their products. The global industry also suffered several supply chain disruptions due to the shortages of cotton and other raw materials. However, the textile industry being an ever-growing market, with key competitors, the rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to have modern installations which are capable of high-efficient production. Moreover the abundance of natural fibers especially cotton, in China, India, and the United States is contributing significantly to the growth of the global textile market. The increasing consumption of natural fibers such as cotton, silk, wool, and jute will also drive the global textile markets.

INDIA

The Indian textile and apparel sector has become the most severely affected among manufacturing sectors due to the novel corona virus pandemic, which has challenged the Nation on every front. To slow the spread of the virus, lockdown seemed to be the only viable option. India also announced a nationwide lockdown in late March 2020. The brunt of this lockdown was borne by the migrant workers, who in no time saw their dreams and livelihood shattered as factories stood idle. With no work in hand, migrant workers started moving back to their native places and the country witnessed a mass exodus of workers from cities and industrial hubs unseen in post-partition era. However, consequent on various relaxations the situation returned to normalcy gradually with the support from the Government. As the demand pipeline was empty due to the pandemic, after relaxations of restrictions all over the world, the domestic requirements and Export orders started piling up creating a good demand for Yarn and Garments.

Cotton

India, the world's biggest cotton grower, has the distinction of having the largest area under cotton cultivation which is about 41% of the world area under cotton cultivation between 12.5 million hectares to 13.0 million hectares (Source:CCI) Prompted by the raise in the Minimum Support Price for cotton by the Centre, the Indian farmers have switched over to cotton crop. Prices of Cotton that remained subdued during the first half year, due to pandemic impact, started rising due to surge in demand and bullish trend in International prices. With a view to help farmers, the Government has imposed a 10% duty on imports of Cotton. As in every year, India continues to be a cotton surplus Country thereby ensuring adequate availability of cotton to the Indian Textile industry. Global cotton harvest area as well production is also reported to have risen in 2021-22.

INDIAN COTTON BALANCE SHEET FOR THE SEASON 2020-21

As on 31.03.2021 **(In Lakh Bales)**

Opening Stock	120.95
Production	371.00
Imports	11.00
TOTAL SUPPLY	**502.95**
Consumption	330.00
Exports	75.00
TOTAL DEMAND	**405.00**
Closing Stock	97.95

(Source: Cotton Advisory Board)

YARN

The cotton yarn production which declined sharply on a y-o-y basis during the period April-June 2020 due to Covid-19 induced lockdown, witnessed an improvement in the following months backed by easing of lockdown restrictions and a traction in demand from domestic and export cotton yarn market. Cotton yarn prices in India have also been increasing because of dried-up inventories as supplies have failed to match demand since resumed operations late across the country. There is a huge shortage of yarn globally, with capacities shrinking and acute power and labour shortages in geographies where there is good quality spinning capacity. However, Indian yarn prices continue to be lower than international prices. Economic activity has picked pace after the lockdown restrictions were lifted, due to which robust demand for garments (casuals and knit wear) has been registered from rural India. Increased demand for cotton yarn, while the supply shortage with spinners reducing yarn output, has led to spike in yarn prices, for all the categories.

GARMENTS

Due to the pandemic, all economic activities except for the essential goods and services came to a standstill. The textile and apparel industry was no exception to this. It impacted the markets and supply chains globally. The industry faced a complete shutdown for around 2-3 months, while a few manufacturers who dedicated their production systems for PPE manufacturing were permitted to function. However, most of the units operated at sub-optimal utilization levels for next several months. Disrupted logistics and frozen external trade affected the entire value chain alike. The global apparel consumption is estimated to have shrunk by 22% in 2020. India's April and May 2020 net trade were around 50% lower month-on-month compared to that of the previous year. Slump in the retail sales of apparel for at least 4-5 months including in the festive and wedding season have deeply impacted. New consumer emerged India's e-commerce sale of goods and apparel saw a steep rise in 2020, thanks to an increased market. Work-From-Home drove the demand for casual wear apparel over formals. However, 2021 looks brighter given the onset of vaccination drives, growth in e-commerce sales of apparel, and resumption of global supply chains. The sustained quality and time delivery enabled KPR to attract more orders from the customers whose activities revived after relaxations. We could also expedite execution of orders with the backing of our excellent infrastructures, dynamic management and dedicated work force.

INTERNAL CONTROL

The Internal control process consists of the policies & procedures adopted by the Company 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 & errors, the accuracy and completeness of the accounting records and the timely preparation of financial statements for external purposes in accordance with generally accepted accounting principles and reliability of financial reporting. Our Internal control System is fully equipped with necessary checks and balances ensuring that the transactions are adequately authorized and reported correctly. The Internal Auditor conducts regular Audits of various departments and Units to ensure that necessary controls are in place.

The Audit Committee while reviewing the system and the Internal Audit Report, call for comments of Auditors on internal control systems and discuss any related issues with the Auditors and the Management of the company before submission to the Board.

The independent Directors also satisfy themselves on the integrity of financial information and ensure that financial controls including Signature controls, Budget Controls, Data control and systems of risk management are in place. The systems and procedures are documented by way of Manual.

EMPLOYEE WELFARE

Ensuring safe, healthy and happy workplace is the essence of good HR Practice in any Organization. Moving several steps ahead, KPR had designed and implemented one of the best HR Policy, ever since inception, which is admired by people from all walks of life and adjudged as a ' trendsetter' to the Industry. As you are well aware more than 90% of the Employees are women.

The employees' trust gained over years enabled KPR to enjoy their sustained support even during the pandemic time also. The entire employees chose to stay with KPR during pandemic instead of moving back to their Native places. Commencement of production immediately after relaxation as well reaching Pre-Covid level production at the earliest with improved productivity were possible only with the unstinted support of our dedicated Employees and Stakeholders. Our ability to attract and retain the best and the well trained employees ensure competitive advantage over peers.

During the year, rewarding the value addition gained by the Employees through our Higher education facilities (Master piece of the HR Policy), we have even arranged for campus placements at our Units wherein the deserving candidates were selected by some of the reputed Organizations for higher positions. Our aim is not only to grow KPR but also to grow the People involved therein.

PERFORMANCE

Though Covid-19 restrictions played a spoilsport during the first quarter, after relaxations, with the support of all stakeholders the operations have accelerated to pre-covid level in subsequently. The Management's strategy, which has over three decades of experience in the Market, in procurement of cotton, the goodwill earned over years with the customers, surge in market demand for yarn & garments both domestic and export enabled a better performance during the year. The courage, confidence, ability to meet any eventualities and the strong team work enabled the Company to farewell in all segments even during a difficult year, proving toughness during tough times.

RETAIL BUSINESS

The unique featured FASO products are available online across the Country. During the year its launch in almost all big cities of South India has been completed. The market's response has been good and encouraging. As you all know, one of the worst hit Textile Markets by COVID was the retail market due to movement restrictions. We have been planning to widen its reach during the current year, but the sudden surge of second wave is deterring the Pan India plan. In view of special quality features we are much confident of FASO's successful reach to the quality seekers, however we are very cautious in our approach with frugal marketing.

EXPANSION

Responding to the market demand we are expanding our garment capacity by establishing a new factory near Tirupur. Enthused by the Customers' persistent demand, we were looking for the right time to expand and the current market is ripe to expand in Garments. The factory is coming up near Tirupur with a capacity to produce 42 million garments per annum; almost the largest among the factories that KPR already has. Upon implementation, the total garment capacity of KPR will reach to 157 million garments per annum, by strengthening its ranking as one of the largest Garment Manufacturers in India.

RISKS AND THREATS

Risk relating to Raw material

As India continues to be cotton surplus Country the availability of Cotton is rest assured. Though price fluctuation remains, the same is expected to normalize soon. However, the increase in yarn prices is able to absorb the higher cotton cost to some extent. We always source Shankar 6, the best Quality Cotton suitable for Knitted segment, by following strategic procurement policy and that too through our own dedicated Personnel who visits Cotton growing areas regularly and keeping us posted of the entire information on the Market trend then and there.

Risk relating to Technology obsolescence

We always buy the new advanced Technology Machinery and Equipments only. Regular updation of technology advancement in the machinery and production process continues, thereby automation, wherever possible, is introduced which also entails production and supply of high quality goods and services.

Market Risks / Industry Risks:

As informed earlier, the sudden fluctuation in the market due to Covid-19 pandemic restrictions imposed all over the world has been well handled with the dynamic approach of the management which has over 3 decades of experience in the industry. Our attitude towards stakeholders has secured their whole-hearted support during the difficult times. This enabled us to commence the production activities after relaxation of pandemic restrictions much earlier than others in the Industry and registered better performance also. This evidences our ability to face such eventuality with the support of our well drawn principles and systems. The second wave of the pandemic has started spreading all over the Nation recently. But the same is also handled meticulously by the strategic team efforts of the Management and the Work force. Similar situation in the last year has taught more lessons and the effective ways and means to tackle the ordeals efficiently. The Company assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc., and is of the view that this situation may not have adverse impact on the financials for the current year.

Logistics Risks:

The logistic issue resulted from pandemic has been handled efficiently by our logistic team and we did not face any major issue on account of this. The problem faced by the Industry relating to container shortage is expected to ease by the mid-2021 with the balancing of trade.

Political environment risks:

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

Disaster Risks:

The properties of the Company are insured against natural risks like fire, earthquakes, etc. with periodical review of adequacy, rates and risks covered. Fire extinguishers have been placed at fire sensitive locations. First aid training is given to watch and ward staff and safety personnel.

Financial Risks:

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

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

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

Labour Shortage

Though the industry continues to face labour shortage due to dislocation of the employees during pandemic, slowly this situation is returning to normalcy. However KPR's best HR policies like best work environment, hygiene living, feel like home accommodation, higher education, vocational training, hygienic food etc., helps to manage the labour shortage.

Stiff competition from low cost Countries enjoying duty concessions

Mega FTAs that exclude India may pose a threat to Indian exporter. However, India is vigorously pursuing multilateral trade arrangements with major markets that were pending for a longtime due to various issues relating to other major Industries. 'In-house' cotton strength, availability of labour with high efficiency, good quality products, growing support from government policies, better compliance of code of conduct norms, initiative towards expediting FTA are some of the encouraging factors that would mitigate the stiff competition from low cost countries.

CYBER RISK AND SECURITY

With the increase in technology adoption, there is a rapid increase in the prevalence and sophistication of cyber-crime and cyber espionage, compromising organizational networks and data, thereby increasing an organization's risk. Understanding these cyber threats and towards developing specific measures to address this risk, the Company had already formed a cyber-security Team consisting of Tech Savvy Personnel and a Director who has wide knowledge in the IT field. The team analyses the various existing security measures periodically and suggest further measures to strengthen the security systems.

FUTURE PROSPECTS

The turnaround with positive growth is happening in the Indian Textile industry with abundant arrival of raw material. In fact we are the world's number one in producing cotton. Strengthened by healthy infrastructure and skilled labour force, KPR's performance continues to be good and the prospects are bright. KPR continues to enjoy the sustained support from all its Stakeholders - thanks to its passive & active adaptive management and its dynamic approach. The sudden surge of the second wave of pandemic is posing challenges to the Government that has been administering the vaccination drive. New restrictions have been implemented this month which are likely to temporarily stifle growth. A country where urban areas are densely populated and where a large share of the urban population works in service enterprises, it is difficult to contain the spread. However the spread should be contained by adopting all means by the Government and the responsible support from the Public is essential.

For and on behalf of the board
K.P. Ramasamy
Chairman
DIN : 00003736

Coimbatore
28.04.2021

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L17111TZ2003PLC010518
2. Name of the Company : K.P.R. Mill Limited
3. Registered address : No. 9 Gokul Buildings, 1st Floor, A K S Nagar, Thadagam Road, Coimbatore – 641001, Tamil Nadu.
4. Website : www.kprmilllimited.com
5. E-mail id : kandaswamy@kprmill.com
6. Financial Year reported : 2020-21
7. Sector(s) that the Company is engaged in (Industrial activity code-wise)

   a) Yarn (17121) b) Fabric (17115) c) Garment (18101)
8. List three key products/services that the Company manufactures/ provides (as in balance sheet)

   a) Yarn b) Fabric c) Garment
9. Total number of locations where business activity is undertaken by the Company:

   (a) Number of International Locations - Nil

   (b) Number of National Locations - 12
10. Markets served by the Company

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY (Rs. In Lakhs)

1. Paid up Capital (INR) - 3,441 /-
2. Total Turnover (INR) - 2,99,160 /-
3. Total profit after taxes (INR) - 43,262 /-
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) - 2.28% (Section 135(5))
5. List of activities in which expenditure in 4 above has been incurred: -
   - Promotion of Education
   - Disaster Management

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   YES. It has seven Subsidiary Companies

   (i) K.P.R. Sugar Mill Limited

   (ii) Quantum Knits PVT. Limited

   (iii) Jahnvi Motor Private Limited

   (iv) Galaxy Knits Limited

   (v) KPR Sugar and Apparels Limited

   (vi) KPR Exports PLC.

   (vii) KPR Mill PTE. Ltd.
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - NO
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] - NO

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

   (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

   1. DIN Number: 07228760
   2. Name: Mr. P. SELVAKUMAR
   3. Designation: Whole Time Director

   (b) Details of the BR head

Particulars	Details
DIN Number (if applicable)	07228760
Name	Mr. P. SELVAKUMAR
Designation	Whole Time Director
Telephone number	9865254203
e-mail id	selvakumar@kprmill.com

2. Principle-wise (as per NVGs) BR Policy/policies

LIST OF PRINCIPLES

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

(a) Details of Compliance (Reply in Y/N)

Sr.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Policies are prepared ensuring adherence to applicable laws and internal standards of the company								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://kprmilllimited.com/policy-info/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy have been communicated to all relevant stakeholders wherever required								
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Such evaluation will be considered at appropriate time.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) –**'NOT APPLICABLE'**

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Assessed annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes it as a part of the Annual Report

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company?

   No

   Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?

   Yes.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   Nil

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   All our Factories are approved by Pollution Control Board which ensures environmental compliances. Our Arasur Garment factory has been ranked as Eco-Friendly by some of reputed brands. Besides, we hold certificates such as WRAP, GOTS, OEKO-TEX, ISO 14001:2015, ISO 9001:2015, ISO 45001:2018, SA 8000:2014 etc., relating to social or environmental concerns.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   We produce cotton based textile products, which is eco-friendly and does not pollute environment and saves water and energy. We continuously adopt energy saving measures in our production process which enables minimal resources utilization.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   As our products are cotton based, it would enable reduced usage of energy & water by the consumers also.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Yes. We have procedures in place. Our major input is Cotton. We buy cotton and produce Cotton Yarn/ Fabric/ Garment and supply to Various Buyers including overseas customers.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes. We procure goods and services form local & small producers, including communities surrounding the place of work, if quality of goods supplied by them suits our quality parameters. We encourage them to improve the quality of the products that leads to improving their capacity and capability.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has installed an Advanced Water Treatment Technology from ITALY in the Processing Unit which takes

care of the effluent treatment norms and facilitates reuse of water up to 95%.

The advanced technology of cold processing adopted at the 'State of the Art' Processing Unit II reduces the water consumption by 30% and eliminated the usage of Salt completely.

We have Bio-Gas Generation facility that reduces the usage of LPG.

We also have Waste water recycling process across all our units which reduces the water consumption around 25%.

Principle 3

1. Please indicate the Total number of employees - **20,027**
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis - **Nil.**
3. Please indicate the Number of permanent women employees.- **16,937**
4. Please indicate the Number of permanent employees with disabilities - **Nil**
5. Do you have an employee association that is recognized by management?

   Each unit has various workers' committees taking care of their requirements.
6. What percentage of your permanent employees is members of this recognized employee association? - **NA.**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - **Nil.**
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees – **100%**

   (b) Permanent Women Employees – **100%**

   (c) Casual/ Temporary/ Contractual Employees - **NA**

   (d) Employees with Disabilities - **NA**

Principle 4

1. Has the company mapped its internal and external stakeholders? **YES**
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? **YES**
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   Our HR initiative itself proves our special initiatives towards this KPR recruits employees from the down trodden villages. We provide trendsetter employee welfare facilities, besides nutritious food, hygienic and comfortable living & working conditions, entertainment etc. In order to add value to their livelihood, the Company is providing higher education and vocational training facilities to them. The employees are also making best use of them. This initiative helps them in a big way by making them independent both economically and socially.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   YES. Extended to the Group.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   -NIL-

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/ Others.

   Yes, it extends to the group.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

   YES, the Company's initiatives towards making the production process 'eco-friendly', whenever possible has secured certification such as,

I. ISO - 14001: 2015 Certifications for Environment Management Systems

II. OEKO-TEX – for environment friendly operations

III. Global Organic Textile Standard (GOTS) – for organic cotton products.

IV. SA 8000: 2014 for Social Accountability Management Systems.

Towards augmenting green cover, the company has planted more than one lakh fifty thousand saplings in the villages.

3. Does the company identify and assess potential environmental risks? **YES**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? **NO**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc., If yes, please give hyperlink for web page etc.

   Yes, in an effort to generate power in eco-friendly ways the Company has installed windmills at Theni, Tirunelveli, Tenkasi and Coimbatore districts in India. It takes care of most of our power requirement.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? - **YES**

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year - **NIL**

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   A. CONFEDERATION OF INDIAN INDUSTRY

   B. THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

   C. THE SOUTHERN INDIA MILLS ASSOCIATION

   D. TAMILNADU SPINNING MILL ASSOCIATION

   E. TIRUPUR EXPORTERS ASSOCIATION

   F. INDIAN WIND POWER ASSOCIATION

   G. INDIAN COTTON FEDERATION

   H. THE INDIAN CHAMBER OF COMMERCE AND INDUSTRY, COIMBATORE

   I. TAMILNADU ELECTRICITY CONSUMERS ASSOCIATION

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

   YES, wherever required we advocated for the improvement of export policies, economic reforms etc., through the associations.

Principle 8

1. Does the company have specified programmers/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Our CSR policy and the human value adding labour practices take care of this.

   The key areas of CSR activities are;

   A. Promotion of Education

   B. Environmental and livelihood

   C. Social Empowerment

   D. Rural Development

   As Education plays a vital role in progressing the social welfare and economic prosperity of the Country, the Company concentrates primarily on the Promotion of education under its CSR activities. Our extension of higher education facilities that has tie-up with reputed universities and vocational training empower our employees with financial & social strength. It would also have positive impact on their family and the village they belong that would support the inclusive growth and equitable development. Extensive coverage on this is furnished in the Reports of Directors & MDAR forming part of the Annual report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   Our CSR activities are implemented through in- house and Charitable Trust.

3. Have you done any impact assessment of your initiative? **YES**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   During the year, the Company has spent ₹ 832.02 lakhs towards CSR activities. The details are furnished in the CSR Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes, Secured ranks & gold medals in the government examinations and employment opportunities in the Government Departments, by availing our higher education and vocational training facility itself reflect the success of our initiative. As mentioned earlier it elevated the standard of the employee as well as their family and the village they belong. So far, more than 27,000 employees are benefitted by availing higher education & vocational training facilities extended to them. On an average, every year over 3000 employees are availing the aforesaid facilities.

Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

   No Case is pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

   YES

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No

4. Did your company carry out any consumer survey/ consumer satisfaction trends? **YES**

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of K.P.R. Mill Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition

The key audit matter	How the matter was addressed in our audit
See notes 3 and 26 to the standalone financial statements. Company's revenue is derived primarily from sale of goods. Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and there are no longer any unfulfilled performance obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Inappropriate assessment could lead to risk of revenue being recognized before transfer of control. In view of the above and since revenue is a key performance indicator of the Company, we have identified timing of revenue recognition from sale of goods as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the accounting policy for revenue recognition with relevant accounting standards; • Evaluating the design and implementation of the Company's key internal financial controls in relation to timing of revenue recognition and tested the operating effectiveness of such controls for selected samples; • Performing detailed testing by selecting samples of revenue transactions recorded during the year and around the year end date using statistical sampling. We assessed fulfilment of performance obligations during the year by verifying the underlying documents. These documents included contract specifying terms of sale, invoices, goods dispatch notes, customer acceptances and shipping documents; • Testing, on a sample basis using specified risk based criteria, journal entries affecting revenue recognised during the year to identify unusual items.

Valuation of Inventories

The key audit matter	How the matter was addressed in our audit
See notes 3 and 9 to the standalone financial statements. The Company is an integrated textile manufacturer and the inventory primarily comprises of yarn, fabric and garments. Inventories are valued at lower of cost and net realisable value. The Company maintains its inventory levels based on forecast demand and expected future selling prices. There is a risk of inventories being measured at values which are not representative of the lower of costs and net realisable value ('NRV'). The Company exercises high degree of judgment in assessing the NRV of the inventories on account of estimation of future market and economic conditions. The carrying value of inventories is material in the context of total assets of the Company. We identified the valuation of inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the accounting policy for inventories with relevant accounting standards; • Evaluating the design and implementation of the Company's key internal financial controls over valuation of inventories and testing the operating effectiveness of such controls for selected samples; • Observing the physical verification of inventory on a sample basis. In this regard, we have considered the physical condition of inventory by way of obsolescence or wear and tear, wherever relevant and applicable, in determining the valuation of such inventory. • For NRV testing, selecting inventory items, on a sample basis at reporting date and compared their carrying value to their subsequent selling prices as indicated in sales invoices subsequent to the reporting date.

Expected Credit Loss allowance for trade receivables	
The key audit matter	**How the matter was addressed in our audit**
See notes 3 and 11 to the standalone financial statements. The Company has significant trade receivables as at the year end. There is a credit risk associated with these trade receivables of not recovering the amount as and when they fall due. The Company measures loss allowance for trade receivables based on the expected credit loss ('ECL') model. Assessment of the recoverability of trade receivables measured using the related ECL model is inherently subjective. It requires significant judgement and assumptions by the Company, primarily including: - terms of underlying arrangements, - overdue balances, - credit risk of customers and type of collateral, - credit insurance coverage, - Adjusted historical credit loss experience, - Loss rate in provisioning matrix depending on days past due and - Adjustments to historical experience based on future economic and market conditions. In view of the above, we have identified loss allowance for trade receivables as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the accounting policy for ECL on trade receivables with applicable accounting standards; • Evaluating the design and implementation of the Company's key internal financial controls over estimation of the loss allowance for trade receivables. This includes governance over provisioning matrix. We tested the operating effectiveness of such controls for selected samples. • Assessing the Company's ECL model and obtaining an understanding of the key inputs used in the ECL model. Such inputs include terms of underlying arrangements, overdue balances, type of collateral, credit insurance coverage, past history, market conditions, where applicable; • Assessing and obtaining comfort over items categorised in the trade receivables aging report showing days past due. We compared a sample of individual items with the underlying sales invoices, contract terms and other relevant documentation; • Evaluating the completeness and accuracy of the key inputs used by the Company for computation of assumptions used in the ECL model. We assessed historical data and adjustments to historical information based on current economic conditions and forward looking information. We also checked the mathematical accuracy of ECL allowance; • Assessing the adequacy of disclosures made as per the relevant accounting standards.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the

Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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.

INDEPENDENT AUDITORS' REPORT

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 auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

e) On the basis of the written representations received from the directors as on April 01, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8,2016 to December 30,2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

K. Sudhakar
Partner
Membership No. 214150
ICAI UDIN : 21214150AAAAAL1123

Place: Chennai
Date: April 28, 2021

INDEPENDENT AUDITORS' REPORT

Annexure A to the Independent Auditors' report on the audit of the standalone financial statements of K.P.R. Mill Limited for the year ended March 31, 2021

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date except the following:

Particulars	Amount* (₹ in lakhs)	Remarks
Freehold land located at Kittampalayam and Tirunelveli admeasuring 19 acres and 8 acres respectively	66.76	The title deeds are in the name of K.P.R. Spinning Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.
Freehold land located at Arasur, Pogampatti, Thenkasi, Tirunelveli admeasuring 40.65 acres, 18.20 acres, 57.63 acres and 6 acres respectively.	64.47	The title deeds are in the name of K.P.R. Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.
Freehold land located at Tirunelveli admeasuring 2 acres	9.61	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.

*** represents gross and net carrying amounts as at March 31, 2021**

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

(ii) The inventory, except goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records are not material.

(iii) The Company has granted unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the companies listed in the register maintained under Section 189 of the Act was not, prima facie, prejudicial to the interest of the Company.

(b) In case of the loan granted to a company covered in the register maintained under Section 189 of the Act, the borrower have been regular in the payment of interest as stipulated. As per the terms of the arrangement, there was no repayment of principal amount during the year.

(c) There are no overdue amounts in respect of the loans granted to companies covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made and guarantees and securities given, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered under section 73 to 76 or any other relevant provisions of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148 of the Act in respect of products manufactured and are of the

INDEPENDENT AUDITORS' REPORT

opinion that, prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of such records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs and other material statutory dues have generally been deposited on a regular basis by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs, and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and services tax, duty of customs and excise duty which have not been deposited with the appropriate authorities on account of any disputes other than the following dues:

Name of Statute	Nature of Dues	Amount in ₹ Lakhs	Period to which amount relates to	Forum where/ pending
Income Tax Act, 1961	Income Tax	2.68	2016-17	Commissioner of Income Tax (Appeals), Coimbatore.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any loans or borrowings due to financial institutions, debenture holders or government during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, monies raised by way of the term loans have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals as per the provisions of section 197 read with Schedule V to the Act and rules prescribed thereunder.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such related party transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

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

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN : 21214150AAAAAL1123

Place: Chennai
Date: April 28, 2021

INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditors' report on the audit of the standalone financial statements of K.P.R. Mill Limited for the year ended March 31, 2021

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of K.P.R. Mill Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' 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 financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to 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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

INDEPENDENT AUDITORS' REPORT

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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to 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 B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN : 21214150AAAAAL1123

Place: Chennai
Date: April 28, 2021

BALANCE SHEET

(₹ in Lakhs)

Particulars	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	79,680	86,551
(b) Capital work-in-progress	4	1,742	579
(c) Intangible assets	4	95	105
(d) Financial assets			
(i) Investments	5	18,714	8,296
(ii) Loans	6	555	352
(iii) Other financial assets	7	1,875	1,177
(e) Other non - current assets	8	2,082	2,756
Total non - current assets		**1,04,743**	**99,816**
(2) Current assets			
(a) Inventories	9	69,085	49,437
(b) Financial assets			
(i) Investments	10	23,344	701
(ii) Trade receivables	11	26,081	35,127
(iii) Cash and cash equivalents	12	4,503	14,533
(iv) Other bank balances	13	787	171
(v) Other financial assets	14	4,359	249
(c) Other current assets	15	15,641	18,686
Total current assets		**1,43,800**	**1,18,904**
Total assets		**2,48,543**	**2,18,720**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	3,441	3,441
(b) Other equity	17	1,87,213	1,47,047
Total equity		**1,90,654**	**1,50,488**
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	990	6,659
(b) Deferred tax liabilities (net)	19	4,294	4,727
(c) Other Non - current Liabilities	20	4	7
Total non- current liabilities		**5,288**	**11,393**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	30,579	39,876
(ii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	22 (A)	881	615
(B) Total outstanding dues of creditors other than micro and small enterprises	22 (B)	9,534	9,959
(iii) Other financial liabilities	23	5,020	3,592
(b) Other current liabilities	24	4,265	2,481
(c) Current tax liabilities (net)	25	2,322	316
Total current liabilities		**52,601**	**56,839**
Total liabilities		**57,889**	**68,232**
Total equity & liabilities		**2,48,543**	**2,18,720**

Significant accounting policies 3

The notes from 1 to 50 are an integral part of the standalone financial statements

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

K.P. Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

PL Murugappan
Chief Financial Officer

Coimbatore
April 28, 2021

P. Kandaswamy
Company Secretary

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

K. Sudhakar
Partner
Membership No. : 214150

Chennai
April 28, 2021

STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

Particulars	Note	Year Ended	
		31.03.2021	31.03.2020
I. Revenue from operations	26	**2,95,364**	**2,89,807**
II. Other income	27	3,796	3,646
III. Total revenue (I+II)		**2,99,160**	**2,93,453**
IV. Expenses			
Cost of materials consumed	28	1,37,852	1,69,522
Purchase of Stock-in-trade		-	19,718
Changes in inventories of finished goods, stock in-trade and work-in-progress	29	20,087	(18,370)
Employee benefits expense	30	38,479	38,325
Finance costs	31	1,961	3,541
Depreciation and amortisation expense	4	9,792	9,891
Other expenses	32	32,507	33,159
V. Total expenses		**2,40,678**	**2,55,786**
VI. Profit before tax (III-V)		**58,482**	**37,667**
VII. Tax expenses			
Current tax			
- Pertaining to current year		15,453	10,084
- Pertaining to prior year		201	(944)
Deferred tax		(434)	(934)
Income tax expense		**15,220**	**8,206**
VIII. Profit for the year (VI-VII)		**43,262**	**29,461**
Other comprehensive income			
Item that will be reclassified to profit or loss			
Item that will not be reclassified to profit or loss :			
IX. Net other comprehensive income		-	-
X. Total comprehensive income for the year (VIII+IX)		**43,262**	**29,461**
Earnings per equity share (EPS)			
Basic and diluted EPS (in ₹) of face value ₹ 5/- each	40	**62.87**	**41.37**

Significant accounting policies 3

The notes from 1 to 50 are an integral part of the standalone financial statements

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

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

K.P. Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

K. Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Note	Year Ended 31.03.2021	Year Ended 31.03.2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		**43,262**	**29,461**
Adjustments for:			
Income tax expenses recognised in the statement of profit and loss		15,220	8,206
Depreciation and amortisation expense		9,792	9,891
Net gain on sale of property, plant and equipment		(44)	(215)
Finance costs		1,961	3,541
Interest income		(410)	(238)
Dividend income from subsidiary		(26)	(26)
Gain on sale of current investments		(359)	(546)
Rental income from operating leases		(61)	(116)
Impairment loss on financial assets		295	1,772
Operating profit before working capital changes		**69,630**	**51,730**
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(19,648)	23,497
Trade Receivables		8,751	10,598
Other current assets		3,045	(1,337)
Other non current assets		599	1,450
Other financial assets		(22)	304
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(159)	(1,776)
Other financial liabilities		1,964	1,694
Other current liabilities		1,784	(434)
Other Long-Term liabilities		(3)	7
Cash generated from operations		**65,941**	**85,733**
Net income tax (paid)		(13,691)	(10,001)
Net cash flow from / (used in) operating activities	**(A)**	**52,250**	**75,732**
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment, including capital advances (Net of Capital Subsidy)		(4,104)	(16,550)
(Increase) / decrease in current investments (Net)		(22,643)	(155)
(Increase) / decrease in margin deposit accounts		(616)	873
Proceeds from sale of property, plant and equipment		149	350
Investment in term deposits (having original maturity of more than 3 months)		(4,000)	-
Loans to related party (net of repayment)		(203)	276
Purchase of Non-current Investments :			
- Subsidiaries		(11,176)	(309)
(Purchase) / proceeds from sale of non-current investments		60	-
Income from investments		359	-
Interest received from:			
- Subsidiaries		7	53
- Others		314	116
Dividend received from subsidiary		26	26
Rental income received from operating leases		61	116
Net cash flow from / (used in) investing activities	**(B)**	**(41,766)**	**(15,204)**

CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Note	Year Ended 31.03.2021	Year Ended 31.03.2020
CASH FLOW FROM FINANCING ACTIVITIES			
Payment for buyback of shares		-	(26,331)
Proceeds from / (repayment of) long-term borrowings (Net)		(6,151)	(2,824)
Net increase / (decrease) in working capital borrowings		(9,297)	(15,365)
Finance costs paid		(1,970)	(3,345)
Dividends paid		(3,096)	(3,124)
Tax on dividend paid		-	(639)
Net cash flow from / (used in) financing activities	**(C)**	**(20,514)**	**(51,628)**
Net (decrease) / increase in cash and cash equivalents	(A+B+C)	(10,030)	8,900
Add: Opening cash and cash equivalents		14,533	5,633
Closing cash and cash equivalents (Refer note no 12)		**4,503**	**14,533**
Closing cash and cash equivalents comprises			
(a) Cash on hand		47	28
(b) Balance with banks:			
i) In Current accounts		2,158	2,855
ii) In EEFC accounts		2,298	1,650
iii) In deposits with original maturity of less than three months		-	10,000
		4,503	**14,533**

Significant accounting policies 3
The notes from 1 to 50 are an integral part of the standalone financial statements

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

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

K.P. Ramasamy
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DIN: 00003736

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Chief Executive Officer and Managing Director
DIN : 00229137

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

CHANGES IN EQUITY

a. Equity share capital

	Notes	(₹ in Lakhs)
Balance as at 01.04.2019		3,628
Less : Buyback of Equity Shares	16	187
Balance as at 31.03.2020		**3,441**
Changes in equity share capital during 2020-21		-
Balance as at 31.03.2021		**3,441**

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other comprehensive income	Total Other Equity
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at 01.04.2019	15,233	1,640	24,716	1,05,903	-	1,47,492
Profit for the year	-	-	-	29,461	-	29,461
Premium on buy back of Equity Shares	-	-	-	(26,143)	-	(26,143)
Transfer to Capital Redemption Reserve	-	187	-	(187)	-	-
Interim Dividend relating to 2019-20 paid (3.75 per share)	-	-	-	(2,580)	-	(2,580)
Tax on Interim Dividend paid	-	-	-	(531)	-	(531)
Final Dividend relating to 2018-19 paid (₹ 0.75 per share)	-	-	-	(544)	-	(544)
Tax on Final Dividend	-	-	-	(108)	-	(108)
Balance as at 31.03.2020	**15,233**	**1,827**	**24,716**	**1,05,271**	**-**	**1,47,047**
Profit for the year	-	-	-	43,262	-	43,262
Interim Dividend relating to 2020-21 paid (3.75 per share)	-	-	-	(2,580)	-	(2,580)
Final Dividend relating to 2019-20 paid (₹ 0.75 per share)	-	-	-	(516)	-	(516)
Balance as at 31.03.2021	**15,233**	**1,827**	**24,716**	**1,45,437**	**-**	**1,87,213**

Significant accounting policies 3

The notes from 1 to 50 are an integral part of the standalone financial statements

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

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Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

ACCOUNTING POLICIES

1 CORPORATE INFORMATION

K.P.R. Mill Limited ('the Company') is one of the largest vertically integrated apparel manufacturing Companies in India with its registered office situated at Coimbatore. The Company produces Yarn, Knitted Fabric, Readymade Garments and Wind power. It has state-of-the-art production facilities in the State of Tamil Nadu, India. The Company's shares are listed in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

2 BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

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

These standalone financial statements for the year ended 31.03.2021 are authorised by the Board on 28.04.2021.

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

B. FUNCTIONAL AND PRESENTATION CURRENCY

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

C. BASIS OF MEASUREMENT

These standalone financial statements have been prepared on a historical cost basis and on an accrual basis, except for the following items:

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

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

iii. Net defined (asset) / liability measured at fair value of plan assets less present value of obligations.

D USE OF ESTIMATES AND JUDGEMENT

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

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

Judgement

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

Note 15 - classification, measurement and recognition of Government grants

Note 3(L) and 42: Leases - whether the arrangement contains a lease; and lease classification

Note 3(H) and 38: Financial instruments: Classification and measurement

Assumptions and estimation uncertainties:

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different from these estimates.

(i) Impairment of non-financial assets:

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

(ii) Useful lives of depreciable assets:

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

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(iii) Inventories:

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

(iv) Defined benefit obligation (DBO):

The actuarial valuation of the DBO is based on a number of critical underlying management's assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (also refer Note 43).

(v) Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources (also refer Note 35).

(vi) Impairment of financial assets - refer Note 3

E MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer Note 38). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

F CURRENT AND NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) INVENTORIES

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. The cost of raw materials, components, stock-in-trade, consumable stores and spare parts are determined using first-in first-out / specific identification method and includes freight, taxes and duties, net of duty credits wherever applicable, and any other expense incurred in bringing them to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, stores and spares, packing and others held for use in the production of

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finished goods are not written down below except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

The comparison of cost and net realisable value is made on an item by item basis.

B) CASH AND CASH EQUIVALENTS (FOR THE PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

C) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

D) PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement:

Freehold land is stated at historical cost. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

a. Purchase price, including import duties and non refundable taxes on purchase (goods and service tax), after deducting trade discounts and rebates.

b. Any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.

c. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.

Component accounting

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

Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method and is generally recognised in the Statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight-line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Company for the current and the comparative period are as follows :

Factory Building	~ 30 Years
Non Factory Building	~ 60 Years
Plant & Equipments	~ 10-20 Years
Windmill	~ 12 Years
Electricals	~ 14 Years
Furnitures & fixtures	~ 10 Years
Computers & accessories	~ 3 Years
Vehicles	~ 8-10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period. Based on technical

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assessment and consequent advice, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period from/upto which the asset is ready for use/disposed off.

Capital work-in-progress

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives and it is included in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful life of intangible assets consisting computer software is 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

E) REVENUE RECOGNITION

The Company generates revenue primarily from sale of Yarn, Knitted Fabric and Readymade Garments. The Company also earns revenue from rendering of services.

1.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers.

The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

1.2 Revenue from services:

Revenue from sale of services is recognised when related services are rendered.

F) OTHER INCOME

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

Rental income under operating leases is recognized in the statement of profit and loss on a straight-line basis over the term of the lease except where another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Interest income is recognised using effective interest rate method. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

G) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

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

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Foreign exchange gains and losses from settlement of these transactions are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on translation are recognised in the statement of profit and loss.

H) FINANCIAL INSTRUMENTS

(i) Initial Recognition

Trade receivables are initially recognised when they are originated.

All other financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVTOCI) – debt instrument;
- Fair value through other comprehensive income (FVTOCI) – equity investment; or
- Fair value through profit and loss (FVTPL)

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

(ii) Classification and subsequent measurement

a) Non-derivative financial assets

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met and is not designated as at FVTPL :

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met and is not designated as at FVTPL:

(a) The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and

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

Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend

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are recognised in OCI which is not subsequently recycled to statement of profit and loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

b) Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

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Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counter party for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

I) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue / other income on a systematic basis.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenue.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

J) INVESTMENTS

Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount.

K) EMPLOYEE BENEFITS

(a) Short term employee benefit obligations:

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.

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(b) Defined contribution plan Provident Fund & Employee State Insurance

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Company makes specified contributions towards Government administered provident fund scheme.

(c) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Post employment benefit comprise of Gratuity which are accounted for as follows:

Gratuity Fund

For defined benefit retirement benefit plans, 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. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not 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.

L) LEASES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

i) Company as a lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payment
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early. The lease liability is measured at amortised cost using the

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effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revision in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "other financial liabilities" in the balance sheet.

Short term leases and low value assets:

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

ii) As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

To classify each lease, the Company made an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

M) BORROWING COSTS

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are considered as adjustment to interest costs) incurred in connection with the borrowings of funds. Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

N) SEGMENT REPORTING

The Company is engaged in manufacture and sale of Yarn, Knitted Fabric and Readymade Garments and thus the Company has only one reportable segment (i.e.) Textile business.

O) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and

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reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

P) INCOME TAXES

Income tax expense represents current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax liabilities and current tax assets are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

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iii) Recognition

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Q) IMPAIRMENT

Impairment of Financial Instruments

The Company recognises loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired.

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

Measurement of expected credit losses

Expected credit losses are a probability - weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of Non-Financial Assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

ACCOUNTING POLICIES

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

R) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

Contingent assets:

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in these standalone financial statements.

S) ONEROUS CONTRACTS

A contract is said to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with the contract.

3A Recent pronouncements

On 24.03.2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01.04.2021. Key amendments relating to Division II which relates to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

ACCOUNTING POLICIES

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

4. Property, Plant & Equipment, Capital work-in-Progress and Intangible Asset

(₹ in Lakhs)

Particulars	Leased Asset - Land	Property, Plant & Equipment: Freehold Land	Factory Building	Non- Factory Building	Plant and Equipment	Windmill	Electricals	Furniture and Fixture	Computer and accessories	Vehicles	Total	Capital work-in-progress	Intangible assets (Computer Software)
Gross carrying amount													
As at 01.04.2019	**-**	**8,571**	**19,948**	**9,677**	**62,678**	**12,845**	**4,781**	**2,419**	**419**	**997**	**1,22,335**	**441**	**139**
Additions on account of transition to Ind AS 116-01.04.2019	331	-	-	-	-	-	-	-	-	-	331	-	-
Additions	219	8	3,084	644	12,160	-	121	195	55	354	16,840	579	103
Disposals / adjustments	-	(55)	-	-	(127)	-	(2)	(24)	(2)	(19)	(229)	(441)	-
As at 31.03.2020	550	8,524	23,032	10,321	74,711	12,845	4,900	2,590	472	1,332	1,39,277	579	242
Additions	-	50	308	247	2,261	-	294	250	67	65	3,542	1,742	18
Disposals / adjustments	-	-	-	-	(651)	-	(8)	(19)	(2)	(135)	(815)	(579)	-
As at 31.03.2021	**550**	**8,574**	**23,340**	**10,568**	**76,321**	**12,845**	**5,186**	**2,821**	**537**	**1,262**	**1,42,004**	**1,742**	**260**
Accumulated Depreciation and Amortisation													
As at 01.04.2019	**-**	**-**	**2,865**	**651**	**28,426**	**7,329**	**1,933**	**1,161**	**218**	**369**	**42,952**	**-**	**119**
Depreciation and amortisation Expense	4	-	778	165	6,979	1,115	442	180	80	130	9,873	-	18
Disposals / adjustments	-	-	-	-	(67)	-	(1)	(13)	(2)	(16)	(99)	-	-
As at 31.03.2020	4	-	3,643	816	35,338	8,444	2,374	1,328	296	483	52,726	-	137
Depreciation and amortisation Expense	6	-	870	175	6,815	1,112	373	186	74	153	9,764	-	28
Disposals / adjustments	-	-	-	-	(64)	-	(4)	(13)	(1)	(84)	(166)	-	-
As at 31.03.2021	**10**	**-**	**4,513**	**991**	**42,089**	**9,556**	**2,743**	**1,501**	**369**	**552**	**62,324**	**-**	**165**
Net carrying amount													
As at 31.03.2020	**546**	**8,524**	**19,389**	**9,505**	**39,373**	**4,401**	**2,526**	**1,262**	**176**	**849**	**86,551**	**579**	**105**
As at 31.03.2021	**540**	**8,574**	**18,827**	**9,577**	**34,232**	**3,289**	**2,443**	**1,320**	**168**	**710**	**79,680**	**1,742**	**95**

Notes :

1. The Company's lease arrangements comprise of leasehold land which have been used for construction of manufacturing facilities. The total cash outflow towards leased land is Nil for the year ended 31.03.2021 (Pr.Yr. ₹ 219 lakhs).
2. Property, plant and equipment includes non-factory building given on lease with a gross carrying amount of ₹ 10,568 lakhs as at 31.03.2021 (Pr.Yr. ₹ 10,321 lakhs) and a net carrying amount of ₹ 9,577 lakhs as at 31.03.2021 (Pr.Yr. ₹ 9,505 lakhs).
3. Refer note 18 and 21 for assets given as securities for borrowings.
4. As per Ind - AS 20,"Accounting for Government Grants and Disclosure of Government Assistance", the Company has opted to present the grant related to assets as deduction from the carrying value of such specfic assets. For financial year 2020-21 such amount deducted from property, plant and Equipment is ₹ 545 lakhs (Pr.Yr. Nil)

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2021	As at 31.03.2020
	FINANCIAL ASSETS		
5	**INVESTMENTS**		
	Investments measured at cost:		
	Unquoted (all fully paid-up)		
	a) In Equity Instruments		
	i) Indian Subsidiaries		
	1,00,000 (Pr. Yr. 1,00,000) Equity Shares of ₹ 10 each in Quantum Knits PVT Limited.	10	10
	50,000 (Pr. Yr. 50,000) Equity Shares of ₹ 10 each in Galaxy Knits Limited.	5	5
	15,10,000 (Pr. Yr. 15,10,000) Equity Shares of ₹ 10 each in Jahnvi Motor Private Limited.	151	151
	4,16,666 (Pr. Yr. 4,16,666) Equity Shares of ₹ 10 each at a Premium of ₹ 20 each in Jahnvi Motor Private Limited.	125	125
	10,50,000 (Pr. Yr. 10,50,000) Equity Shares of ₹ 10 each at a Premium of ₹ 140 per share in K.P.R. Sugar Mill Limited.	1,575	1,575
	10,00,000 (Pr. Yr. 10,00,000) Equity Shares of ₹ 10 each in K.P.R. Sugar Mill Limited.	100	100
	10,00,000 (Pr. Yr. Nil) Equity Shares of ₹ 10 each in KPR Sugar and Apparels Limited.	100	-
	ii) Foreign Subsidiary		
	1,68,855 (Pr. Yr. 1,68,855) Equity Shares of Birr 100 each in KPR Exports PLC. Ethiopia	424	424
	41,000 (Pr. Yr. 41,000) Equity shares of Singapore Dollar 1 each in KPR Mill Pte Limited, Singapore	21	21
	b) Investment in Preference shares of subsidiary		
	37,83,000 (Pr.Yr. 37,83,000) 7% Optionally Convertible Non - Cumulative Redeemable Preference Shares of ₹ 10 each at a Premium of ₹ 140 per share in K.P.R. Sugar Mill Limited.	5,675	5,675
	10,37,800 (Pr.Yr.Nil) 7% Optionally Convertible Non-Cumulative Redeemable Preference Shares of ₹ 100 each at a Premium of ₹ 900 per share in KPR Sugar and Apparels Limited	10,378	-
	B) Investment measured at fair value through profit and loss		
	Unquoted (all fully paid-up)		
	Investment in equity shares of other entity		
	1,50,000 (Pr.Yr. 2,10,000) Equity shares of ₹ 100 each of Somanur Water Scheme Pvt Ltd.	150	210
	Aggregate value of unquoted investments	**18,714**	**8,296**
	Information about the Company's fair value measurement is included in Note 38		
6	**LOANS**		
	Loans receivable considered good - Unsecured		
	Loan to related party - M/s KPR Exports PLC, Ethiopia (Refer note 48)	118	-
	Loan to related party - M/s KPR Mill Pte. Ltd, Singapore	437	352
		555	**352**
	The Company provided loan to its subsidiary (M/s KPR Exports PLC, Ethiopia) which carries interest of 4% p.a. Repayment of loan is as per the agreement.		
	The Company provided loan to its subsidiary (M/s KPR Mill Pte.Ltd, Singapore) which carries interest of 4% p.a. Repayment of loan is as per the agreement.		
	Information about the Company's exposure to credit risk and market risk are disclosed in Note 38		
	For terms and conditions relating to related party loans, refer Note 39		
7	**OTHER FINANCIAL ASSETS**		
	Investment in wholly owned subsidiary pending allotment		
	KPR Exports PLC, Ethiopia (Refer note 48)	1,170	1,170
	KPR Mill Pte. Limited, Singapore	7	7
	KPR Sugar and Apparels Limited	698	-
		1,875	**1,177**
	Information about the Company's exposure to credit risk and market risk are disclosed in Note 38		
	For terms and conditions relating to related party, refer Note 39		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2021	As at 31.03.2020
8	**OTHER NON - CURRENT ASSETS**		
	(i) Capital advances	683	758
	(ii) Advances other than capital advances Security deposits to others	1,399	1,998
		2,082	**2,756**
9	**INVENTORIES**		
	Raw Materials	47,960	9,486
	Work-in-progress **	3,450	2,803
	Finished goods (includes goods in transit of ₹ 2,263 lakhs (March 31, 2020 ₹ 815 lakhs)	13,701	19,064
	Stock-in-trade (Refer note 49)	-	15,371
	Stores, spares, packing and others	3,974	2,713
		69,085	**49,437**
	** Includes Cotton ₹ 2,375 Lakhs (Pr. Yr. ₹ 2,118 Lakhs), Fabric ₹ 28 Lakhs (Pr. Yr. ₹ 28 Lakhs) and Garments ₹ 1,047 Lakhs (Pr. Yr. ₹ 657 Lakhs). The Mode of Valuation of inventories has been stated in Note 3		
	For the carrying value of inventories pledged as securities for borrowings, Refer note 18 & 21.		
10	**FINANCIAL ASSETS**		
	CURRENT INVESTMENTS		
	Investments in Mutual Funds (Quoted)		
	Investments in mutual funds (Quoted) at Fair value through Profit and Loss Nippon India & LIC mutual fund (also Refer Note 44)	23,344	701
	Aggregate value of quoted investments	**23,344**	**701**
	The Company's exposure to credit risk and market risk related to investments has been disclosed in Note 38.		
11	**TRADE RECEIVABLES**		
	Trade Receivables considered good - Unsecured	26,104	35,150
	Less: Loss allowance	(23)	(23)
	Net trade receivables	**26,081**	**35,127**
	Movement of loss allowance in trade receivables		
	Opening balance	23	62
	Written off	-	(39)
	Closing balance	**23**	**23**
	(i) For receivables secured against borrowings, Refer note 18 &21.		
	(ii) The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 38.		
	(iii) For terms and conditions relating to related party receivables, refer Note 39		
12	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	47	28
	Balance with banks		
	i) In Current accounts	2,158	2,855
	ii) In EEFC accounts	2,298	1,650
	iii) In deposits with original maturity of less than three months	-	10,000
		4,503	**14,533**

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2021	As at 31.03.2020
13	**OTHER BANK BALANCES**		
	i) Balance with banks held as margin money deposit	782	164
	ii) Unclaimed dividend accounts	5	7
		787	**171**
	Note: The disclosure regarding details of specified bank notes held and transacted during 08.11.2016 to 30.12.2016 has not been made in these standalone financial statements since the requirement does not pertain to the years presented.		
14	**OTHER FINANCIAL ASSETS**		
	Interest accrued on bank deposits and other deposits	258	169
	Technology upgradation fund subsidy receivable	96	79
	Term Deposit with Non-Banking Finance Companies	4,000	-
	Other Advances	5	1
		4,359	**249**
	Information about the Company's exposure to credit risk and market risk are disclosed in Note 38		
15	**OTHER CURRENT ASSETS**		
	Advance for purchase	9,699	7,435
	Balances with government authorities - GST/ VAT credit receivable	2,444	2,947
	Rent Advance to related party - (Refer note 39)	2,500	2,500
	Export incentive receivable	408	5,141
	Others (primarily prepaid expenses)	590	663
		15,641	**18,686**
16	**SHARE CAPITAL**		
	a) Authorised		
	9,00,00,000 (Pr.Yr. 9,00,00,000) Equity Shares of ₹ 5 each with voting rights	4,500	4,500
	10,00,000 (Pr.Yr.10,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each.	1,000	1,000
		5,500	**5,500**
	b) Issued, Subscribed and Fully Paid up		
	6,88,10,000 (Pr.Yr.6,88,10,000) Equity Shares of ₹ 5 each fully paid-up with voting rights.	3,441	3,441
		3,441	**3,441**

16.1 Term / Rights to Shares

Equity Shares

The Company has issued only one class of equity shares having a face value of ₹ 5 per share. The holder of each equity share is to one entitled vote per share. The Company declares and pays dividends in Indian rupees.

The Board declared and paid an interim dividend of 75% (₹ 3.75/- per share of the face value of ₹ 5/- each) for the year 2020-21 (Pr.Yr. ₹ 3.75).

The Board has recommended a final dividend of 15% (₹ 0.75/- per share of the face value of ₹ 5/- each) for the year 2020-21 (Pr.Yr. ₹ 0.75/- per share) subject to the approval of the shareholders in Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after settling the dues of preferential shareholders and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES

(₹ in Lakhs)

16.2 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares with voting rights	As at 31st March, 2021		As at 31st March, 2020	
Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)
At the beginning of the year	6,88,10,000	3,441	7,25,60,784	3,628
Less: Buyback	-	-	37,50,784	187
Outstanding at the end of the year	6,88,10,000	3,441	6,88,10,000	3,441

16.3 Details of Shareholders holding more than 5% of Shares in the Company

Equity Shares

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares	%	Number of Shares	%
Mr. K.P.Ramasamy	1,48,71,362	21.61	1,48,71,362	21.61
Mr. KPD Sigamani	1,48,71,362	21.61	1,48,71,362	21.61
Mr. P.Nataraj	1,48,71,362	21.61	1,48,71,362	21.61
L&T Mutual Fund Trustee Limited	42,41,855	6.16	46,60,112	6.77

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as at the balance sheet date.

16.4 Bonus shares/ buy-back shares for consideration other than cash issued during a period of five years immediately preceding 31.03.2021:

(i) The Company has not issued any shares without payment being received in cash.

(ii) The Company has not issued any bonus shares.

(iii) The aggregate number of equity shares bought back by the Company is 65,55,784 (Pr.Yr. 65,55,784).

(₹ in Lakhs)

17 OTHER EQUITY	As at 31.03.2021	As at 31.03.2020
Securities premium		
Opening Balance	15,233	15,233
Changes during the year	-	-
Closing balance (A)	**15,233**	**15,233**

Balance in securities premium represents amount received on issue of shares in excess of par value.The same may be utilised in accordance with the provisions of the Companies Act, 2013.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2021	As at 31.03.2020
	Capital redemption reserve		
	Opening balance	1,827	1,640
	Add : Capital redemption on buyback	-	187
	Closing balance (B)	**1,827**	**1,827**
	Balance in capital redemption reserve represents an amount equal to the nominal value of share bought back. The same may be utilised by the Company for issuing fully paid bonus shares.		
	General reserve		
	Opening Balance	24,716	24,716
	Add: Transfer from Surplus in the Statement of Profit and Loss	-	-
	Closing balance (C)	**24,716**	**24,716**
	The General reserve represents an amount transferred from retained earnings from time to time for appropriation purpose which can be utilised for meeting future obligations. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
	Retained earnings		
	Opening balance	1,05,271	1,05,903
	Add: Profit for the year	43,262	29,461
	Less:		
	Interim Dividend (₹ 3.75 per share)	2,580	2,580
	Tax on Interim Dividend paid	-	531
	Final dividend (₹ 0.75 per share)	516	544
	Tax on Final dividend	-	108
	Premium on buyback of equity shares	-	26,143
	Transferred to:		
	Capital redemption reserve	-	187
	Closing balance (D)	**1,45,437**	**1,05,271**
	Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.		
	Total (A+B+C+D)	**1,87,213**	**1,47,047**
	NON - CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
18	**BORROWINGS**		
	Term Loan - Measured at amortised cost		
	From banks (secured)	1,151	7,302
	Less : amount included under other financial liabilities (Refer note 23)	(161)	(643)
		990	**6,659**
	Information about the company's exposure to interest rate and liquidity risks is included in Note 38		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2021	As at 31.03.2020
18.1	i) The Company has availed a term loan from IDBI Bank Limited in respect of which balance as at 31.03.2021 was ₹ 129 Lakhs (Pr.Yr. ₹ 692 lakhs). The loan is repayable in 24 quarterly instalments commencing from September 2015. This term loan is secured by equitable mortgage on the land, factory and non-factory building constructed out of the loan and hypothecation of machineries purchased out of the loan.		
	ii) The Company has availed a term loan from IDBI Bank Limited in respect of which balance as at 31.03.2021 was ₹ 32 lakhs (Pr.Yr. ₹ 112 lakhs). The loan is repayable in 24 quarterly instalments commencing from April 2016. This term loan is secured by hypothecation of machineries purchased out of the loan.		
	iii) The Company has availed a term loan from Bank of Baroda in respect of which balance as at 31.03.2021 was ₹ 990 Lakhs (Pr.Yr. ₹3,991 lakhs). The loan is repayable in 24 quarterly instalments commencing from June 2018. This term loan is secured by exclusive charge on fixed assets acquired out of this loan and first charge on land and building situated at SIPCOT, Perundhurai.		
	iv) The Company has availed an external commercial borrowing loan from Citi Bank NA New Jersey, USA in respect of which balance as at 31.03.2021 was ₹ Nil (Pr.Yr ₹ 2,507 lakhs). This term loan is secured by first pari passu charge on present and future stocks and book debts and second pari passu charge on present and future fixed assets. Interest rate relating to this term loan is Libor + 0.60% p.a.		
18.2	Interest rate relating to term loans from banks are in the range of 9.60% to 10.45% per annum (Pr.Yr. 8.80% to 10.45%).		
18.3	The Company has not defaulted in the repayment of principal and interest during the year.		
19	**DEFERRED TAX**		
	Deferred tax liabilities (Refer note 34)	4,294	4,727
	Net deferred tax liabilities	**4,294**	**4,727**
	For movement in deferred tax liabilities (Refer Note 34)		
20	**OTHER NON - CURRENT LIABILITIES**		
	Others		
	Security deposit from dealers - FASO	4	7
		4	**7**
	CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
21	**BORROWINGS**		
	Loans repayable on demand from banks - Secured		
	Working capital loan	-	986
	Packing credit loan	30,579	38,890
		30,579	**39,876**
	Information about the company's exposure to currency, interest rate and liquidity risks is included in Note 38		
21.1	i) Loans for working capital and packing credit are secured by pari passu first charge on the current assets of the Company and pari passu second charge on entire block of assets of the Company.		
	ii) The Company has not defaulted in its repayments of the loans and interest during the year.		
	iii) Interest rate relating to working capital loans are in the range of 7.85% to 8.65% per annum (Pr.Yr. 8.20% to 9.20%). Interest rates relating to packing credit are in the range of 1.50% to 5.35% per annum (Pr.Yr. 3.50% to 5.95%).		

NOTES

(₹ in Lakhs)

S.No	Particulars				As at 31.03.2021	As at 31.03.2020
21.2	**Reconciliation of cashflows from financing activities**					
	Cash and cash equivalents				4,503	14,533
	Non-current borrowings				(1,151)	(7,302)
	Current borrowings				(30,579)	(39,876)
	Net debt				(27,227)	(32,645)
	Particulars	**Other assets**	**Liabilities from financing activities**			**Total**
		Cash and equivalents	**Non-current borrowings includings current maturities**	**Current borrowings**		
	Net debt as at April 1, 2020	**14,533**	**(7,302)**	**(39,876)**		**(32,645)**
	Net cash flows	(10,030)	6,151	9,297		5,418
	Foreign exchange adjustments	-	-	-		-
	Net debt as at March 31, 2021	**4,503**	**(1,151)**	**(30,579)**		**(27,227)**
	Net debt as at April 1, 2019	**5,633**	**(10,126)**	**(55,241)**		**(59,734)**
	Net cash flows	8,900	2,824	15,365		27,089
	Foreign exchange adjustments	-	-	-		-
	Net debt as at March 31, 2020	**14,533**	**(7,302)**	**(39,876)**		**(32,645)**
22	**TRADE PAYABLES**					
	(A) Total outstanding dues of micro and small enterprises				881	615
	(B) Total outstanding dues of creditors other than micro and small enterprises				9,534	9,959
					10,415	**10,574**
	(i) All the trade payables are current and non-interest bearing.					
	(ii) Refer note 36 for details of dues to Micro and small enterprises.					
	(iii) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 38.					
	(iv) For terms and conditions relating to related party payables, refer Note 39					
23	**OTHER FINANCIAL LIABILITIES**					
	Current maturities of long term borrowings (Refer note 18)				161	643
	Unclaimed dividend				5	7
	Interest accrued				5	57
	Others				4,849	2,885
					5,020	**3,592**
	Information about the company's exposure to currency, interest rate and liquidity risks is included in Note 38					

NOTES

(₹ in Lakhs)

S.No	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
24	**OTHER CURRENT LIABILITIES**		
	Advance payment from customers - Contract liabilities (Refer Notes below)	3,752	1,021
	Statutory dues payable	513	1,460
		4,265	**2,481**
	Notes:		
	Revenue recognised during the year that was included in the contract liability balance at the beginning of the year amounts to ₹ 1,021 lakhs.(Pr.Yr ₹ 1,072 lakhs)		
	For terms and conditions relating to related party, refer Note 39		
25	**CURRENT TAX LIABILITIES (Net)**		
	Provision for tax (Net of advance tax)	2,322	316
		2,322	**316**
26	**REVENUE FROM OPERATIONS**		
	Sale of products	2,83,399	2,77,252
	Sale of services	4,723	2,948
	Other operating revenues	7,242	9,607
	Revenue from operations	**2,95,364**	**2,89,807**
	Disaggregation of revenue from contracts with customers		
	In the following disclosure, Revenue from contract with customers have been disaggregated based on the nature and type of goods sold.		
26.1	**Sale of products**		
	Garment	1,21,693	1,24,982
	Yarn	1,22,320	1,26,731
	Fabric	29,597	15,647
	Cotton waste	8,432	9,752
	Accessories and Others	1,752	1,696
		2,83,794	**2,78,808**
	Less: Discount Allowed	395	1,556
		2,83,399	**2,77,252**
26.2	**Sale of Services**		
	Processing and fabrication income	4,723	2,948
		4,723	**2,948**
26.3	**Other operating revenues**		
	Export Incentives	5,261	7,580
	Others (primarily scrap sales)	1,981	2,027
		7,242	**9,607**

NOTES

(₹ in Lakhs)

S.No	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
27	**OTHER INCOME**		
	Interest income on Cash and bank balances	314	57
	Others	96	181
	Dividend income from long-term investments in subsidiaries	26	26
	Gain on sale of investments (Net)	359	546
	Net gain on sale of property, plant and equipment	44	215
	Miscellaneous income	131	22
	Foreign Exchange gain (net)	-	17
	Rental Income (Refer note 42)	2,826	2,582
		3,796	**3,646**
28	**COST OF MATERIALS CONSUMED**		
	a) Inventory of materials at the beginning of the year		
	Cotton	2,081	41,666
	Dyes and chemicals	432	327
	Yarn, fabric and Polyester	6,973	8,067
		9,486	**50,060**
	b) Add: Purchases		
	Cotton	1,25,162	75,851
	Dyes and chemicals	6,825	6,893
	Yarn, fabric, polyester and garments	30,987	32,036
	Trims, packing and others	13,352	14,168
		1,76,326	**1,28,948**
	c) Less : Inventory of materials at the end of the year		
	Cotton	40,441	2,081
	Dyes and chemicals	478	432
	Yarn, fabric and Polyester	7,041	6,973
		47,960	9,486
		1,37,852	**1,69,522**
29	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK- IN- TRADE AND WORK-IN-PROGRESS**		
	a) Inventories at the beginning of the year		
	Finished goods	19,064	15,899
	Work-in-progress	2,803	2,969
	Stock-in-trade (Refer note 49)	15,371	-
		37,238	18,868
	b) Inventories at the end of the year		
	Finished goods	13,701	19,064
	Work-in-progress	3,450	2,803
	Stock-in-trade	-	15,371
		17,151	37,238
	Net decrease / (increase)	**20,087**	**(18,370)**
30	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	31,211	30,587
	Contribution to provident and other funds	2,184	2,143
	Staff welfare expenses	5,084	5,595
		38,479	**38,325**

NOTES

(₹ in Lakhs)

S.No	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
31	**FINANCE COSTS**		
	Interest expense on financial liabilities measured at amortised cost		
	Term loans	180	818
	Working capital loans	888	2,074
	Interest on shortfall in payment of income tax	244	130
	Net (gain) / loss on foreign currency transactions & translation	214	-
	Others	435	519
		1,961	**3,541**
32	**OTHER EXPENSES**		
	Manufacturing expenses		
	Power and fuel	12,303	12,469
	Consumption of stores, spares and packing materials	3,593	2,393
	Repairs and Maintenance		
	Building	510	754
	Machinery	4,877	5,312
	Others	787	389
	Insurance	472	309
	Administration Expenses		
	Legal and professional charges	202	248
	Rent (Refer note 42)	3,094	3,084
	Rates and taxes	142	178
	Payment to auditors (Refer note 33)	16	16
	Travelling and conveyance	532	625
	Expenditure on Corporate Social Responsibility (CSR) (Refer note 37)	832	691
	Donations	14	250
	Impairment loss on financial assets	295	1,772
	General expenses	406	656
	Selling Expenses		
	Freight and forwarding	2,174	2,381
	Sales commission	1,984	1,144
	Other selling expenses	274	488
		32,507	**33,159**
33	**PAYMENT TO AUDITORS**		
	Statutory audit fees	15	15
	Reimbursement of Expenses	1	1
	Total	**16**	**16**
34	**INCOME TAX**		
34.1	**Income tax recognised in the statement of profit or loss**		
	Current tax		
	Current income tax charge	15,453	10,084
	Adjustment in respect of current income tax of prior years	201	(944)
		15,654	**9,140**
	Deferred tax		
	Origination and reversal of temporary differences	(434)	650
	Reduction in tax rate	-	(1,584)
	Total	**15,220**	**8,206**

NOTES

34.2 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	As at 31.03.2021			As at 31.03.2020		
	Amount	Tax (expense) / Benefit	Net of Tax	Amount	Tax (expense) / Benefit	Net of Tax
Remeasurements of defined benefit liability / assets	-	-	-	-	-	-

34.3 Reconciliation with effective tax rate

The Income tax expense for the year can be reconciled to the accounting profit as follows (₹ in Lakhs)

Particulars	Effective Tax Rate		Amount	
	2020-21	2019-20	2020-21	2019-20
Profit before tax			58,482	37,667
Tax using the Company's domestic tax rate	25.17%	25.17%	14,719	9,480
Effect of deductions under Chapter VI-A of the Income Tax Act, 1961	-0.43%	-2.03%	(252)	(763)
Effect of non-deductible expenses and others	0.94%	1.15%	552	433
	25.68%	24.29%	15,019	9,150
Adjustments recognised in the current year in relation to the current tax of prior years	0.34%	-2.51%	201	(944)
Income tax recognised in the statement of profit or loss	**26.03%**	**21.79%**	**15,220**	**8,206**

34.4 Movement in deferred tax liabilities

(₹ in Lakhs)

Particulars	Balance as at 01.04.2019	Recognised in P&L during 2019-20	Recognised in OCI during 2019- 20	Balance as at 31.03.2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as at 31.03.2021
Property, plant and equipment	5,661	(934)	-	4,727	(433)	-	4,294
Total	**5,661**	**(934)**	**-**	**4,727**	**(433)**	**-**	**4,294**

Note:

Pursuant to the amendment in Income Tax Act, 1961 effective 20.09.2019, which provides for an option to domestic companies to pay income tax at reduced rates, the Company exercised the option permitted under section 115BAA of the Income Tax Act, 1961 and suitable adjustments have been made in the tax expense for the year ended 31.03.2020.

(₹ in Lakhs)

Sl. No	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
35	**Contingent Liabilities and Commitments (to the extent not provided for)**		
	I. Contingent Liabilities		
	(a) Claims against the Company not acknowledged as debts #		
	(i) Income tax demands	3	8
	(b) Bank guarantees in favour of parties		
	(i) Tamil Nadu Generation and Distribution Corporation [TANGEDCO]	164	164
	(ii) Tamil Nadu Pollution Control Board	5	5
	(iii) Bank Note Paper Mill India Private Limited	-	50
	(iv) Tata Power Trading Company Limited	100	72
	(v) New Tirupur Area Water Development Corporation Limited	58	58
	(vi) Central Government Samarath Scheme	2	-

NOTES

(₹ in Lakhs)

Sl. No	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
	(c) Letter of Credit Facility in favour of Suppliers		
	(i) Foreign letter of credit	669	1,950
	(d) Discounted sales invoices	6,812	2,479
	(e) Provident Fund:		
	Pursuant to the Supreme Court judgement dated February 28, 2019 on the inclusion of special allowances for contribution to provident fund, the Company has been legally advised that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of the reliable measurement of the provision for earlier periods, the Company has not recorded a provision for the prior years.		
	# Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
	II. Commitments		
	(a) Capital Commitments		
	(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	479	243
	(b) Other Commitments		
	(i) The Company has given Corporate guarantees to banks/ financial Institutions / Others on behalf of M/s Jahnvi Motor Private Limited, M/s K.P.R. Sugar Mill Limited and M/s KPR Sugar and Apparels Limited.	1,08,260	47,692
	(ii) Export obligations against the import licenses taken for import of capital goods under the Export Promotion on Capital Goods Scheme and advance license scheme for import of raw material. The duty implication involved is ₹ 696 Lakhs (Pr.Yr. ₹ 2,599 Lakhs)	4,177	15,596

Note: Disclosure under Section 186 (4) of the Companies Act, 2013:

(₹ in Lakhs)

Name	31.03.2021	31.03.2020
M/s. K.P.R. Sugar Mill Limited	58,845	43,852
M/s. Jahnvi Motor Private Limited	2,915	3,840
M/s. KPR Sugar and Apparels Limited	46,500	-
Total	**1,08,260**	**47,692**

The recipients utilise the guarantee for availing term loan and working capital facility from banks/ financial institutions/ others.

36 Disclosure with respect to Micro, Small and Medium Enterprises Development act, 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006") is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

NOTES

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
1. The Principal amount remaining unpaid to any supplier at the end of each accounting year	881	615
2. Interest due remaining unpaid to any supplier at the end of each accounting year	-	-
3. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

37 Corporate Social Responsibility Expenditure

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 730 Lakhs (Pr.Yr. ₹ 691 Lakhs). Amount spent during the year on CSR activities (included in Note 32 of the Statement of Profit and Loss) as under:

(₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2021	31.03.2020
Promotion of Education	730	685
Donation to Chief Minister's Relief Fund - Covid 19	102	-
Protection of Agroforestry, Animal Welfare & Flora and Fauna	-	5
Funding for crematorium Building	-	1
Total	**832**	**691**

38 Financial Instruments

Accounting Classification and Fair Values:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31.03.2021 (₹ in Lakhs)

Particulars	Carrying amount				Fair Value Hierarchy
	Mandatorily at FVTPL -Others	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	
Financial assets measured at fair value					
Non-Current Investments (excluding investments in subsidiaries)	150	-	-	150	Level 2
Current Investments	23,344	-	-	23,344	Level 1
Financial assets not measured at fair value					
Loans	-	555	-	555	-
Trade receivables	-	26,081	-	26,081	-
Cash and cash equivalents	-	4,503	-	4,503	-
Other bank balances	-	787	-	787	-
Other financial assets	-	4,359	-	4,359	-

NOTES

31.03.2021 (₹ in Lakhs)

Particulars	Carrying amount				Fair Value Hierarchy
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	
Financial liabilities not measured at fair value					
Borrowings	-	-	31,569	31,569	-
Trade payables	-	-	10,415	10,415	-
Other financial liabilities	-	-	5,020	5,020	-

31.03.2020 (₹ in Lakhs)

Particulars	Carrying amount				Fair Value Hierarchy
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	
Financial assets measured at fair value					
Non-current Investments (excluding investments in subsidiaries)	210	-	-	210	Level 2
Current Investment	701	-	-	701	Level 1
Financial assets not measured at fair value					
Loan	-	352	-	352	-
Trade receivable	-	35,127	-	35,127	-
Cash and cash equivalents	-	14,533	-	14,533	-
Other bank balances	-	171	-	171	-
Other Financial Assets	-	249	-	249	-
Financial liabilities not measured at fair value					
Borrowings	-	-	46,535	46,535	-
Trade payables	-	-	10,574	10,574	-
Other financial liabilities	-	-	3,592	3,592	-

For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in Notes 18, 21 and 23 off set by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company's net debt to equity ratio as at March 31, 2021 was as follows (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Debt *	31,730	47,178
Less : Cash and Bank Balances *	5,290	14,704
Net Debt	26,440	32,474
Total equity	1,90,654	1,50,488
Net Debt to Equity Ratio	13.87%	21.58%

NOTES

* Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in Notes 18, 21 and 23. Cash and Bank balances include cash and cash equivalents and other bank balances as described in Notes 12 and 13.

Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Market risk (See A below)
- Credit risk (See B below)
- Liquidity risk (See C below)

Risk Management Framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A. Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of holding of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

The Company's sales and purchases activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into plain vanilla forward contracts to manage its exposure to foreign currency risk.

Details of hedged and unhedged foreign currency exposures

(a) Outstanding forward exchange contracts for hedging purposes as on 31.03.2021

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
USD	INR	43,476 (60,598)	Sell Sell
EURO	INR	3,770 (8,308)	Sell Sell
GBP	INR	3,572 (6,466)	Sell Sell

Note: Figures in brackets relates to the previous year

NOTES

(b) The year-end unhedged foreign currency exposures are given below

Foreign currency denominated financial assets and liabilities (including firm commitments, if any) which expose the Company to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in Rupees.

(₹ in Lakhs)

	USD	EURO	GBP	JPY	CHF	TOTAL
As at 31.03.2021						
Loans	555	-	-	-	-	555
Trade receivables	5,936	1,112	1,818	-	-	8,866
Cash and cash Equivalents	-	-	-	-	-	-
Trade Payables	(84)	(421)	-	-	(70)	(575)
	6,407	**691**	**1,818**	**-**	**(70)**	**8,846**

(₹ in Lakhs)

	USD	EURO	GBP	JPY	CHF	TOTAL
As at 31.03.2020						
Loans	352	-	-	-	-	352
Trade receivables	560	578	1,038	-	-	2,177
Cash and cash Equivalents	-	-	-	-	-	-
Trade Payables	(1,213)	-	-	(289)	-	(1,502)
Borrowings	-	(2,507)	-	-	-	(2,507)
	(301)	**(1,929)**	**1,038**	**(289)**	**-**	**(1,480)**

Note:
Trade receivables and Trade payables includes firm commitments.

Sensitivity Analysis :

Sensitivity analysis is carried out for un-hedged foreign exchange risk as at March 31, 2021. For every 1% strengthening / weakening of Indian Rupees against all relevant uncovered foreign currency transactions, profit before tax and equity would be impacted as follows:

Increase / (decrease) in profit and equity	Strengthening		Weakening	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
USD	(64)	3	64	(3)
Euro	(7)	19	7	(19)
GBP	(18)	(10)	18	10
JPY	-	3	-	(3)
CHF	(1)	-	1	-
	(90)	**15**	**90**	**(15)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

NOTES

Interest rate exposure

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Non-current borrowings	990	6,659
Current borrowings	30,579	39,876
Other financial liabilities (Refer Note 23)	161	643
Total	**31,730**	**47,178**

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at March 31, 2021. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately ₹ 317 lakhs (Pr.Yr: ₹ 472 Lakhs). Similarly, for every 1% decrease in average interest rates there would be an equal and opposite impact on the profit before tax. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

(iii) Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. As at 31.03.2021, the investments in mutual funds amounts to ₹ 23,344 lakhs (Pr.Yr: ₹ 701 Lakhs).

As regards Company's investments in unquoted equity securities, the management contends that such investments do not expose the Company to price risks. In general, these securities are not held for trading purposes.

Sensitivity analysis:

For every 1% increase in price, profit before tax would be impacted by gain of approximately ₹ 233 lakhs (Pr.Yr: ₹ 7 Lakhs). Similarly, for every 1% decrease in price there would be an equal and opposite impact on the profit before tax.

B. Credit risk management

Credit risk is the risk that the counterparty to a financial instrument will not meet its contractual obligations, leading to a financial loss. Credit risk primarily arises from the Company's trade receivables, loans, investments, cash and cash equivalents, other bank balances and other financial assets.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables :

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Trade receivables	26,081	35,127

The Company mitigates credit risk by strict receivable management procedures and policies. The Company has a dedicated independent team to review credit and monitor collection of receivables. In addition, the Company mitigates credit risk substantially through availment of credit insurance for both domestic and export buyers.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, the management believes that unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Company are not expected to be able to pay their outstanding dues, mainly due to economic circumstances.

The concentration of credit risk is limited due to the customer base being large and unrelated. Further, the Company constantly evaluates the quality of trade receivable and provides allowance towards doubtful debts based on expected credit loss model.

NOTES

For Movement of loss allowance in trade receivables, refer note 11.

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Loan to related parties	555	352

The Company extended loan to its wholly owned subsidiaries which are engaged in potential ventures.

Investments :

Investments of surplus funds are made only with approval of Board of Directors. This primarily include investments in equity instruments of an unlisted entity and mutual funds. The Company does not expect significant credit risks arising from these investments.

Cash and cash equivalents and Other bank balances :

The Company held cash and cash equivalents and margin money deposits with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Other financial assets :

Other financial assets primarily consists of Investment in wholly owned subsidiary pending allotment, Interest accrued on bank deposits and other deposits and term deposit with Non-Banking Finance Companies. The Company does not expect any loss from non-performance by these counter-parties.

C. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current financial liabilities are disclosed in Note 18.

39. Related Party Disclosures

Disclosures under "Ind AS" 24 – Related Party Disclosure, as identified and disclosed by the Management and relied upon by the Auditors

39.1 Name of related parties and nature of relationships

Key Management Personnel	Mr. K.P. Ramasamy Mr. KPD Sigamani Mr. P. Nataraj Mr. C.R. Anandakrishnan Mr. E.K. Sakthivel
Relatives of Key Management Personnel	Mrs. D. Geetha (Daughter of Mr. KPD Sigamani)
Enterprises owned by Key Management Personnel/Directors or their relatives	M/s K.P.R. Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited
Subsidiary Companies	M/s Quantum Knits PVT. Limited M/s K.P.R. Sugar Mill Limited M/s Jahnvi Motor Private Limited M/s Galaxy Knits Limited M/s KPR Exports PLC, Ethiopia M/s KPR Mill Pte. Ltd, Singapore M/s KPR Sugar and Apparels Limited (from 01.10.2020)

NOTES

39.2 Transactions during the year and the balance outstanding at the balance sheet date (₹ in Lakhs)

Nature of Transaction	Enterprises owned by key management personnel / Directors or their relatives	Key Management Persons	Relatives to Key Management Persons	Subsidiary Company	Total as on 31.03.2021
Transactions during the year					
Purchase of Goods	-	-	-	173	173
	-	-	-	(1,225)	(1,225)
Purchase of Asset	-	-	-	195	195
	-	-	-	(223)	(223)
Revenue from Operations	-	-	-	13,276	13,276
	-	-	-	(17,708)	(17,708)
Sale of Asset	-	-	-	31	31
	-	-	-	(12)	(12)
Processing and Fabrication Income	-	-	-	6	6
	-	-	-	(17)	(17)
Interest Receipts	-	-	-	15	15
	-	-	-	(54)	(54)
Lease Rent Paid	-	1	-	3,000	3,001
	-	(1)	-	(3,000)	(3,001)
Remuneration / Salary	-	1,756	6	-	1,762
	-	(1,758)	(6)	-	(1,764)
Investments	-	-	-	11,176	10,478
	-	-	-	(28)	(28)
Loan converted to investment in equity shares	-	-	-	-	-
	-	-	-	(1,458)	(1,458)
Loan, net	-	-	-	203	203
	-	-	-	(352)	(352)
Balances outstanding as at the balance sheet date					
Investments	-	-	-	18,564	18,564
	-	-	-	(8,086)	(8,086)
Investment in wholly owned subsidiary pending allotment	-	-	-	1,875	1,875
	-	-	-	(1,177)	(1,177)
Loans	-	-	-	555	555
	-	-	-	(352)	(352)
Advance Receivable	-	-	-	210	210
	-	-	-	(30)	(30)
Security deposit	-	-	-	2,500	2,500
	-	-	-	(2,500)	(2,500)
Trade Receivable	-	-	-	453	453
	-	-	-	(330)	(330)
Interest accrued	-	-	-	18	18
	-	-	-	(48)	(48)
Trade Payable	-	925	-	93	1,018
	-	(668)	-	-	(668)
Advance payment from customers	-	-	-	3,173	3,173
	-	-	-	(620)	(620)

(Previous year figures are shown in brackets)

NOTES

39.3 Details of transactions with related parties

(₹ in Lakhs)

a. Purchase of Goods

Name	2020-21	2019-20
M/s. K.P.R. Sugar Mill Limited	11	227
M/s. KPR Exports PLC, Ethiopia	46	998
M/s. Quantum Knits Pvt Limited	32	-
M/s. KPR Mill Pte. Ltd., Singapore	84	-
Total	**173**	**1,225**

b. Purchase of Asset

(₹ in Lakhs)

Name	2020-21	2019-20
M/s. Jahnvi Motor Private Limited	5	223
M/s. K.P.R. Sugar Mill Limited	2	-
M/s. KPR Exports PLC, Ethiopia	188	-
Total	**195**	**223**

c. Revenue from Operations

(₹ in Lakhs)

Name	2020-21	2019-20
M/s. K.P.R. Sugar Mill Limited	12,601	16,754
M/s. KPR Exports PLC, Ethiopia	23	676
M/s. KPR Mill Pte. Ltd, Singapore	530	278
M/s. Quantum Knits Pvt Limited	122	-
Total	**13,276**	**17,708**

d. Sale of Asset

(₹ in Lakhs)

Name	2020-21	2019-20
M/s. K.P.R. Sugar Mill Limited	31	9
M/s. KPR Exports PLC, Ethiopia	-	3
Total	**31**	**12**

e. Processing and Fabrication Income

(₹ in Lakhs)

Name	2020-21	2019-20
M/s. K.P.R. Sugar Mill Limited	-	17
M/s. Quantum Knits Pvt Limited	6	-
Total	**6**	**17**

f. Interest Receipts

(₹ in Lakhs)

Name	2020-21	2019-20
M/s. Jahnvi Motor Private Limited	-	54
M/s. KPR Mill Pte. Ltd., Singapore	15	-
Total	**15**	**54**

NOTES

(₹ in Lakhs)

g. Lease Rent Paid

Name	2020-21	2019-20
Mr. K.P. Ramasamy	0.19	0.19
Mr. KPD Sigamani	0.18	0.18
Mr. P. Nataraj	0.18	0.18
K.P.R. Sugar Mill Limited	3,000.00	3,000.00
Total	**3,000.55**	**3,000.55**

h. Remuneration / Salary (₹ in Lakhs)

Name	2020-21	2019-20
Mr. K.P. Ramasamy	572	572
Mr. KPD Sigamani	572	572
Mr. P. Nataraj	572	572
Mr. C.R. Anandakrishnan	22	24
Mr. E.K. Sakthivel	18	18
Mrs. D. Geetha	6	6
Total	**1,762**	**1,764**

Note: Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

i. Investments (including investment pending allotment) (₹ in Lakhs)

Name	2020-21	2019-20
M/s. KPR Mill Pte. Ltd, Singapore	-	28
M/s. KPR Sugar and Apparels Limited	11,176	-
Total	**11,176**	**28**

j. Loan converted to investment in equity shares (₹ in Lakhs)

Name	2020-21	2019-20
M/s. KPR Exports PLC, Ethiopia	-	1,458
Total	**-**	**1,458**

k. Loan (₹ in Lakhs)

Name	2020-21	2019-20
M/s. KPR Exports PLC, Ethiopia	118	-
M/s. KPR Mill Pte. Ltd, Singapore	85	352
Total	**203**	**352**

NOTES

Balances outstanding as at the balance sheet date :

l. Investments (₹ in Lakhs)

Name	2020-21	2019-20
Equity Shares		
M/s. K.P.R. Sugar Mill Limited	1,675	1,675
M/s. Jahnvi Motor Private Limited	276	276
M/s. Quantum Knits Private Limited	10	10
M/s. Galaxy Knits Limited	5	5
M/s. KPR Exports PLC, Ethiopia	424	424
M/s. KPR Mill Pte. Ltd, Singapore	21	21
M/s. KPR Sugar and Apparels Limited	100	-
Preference Share		
M/s. K.P.R. Sugar Mill Limited	5,675	5,675
M/s. KPR Sugar and Apparels Limited	10,378	-
Total	**18,564**	**8,086**

m. Investment in wholly owned subsidiary pending allotment (₹ in Lakhs)

Name	2020-21	2019-20
M/s. KPR Exports PLC, Ethiopia	1,170	1,170
M/s. KPR Mill Pte. Ltd, Singapore	7	7
M/s. KPR Sugar and Apparels Limited	698	-
Total	**1,875**	**1,177**

n. Loans (₹ in Lakhs)

Name	31.03.2021	31.03.2020
M/s. KPR Exports PLC, Ethiopia	118	-
M/s. KPR Mill Pte. Ltd, Singapore	437	352
Total	**555**	**352**

Note: Disclosure under Section 186 (4) of the Companies Act, 2013: The recipients utilise the loan for principal business activities.

o. Advance Receivable (₹ in Lakhs)

Name	31.03.2021	31.03.2020
M/s. K.P.R. Sugar Mill Limited	175	30
M/s. KPR Sugar and Apparels Limited	35	-
Total	**210**	**30**

NOTES

p. Security Deposit (₹ in Lakhs)

Name	31.03.2021	31.03.2020
M/s. K.P.R. Sugar Mill Limited	2,500	2,500
Total	**2,500**	**2,500**

q. Trade Receivable (₹ in Lakhs)

Name	31.03.2021	31.03.2020
M/s. KPR Exports PLC, Ethiopia	87	75
M/s. KPR Mill Pte. Ltd, Singapore	366	255
Total	**453**	**330**

r. Interest accrued (₹ in Lakhs)

Name	31.03.2021	31.03.2020
M/s. Jahnvi Motors Private Limited	-	48
M/s. KPR Mill Pte Limited, Singapore	18	-
Total	**18**	**48**

s. Trade Payable (₹ in Lakhs)

Name	31.03.2021	31.03.2020
Mr. K.P. Ramasamy	321	238
Mr. KPD Sigamani	312	232
Mr. P. Nataraj	290	197
Mr. C.R. Andakrishnan	2	-
Mr. E.K. Sakthivel	-	1
M/s. Jahnvi Motor Private Limited	9	-
M/s. KPR Mill Pte Limited, Singapore	84	-
Total	**1,018**	**668**

t. Advance payment from Customers (₹ in Lakhs)

Name	31.03.2021	31.03.2020
M/s. Quantum Knits Private Limited	1,973	20
M/s. K.P.R. Sugar Mill Limited	1,200	600
Total	**3,173**	**620**

39.4 Terms and conditions of transactions with related parties

Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

NOTES

39.5 Transfer pricing

The Company has transactions with related parties. For the financial year ended 31.03.2020, the Company has obtained the Accountant's report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the year ended 31.03.2021, the Company maintains documents as prescribed by the Income-tax Act to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

40. Earning per share (EPS)

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Profit for the year attributable to equity shareholders (₹ in lakhs)	43,262	29,461
Weighted average number of equity shares (Refer Note a)	6,88,10,000	7,12,08,042
Face Value Per Share (₹)	5.00	5.00
Earnings Per Share (₹) - Basic and Diluted	62.87	41.37

Notes:

a. The calculation of weighted average number of equity shares for the purpose of basic and diluted earnings per share is as follows:

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Opening balance	6,88,10,000	7,25,60,784
Effect of Shares bought back during the year	-	(13,52,742)
Weighted average number of equity shares	6,88,10,000	7,12,08,042

During the previous year, the Company bought back 37,50,784 fully paid-up equity shares of face value ₹ 5/- each through "Tender Route" process at a price of ₹ 702/- per equity share.

b. The Company does not have any potential equity shares. Accordingly basic and diluted earnings per share would remain the same.

41 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged in only one business i.e. manufacturing and sale of textiles. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these standalone financial statements are reflective of the information required by the Ind AS 108 for textiles.

NOTES

41.1 Revenue from sale of products and services by geographic location of customers:

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
India	1,81,428	1,61,954
Overseas	1,06,694	1,18,246
Total	**2,88,122**	**2,80,200**

The Company's operations are entirely carried out in India and as such all its non-current assets are located in India.
No single customer contributed 10% or more to the Company's revenue for both the financial years 2020-21 and 2019-20.

42. Operating Lease Disclosure

42.1 As Lessee :

The Company has taken factory premises, office spaces, plant and equipment and vehicles on cancellable operating leases. The leases are for varied periods which are classified as short-term leases under Ind AS 116. The Company has incurred ₹ 3,094 lakhs (Pr.Yr: ₹ 3,084 Lakhs) for the year ended 31.03.2021 towards expenses relating to short-term leases. The total cash outflow for leases is ₹ 3,094 lakhs (Pr.Yr: ₹ 3,303 Lakhs) for the year ended 31.03.2021, including cash outflow of short-term leases.

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Minimum lease payments not later than one year	2,016	2,325
Later than one year but not later than five years	-	24
More than five years	-	-

42.2 As Lessor:

The Company has given certain non-factory building on cancellable operating leases and has earned rental income of ₹ 2,826 lakhs (Pr.Yr: ₹ 2,582 Lakhs) for the year ended 31.03.2021. Since the aforesaid leases are short-term in nature, there are no lease payments receivable after one year as at 31.03.2021. The expected amount of minimum lease payments to be received within one year is ₹ 2,826 lakhs (Pr.Yr: ₹ 2,582 Lakhs).

43 Disclosure of Employee Benefits

43.1 Defined Contribution Plans

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Provident Fund	2,100	1,932
Employee State Insurance	690	769

43.2 Defined Benefit Plan - Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

NOTES

Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined (asset) / liability and its components.

(₹ in Lakhs)

		As at 31.03.2021	As at 31.03.2020
A	**Change in present value of obligation**		
	PV of obligation as at the beginning of the year	848	618
	Current Service Cost	54	188
	Interest Cost	62	42
	Benefits paid	(62)	-
	Balance at the end of the year	**902**	**848**
B	**Reconciliation of fair value of plan assets:**		
	Balance at the beginning of the year	848	710
	Interest income	36	57
	Benefits paid	-	-
	Contributions paid into the plan	16	81
	Fair value of plan asset as at the end of the year	**900**	**848**
	Plan assets comprises of :		
	% of Investment with insurance	100	100
C	**Net Asset/(Liability) recognized in the Balance Sheet**		
	Present value of obligation as at end of the year	902	848
	Fair value of Plan Asset as at end of the year	900	848
	Funded Status [Surplus/(Deficit)]	**(2)**	**-**
D	**Expense recognized in statement of profit or loss**		
	Current Service Cost	54	188
	Interest Cost	62	42
	Expected return on Plan Assets	(36)	(57)
		80	**173**
E	**Remeasurement recognised in other comprehensive income:**		
	Actuarial / (gains) losses on defined benefit obligation	-	-
	Actuarial / (gains) losses on plan assets	-	-
F	**Actuarial Assumptions**		
	Discount Rate (per annum)	7.21%	6.83%
	Rate of increase in compensation levels (per annum)	7.50%	8.00%
	Rate of return on plan assets (per annum)	7.21%	6.83%
	Attrition rate (per annum)	4.00%	4.00%
	Expected average remaining working lives of employees (years)	27.09	27.29
	Demographic Assumptions - Based on Indian Assured Lives Mortality (2012-14)		

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

43.3 Disclosure of Employee Benefits (Continued)

Asset-liability matching strategies

The company has funded the liability with the insurance company. The entire investible assets are managed by the fund managers of the insurance company and the asset values as informed by the insurance company has been taken for valuation purpose. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rates (in particular, the significant fall in interest rates, which should result in a increase in liability without a corresponding increase in the asset).

NOTES

Expected contributions to the plan for the next annual reporting period

The expected benefits are based on the same assumptions as are used to measure Company's defined benefit plan obligations as at 31.03.2021. The Company is expected to contribute ₹ 195 lakhs (Pr.Yr: ₹ 187 Lakhs) to defined benefit plan obligations funds for the year ending 31.03.2022.

Weighted average duration of the defined benefit obligation **Disclosure related to indication of effect of the defined benefit plan on the entity's undiscounted future cash flows Payout in the next**	17.50 years	18.17 years
1 year	32	29
1-2 years	35	26
2-3 years	34	30
3-4 years	37	30
4-5 years	40	33
5 years and beyond	2,834	2,789

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31.03.2021		31.03.2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(111)	135	(116)	142
Salary growth (1% movement)	130	(109)	135	(113)
Attrition rate (1% movement)	(12)	14	(22)	26

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

44. Details of quoted current investment:

(₹ in Lakhs)

Particulars	2020-21		2019-20	
	Units	Amount	Units	Amount
Nippon India Mutual Fund	2,22,493	11,197	6,53,815	701
LIC Mutual Fund	3,28,037	12,147	-	-
Total	**5,50,530**	**23,344**	**6,53,815**	**701**

NOTES

45. Disclosure as per Schedule V of Regulation 34 of the listing regulations - Investments

(₹ in Lakhs)

Name of the Company	31.03.2021	31.03.2020
M/s. Quantum Knits Private Limited	10	10
M/s. K.P.R. Sugar Mill Limited	7,350	7,350
M/s. Jahnvi Motor Private Limited	276	276
M/s. Galaxy Knits Limited	5	5
M/s. KPR Exports PLC, Ethiopia (Refer note 48)	1,594	1,594
M/s. KPR Mill Pte Limited, Singapore	28	28
M/s. KPR Sugar and Apparels Limited	11,176	-
Total	**20,439**	**9,263**

46. Disclosure as per Schedule V of Regulation 34 of the listing regulations - Loans

(₹ in Lakhs)

Name of Company	As at 31.03.2021	Maximum outstanding during the Year 2020-21	As at 31.03.2020	Maximum outstanding during the Year 2019 - 20
M/s. KPR Exports PLC, Ethiopia	118	306	-	1,225
M/s. KPR Mill Pte Limited, Singapore	437	437	352	352
M/s. Jahnvi Motor Private Limited	-	-	-	628
Total	**555**	**743**	**352**	**2,205**

47. Impact of COVID-19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalizing various estimates in relation to its standalone financial statements captions upto the date of approval of the standalone financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

48. Conversion of Loan to Investment

Pursuant to Board resolution dated 03.02.2020, the Company has initiated steps towards conversion of the outstanding balance loan of ₹ 1,170 lakhs provided to its wholly owned subsidiary KPR Exports PLC, Ethiopia into investment in equity shares of the subsidiary. As at the balance sheet date, the Company is in the process of completing the required legal, secretarial and regulatory formalities with respect to the aforesaid conversion. Pending completion of the aforesaid formalities, the said balance has been classified as Investment in wholly owned subsidiary pending allotment under Other non-current financial assets.

49. Stock In Trade

During the previous year, owing to the prevailing market conditions which led to significant decline in the price of cotton and considering management's intention to hold a portion of its inventory as stock-in-trade, the Company had measured the said inventory at lower of cost and net realizable value. Consequent to the above, the amount of write-down charged to the standalone statement of profit and loss for the year ended 31.03.2020 was ₹ 4,347 lakhs .

NOTES

50. Events after reporting period :

The Board of Directors has recommended a final dividend of 15% (₹ 0.75/- per share of the face value of ₹ 5/- each) for the year 2020-21 subject to the approval of the shareholders in Annual General Meeting.

The notes from 1 to 50 are an integral part of these standalone financial statements.

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

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

K.P. Ramasamy
Chairman
DIN: 00003736

K Sudhakar
Partner
Membership No. : 214150

KPD Sigamani
Managing Director
DIN: 00003744

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

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

Independent Auditor's Report

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

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of K.P.R. Mill Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition	
The key audit matter	**How the matter was addressed in our audit**
See notes 3 and 25 to the consolidated financial statements Group's revenue is derived primarily from sale of goods. Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and there are no longer any unfulfilled performance obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Inappropriate assessment could lead to risk of revenue being recognized before transfer of control. In view of the above and since revenue is a key performance indicator of the Group, we have identified timing of revenue recognition from sale of goods as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ● Assessing the appropriateness of the accounting policy for revenue recognition with relevant accounting standards; ● Evaluating the design and implementation of key internal financial controls in relation to timing of revenue recognition and tested the operating effectiveness of such controls for selected samples; ● Performing detailed testing by selecting samples of revenue transactions recorded during the year and around the year end date using statistical sampling. We assessed fulfilment of performance obligations during the year by verifying the underlying documents. These documents included contract specifying terms of sale, invoices, goods dispatch notes, customer acceptances and shipping documents; ● Testing, on a sample basis using specified risk based criteria, journal entries affecting revenue recognised during the year to identify unusual items.

Valuation of Inventories	
The key audit matter	**How the matter was addressed in our audit**
See notes 3 and 8 to the consolidated financial statements The Group's inventory primarily comprises of yarn, fabric, garments and sugar. Inventories are valued at lower of cost and net realisable value. The Group maintains its inventory levels based on forecast demand and expected future selling prices. There is a risk of inventories being measured at values which are not representative of the lower of costs and net realisable value ('NRV'). The Group exercises high degree of judgment in assessing the NRV of the inventories on account of estimation of future market and economic conditions. The carrying value of inventories is material in the context of total assets of the Group. We identified the valuation of inventories as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ● Assessing the appropriateness of the accounting policy for inventories with relevant accounting standards; ● Evaluating the design and implementation of key internal financial controls over valuation of inventories and testing the operating effectiveness of such controls for selected samples; ● Observing the physical verification of inventory on a sample basis. In this regard, we have considered the physical condition of inventory by way of obsolescence or wear and tear, wherever relevant and applicable, in determining the valuation of such inventory. ● For NRV testing, selecting inventory items, on a sample basis at reporting date and compared their carrying value to their subsequent selling prices as indicated in sales invoices subsequent to the reporting date.

Expected Credit Loss allowance for trade receivables	
The key audit matter	**How the matter was addressed in our audit**
See notes3 and 10 to the consolidated financial statements. The Group has significant trade receivables as at the year end. There is a credit risk associated with these trade receivables of not recovering the amount as and when they fall due. The Group measures loss allowance for trade receivables based on the expected credit loss ('ECL') model. Assessment of the recoverability of trade receivables measured using the related ECL model is inherently subjective. It requires significant judgement and assumptions by the Group, primarily including: - Terms of underlying arrangements, - Overdue balances, - Credit risk of customers and type of collateral, - Credit insurance coverage, - Adjusted historical credit loss experience, - Loss rate in provisioning matrix depending on days past due and - Adjustments to historical experience based on future economic and market conditions. In view of the above, we have identified loss allowance for trade receivables as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: ● Assessing the appropriateness of the accounting policy for ECL on trade receivables with applicable accounting standards; ● Evaluating the design and implementation of key internal financial controls over estimation of the loss allowance for trade receivables. This includes governance over provisioning matrix. We tested the operating effectiveness of such controls for selected samples. ● Assessing the Group's ECL model and obtaining an understanding of the key inputs used in the ECL model. Such inputs include terms of underlying arrangements, overdue balances, type of collateral, credit insurance coverage, past history, market conditions, where applicable; ● Assessing and obtaining comfort over items categorised in the trade receivables aging report showing days past due. We compared a sample of individual items with the underlying sales invoices, contract terms and other relevant documentation; ● Evaluating the completeness and accuracy of the key inputs used by the Group for computation of assumptions used in the ECL model. We assessed historical data and adjustments to historical information based on current economic conditions and forward looking information. We also checked the mathematical accuracy of ECL allowance; ● Assessing the adequacy of disclosures made as per the relevant accounting standards.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the 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 the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matter' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 105,465 lakhs as at March 31, 2021, total revenues (before consolidation adjustments) of ₹ 71,388 lakhs and net cash inflows amounting to ₹ 1,644 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3)of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

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

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

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on April 01, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2021.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended March 31, 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

K. Sudhakar
Partner
Membership No. 214150
ICAI UDIN : 21214150AAAAAM5181

Place: Chennai
Date: April 28, 2021

Annexure A to the Independent Auditors' report on the audit of the consolidated financial statements of K.P.R. Mill Limited for the year ended March 31, 2021

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of K.P.R. Mill Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated 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 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 the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 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 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

K. Sudhakar
Partner
Membership No. 214150
ICAI UDIN : 21214150AAAAAM5181

Place: Chennai
Date: April 28, 2021

CONSOLIDATED BALANCE SHEET

(₹ in Lakhs)

Particulars	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	1,25,391	1,31,957
(b) Capital work-in-progress	4	2,862	644
(c) Goodwill	40	70	70
(d) Intangible assets	4	95	105
(e) Financial assets			
(i) Investments	5	150	210
(f) Deferred Tax Asset (net)	6	1,368	1,476
(g) Other non - current assets	7	21,127	4,239
Total non - current assets		**1,51,063**	**1,38,701**
(2) Current assets			
(a) Inventories	8	91,326	71,573
(b) Financial assets			
(i) Investments	9	23,344	701
(ii) Trade receivables	10	32,098	40,924
(iii) Cash and cash equivalents	11	6,795	15,181
(iv) Other bank balances	12	931	241
(v) Other financial assets	13	4,451	290
(c) Other current assets	14	16,498	22,107
Total current assets		**1,75,443**	**1,51,017**
Total assets		**3,26,506**	**2,89,718**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	3,441	3,441
(b) Other equity	16	2,31,576	1,83,146
Total equity		**2,35,017**	**1,86,587**
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	17,908	20,675
(b) Deferred tax liabilities (net)	18	4,303	4,736
(c) Other non-current liabilities	19	466	687
Total non-current liabilities		**22,677**	**26,098**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	43,103	53,382
(ii) Trade payables			
(A)Total outstanding dues of micro and small enterprises	21 (A)	909	616
(B)Total outstanding dues of creditors other than micro and small enterprises	21 (B)	11,307	12,579
(iii) Other financial liabilities	22	9,622	7,679
(b) Other current liabilities	23	1,433	2,432
(c) Current tax liabilities (net)	24	2,438	345
Total current liabilities		**68,812**	**77,033**
Total liabilities		**91,489**	**1,03,131**
Total equity and liabilities		**3,26,506**	**2,89,718**

Significant accounting policies 3

The notes form 1 to 50 are an integral part of the consolidated financial statements

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

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

K.P. Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

K. Sudhakar
Partner
Membership No. 214150

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

CONSOLIDATED STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

Particulars	Note	Year Ended 31.03.2021	Year Ended 31.03.2020
I. Revenue from operations	25	**3,53,015**	**3,35,263**
II. Other income	26	3,884	3,646
III. Total Income (I+II)		**3,56,899**	**3,38,909**
IV. Expenses			
Cost of materials consumed	27	1,73,210	1,87,644
Purchase of stock-in-trade		2,960	23,656
Changes in inventories of finished goods, stock -in- trade and work- in-progress	28	20,123	(12,581)
Employee benefits expense	29	39,368	39,440
Finance costs	30	3,284	4,965
Depreciation and amortisation expense	4	14,670	13,709
Other expenses	31	34,398	34,909
V. Total expenses		**2,88,013**	**2,91,742**
VI. Profit before tax (III-V)		**68,886**	**47,167**
VII. Tax expenses			
Current tax			
- Pertaining to current year		17,427	11,850
- Pertaining to prior year		259	(927)
Deferred tax		(326)	(1,424)
Income tax expense		**17,360**	**9,499**
VIII. Profit for the year (VI-VII)		**51,526**	**37,668**
Other comprehensive income			
Item that will be reclassified to profit or loss		-	-
Item that will not be reclassified to profit or loss		-	-
IX. Net other comprehensive income		-	-
X. Total comprehensive income for the year (VIII+IX)		**51,526**	**37,668**
Earnings per equity share (EPS)			
Basic & diluted EPS (in ₹) of face value ₹ 5/- each	39	**74.88**	**52.90**

Significant accounting policies 3
The notes from 1 to 50 are an integral part of these consolidated financial statements

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

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

K.P. Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

K. Sudhakar
Partner
Membership No. 214150

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Notes	Year Ended	
		31.03.2021	31.03.2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		51,526	37,668
Adjustments for:			
Income tax expenses recognised in the statement of profit and loss		17,360	9.499
Depreciation and amortisation expense		14,670	13,709
Net loss / (gain) on sale of property, plant and equipment		(26)	(199)
Finance costs		3,284	4,965
Interest income		(428)	(190)
Gain on sale of current investments		(359)	(546)
Rental income from operating leases		(61)	(116)
Impairment loss on financial assets		295	1,782
Operating Profit before working capital changes		**86,261**	**66,572**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(19,753)	29,068
Trade receivables		8,531	7,337
Bank Balance not considered as Cash and Cash Equivalents - Margin Deposit Accounts			
Other current assets		5,609	(4,284)
Other non-current assets		930	(228)
Other financial assets		(28)	219
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(979)	(9,015)
Other Current liabilities		(999)	(1,108)
Other financial liabilities		1,961	1,699
Other non-current liabilities		(5)	9
Cash generated from operations		**81,528**	**90,269**
Net income tax (paid)		(15,636)	(11,441)
Net cash generated from / (used in) operating activities	**(A)**	**65,892**	**78,828**
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipments, including capital advances (Net of Capital Subsidy)		(28,501)	(29,664)
(Increase) / decrease in current investments (net)		(22,643)	(155)
(Increase) /decrease in margin deposit accounts		(690)	834
Proceeds from sale of property, plant and equipment		225	425
Investment in term deposits (having original maturity of more than 3 months)		(4,000)	-
(Purchase) / proceeds from sale of non-current investment		60	-
Income from the sale of Current Investment		359	-
Interest received		294	165
Rental income received from operating leases		61	116
Net cash flow from/ (used in) investing activities	**(B)**	**(54,834)**	**(28,279)**

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Notes	Year Ended	
		31.03.2021	31.03.2020
CASH FLOW FROM FINANCING ACTIVITIES			
Payment for buyback of shares		-	(26,331)
(Repayment of)/ proceeds from long-term borrowings (net)		(2,790)	8,783
Decrease in working capital borrowings		(10,279)	(15,697)
Finance costs Paid		(3,279)	(4,764)
Dividends paid		(3,096)	(3,124)
Tax on dividend paid		-	(644)
Net cash flow from / (used in) from financing activities	**(C)**	**(19,444)**	**(41,777)**
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	(8,386)	8,772
Add: Opening cash and cash equivalents		15,181	6,409
Closing cash and cash equivalents		**6,795**	**15,181**
Closing cash and cash equivalents comprises			
(a) Cash on hand		109	67
(b) Balance with Banks:			
i) In Current accounts		4,388	3,463
ii) In EEFC accounts		2,298	1,651
iii) In deposit with original maturity of less than three months		-	10,000
		6,795	**15,181**

Significant accounting policies 3
The notes form 1 to 50 are an integral part of the consolidated financial statements

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

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

K.P. Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

K. Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

CHANGES IN EQUITY

a. Equity share capital

(₹ in Lakhs)

	Notes	
Balance as at 01.04.2019		3,628
Less : Buy back of Equity Shares	15	187
Balance as at 31.03.2020		**3,441**
Changes in equity share capital during 2020-21		-
Balance as at 31.03.2021		**3,441**

b. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other comprehensive income	Total Other Equity
	Securities Premium	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at 01.04.2019	19,096	293	1,640	24,845	1,29,515	-	1,75,389
Profit for the year	-	-	-	-	37,668	-	37,668
Premium on Buyback of Equity Shares	-	-	-	-	(26,143)	-	(26,143)
Transfer to Capital Redemption Reserve	-	-	187	-	(187)	-	-
Interim Dividend relating to 2019-20 paid (₹ 3.75 per share)	-	-	-	-	(2,580)	-	(2,580)
Tax on Interim Dividend paid	-	-	-	-	(531)	-	(531)
Final Dividend relating to 2018-19 paid (₹ 0.75 per share)	-	-	-	-	(544)	-	(544)
Tax on Final Dividend	-	-	-	-	(113)	-	(113)
Balance as at 31.03.2020	**19,096**	**293**	**1,827**	**24,845**	**1,37,085**	-	**1,83,146**
Profit for the year	-	-	-	-	51,526	-	51,526
Interim Dividend relating to 2020-21 paid (₹ 3.75 per share)	-	-	-	-	(2,580)	-	(2,580)
Final dividend relating to 2019-20 paid (₹ 0.75 per share)	-	-	-	-	(516)	-	(516)
Balance as at 31.03.2021	**19,096**	**293**	**1,827**	**24,845**	**1,85,515**	-	**2,31,576**

Significant accounting policies 3

The notes form 1 to 50 are an integral part of the consolidated financial statements

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

K. Sudhakar
Partner
Membership No. : 214150

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

K.P. Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

ACCOUNTING POLICIES

1 CORPORATE INFORMATION

K.P.R. Mill Limited is one of the largest vertically integrated apparel manufacturing Companies in India with its registered office situated at Coimbatore. The Company produces Yarn, Knitted Fabric, Readymade Garments and Wind power. It has state-of-the-art production facilities in the State of Tamil Nadu, India. It has seven wholly owned subsidiary Companies as follows:

a) Quantum Knits Private Limited deals in Readymade Garments.

b) K.P.R.Sugar Mill Limited produces sugar along with Green energy viz ., Co-Gen Power. Its plant is Located at Vijayapur District, Karnataka State. The Company also has Garment manufacturing facility at Arasur, Coimbatore and commenced its operations from November 2013.

c) Jahnvi Motor Private Limited is the authorised dealers of AUDI cars in Coimbatore and Madurai Region.

d) Galaxy Knits Limited has not commenced any major business activity.

e) KPR Exports PLC has Garment manufacturing facility at Ethiopia, and commenced its operation from January 2019.

f) KPR Mill Pte. Limited, is engaged in the business of trading operations of garments from Singapore and commenced its operation from January 2020.

g) KPR Sugar and Apparels Limited, was incorporated on October 1, 2020 to produce Sugar and manufacture Garments.

The Consolidated Financial Statements relate to K.P.R. Mill Limited ('the Company') and its wholly owned Subsidiary Companies Quantum Knits Private Limited, K.P.R. Sugar Mill Limited, Galaxy Knits Limited, Jahnvi Motor Private Limited, KPR Exports PLC, Ethiopia, KPR Mill Pte. Limited, Singapore and KPR Sugar and Apparels Limited. The Company and its subsidiaries are hereinafter collectively referred to as "the Group".

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

2. BASIS OF PREPARATION

A. STATEMENT OF COMPLIANCE

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

These consolidated financial statements for the year ended 31.03.2021 are authorised by the Board on 28.04.2021.

Details of the Group's accounting policies are included in note 3.

The Group has consistently applied the accounting policies to all the periods present in these consolidated financial statements.

B. BASIS OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are entity controlled by the group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(iv) Goodwill on consolidation

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as "Goodwill on Consolidation" in the consolidated financial statements. The said goodwill is not amortized, however it is tested for impairment at each balance sheet date, and impairment loss if any, is provided for.

C. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All financial information has been rounded-off to the nearest lakhs, unless otherwise indicated.

ACCOUNTING POLICIES

D. BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on a historical cost basis and on an accrual basis, except for the following items:

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

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

iii. Net defined (asset) / liability measured at fair value of plan assets less present value of obligations.

E. USE OF ESTIMATES AND JUDGEMENT

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

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

Judgement

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

Note 14 - classification, measurement and recognition of Government grants.

Note 6 - recognition and measurement of deferred tax assets
Note 3(M) and 43 - Leases - whether the arrangement contains a lease; and lease classification

Note 3(H) and 37: Financial instruments: Classification and measurement

Assumptions and estimation uncertainties:

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different from these estimates.

(i) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues. (also refer Note 6)

(ii) Impairment of non-financial assets

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

(iii) Useful lives of depreciable assets

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

(iv) Inventories:

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

(v) Defined benefit obligation (DBO):

The actuarial valuation of the DBO is based on a number of critical underlying management's assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (also refer Note 44)

(vi) Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources (also refer Note 34).

(vii) Impairment of financial assets - Refer Note 3

F. MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

ACCOUNTING POLICIES

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

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

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer Note 37). The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

G. CURRENT AND NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INVENTORIES

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. The cost of raw materials, components, stock-in-trade, consumable stores and spare parts are determined using first-in first-out / specific identification method and includes freight, taxes and duties, net of duty credits wherever applicable, and any other expense incurred in bringing them to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, stores and spares, packing and others held for use in the production of finished goods are not written down below except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realizable value.

The comparison of cost and net realisable value is made on an item by item basis.

B. CASH AND CASH EQUIVALENTS (FOR THE PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

C. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

D. PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement :

Freehold land is stated at historical cost. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

ACCOUNTING POLICIES

a. purchase price, including import duties and non-refundable taxes on purchase (goods and service tax), after deducting trade discounts and rebates.

b. any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.

c. The cost of a self-constructed item of property, plant and Equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

Component accounting

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

Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method and is generally recognised in Statement of profit and loss.

Freehold land is not depreciated.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight-line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Group for the current and the comparative period are as follows :

Factory Building	~ 30 Years
Non Factory Building	~ 60 Years
Plant & Equipments	~ 10-20 Years
Windmill	~ 12 Years
Electricals	~ 14 Years
Furnitures & fixtures	~ 10 Years
Computers & accessories	~ 3 Years
Vehicles	~ 8-10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period. Based on technical assessment and consequent advice, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period from/upto which the asset is ready for use/disposed off.

Capital work-in-progress

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives and it is included in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful life of intangible assets consisting computer software is 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

ACCOUNTING POLICIES

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

E. REVENUE RECOGNITION

The Group generates revenue primarily from sale of Yarn, Knitted Fabric, Readymade Garments, Sugar, Ethanol and Power. The Group also earns revenue from rendering of services.

1.1 Sale of products:

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. Invoices are usually payable within 180 days depending upon the individual contract with the customers.

The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

1.2 Revenue from services:

Revenue from sale of services is recognised when related services are rendered.

F. OTHER INCOME

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

Rental income under operating leases is recognized in the statement of profit and loss on a straight-line basis over the term of the lease except where another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Interest income is recognised using effective interest rate method. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

G. FOREIGN CURRENCY

i) Foreign Currency Transactions And Translations

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on translation are recognised in the statement of profit and loss.

ii) Foreign operation

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

ACCOUNTING POLICIES

H. FINANCIAL INSTRUMENTS

(i) Initial Recognition

Trade receivables are initially recognised when they are originated.

All other financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVTOCI) – debt instrument;
- Fair value through other comprehensive income (FVTOCI) – equity investment; or
- Fair value through profit and loss (FVTPL)

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

(ii) Classification and subsequent measurement

a) Non-derivative financial assets

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met and is not designated as at FVTPL :

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

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

Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met and is not designated as at FVTPL:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and

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

Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI.

The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and

ACCOUNTING POLICIES

information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets:

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount Substantially represents unpaid amounts of principal and interest on the principalamount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

b) Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of

ACCOUNTING POLICIES

ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counter Party for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants are recognised when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant they are then recognised in statement of profit and loss as other operating revenue / other income on a systematic basis.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenue.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

J. EMPLOYEE BENEFITS

(a) Short term employee benefit obligations:

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.

(b) Defined contribution plan

Provident Fund & Employee State Insurance

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group makes specified contributions towards Government adminstered provident fund scheme.

(c) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Post employment benefit comprise of Gratuity which are accounted for as follows:

Gratuity Fund

For defined benefit retirement benefit plans, 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. Remeasurement, comprising actuarial

ACCOUNTING POLICIES

gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not 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.

K. BORROWING COSTS

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are considered as adjustment to interest costs) incurred in connection with the borrowings of funds. Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

L. SEGMENT REPORTING

"Operating Segments" reported are in a manner consistent with internal reporting made to the undersigned Chairman & Managing Directors who are the Chief Operating Decision Makers for the Group. The reported operating segments:

a. engage in business activities from which the Group earns revenues and incur expenses,

b. have their operating results regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and

c. have discrete financial information available.

The Group has classified its operations primarily into three segments viz. Textile, Sugar and Others based on 'Management Approach' as defined in Ind-AS 108 - "Operating Segments"

M. LEASE

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116.

i) Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;

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- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "other financial liabilities" in the balance sheet.

Short term leases and low value assets:

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

ii) As a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease.

To classify each lease, the Group made an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

N. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

O. INCOME TAXES

Income tax expense represents current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax liabilities and current tax assets are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial

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statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

iii) Recognition

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

P. IMPAIRMENT

Impairment of Financial Instruments

The Group recognises loss allowance for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on

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the Group's historical experience and informed credit assessment and including forward looking information. The Group assumes that credit risk on a financial asset has increased significantly if it is past due.

The Group considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write- off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Impairment of Non-Financial Assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/amortisation, if no impairment loss was recognised.

Q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions:

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present

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obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

Contingent assets:

The Group does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in these consolidated financial statements.

R. ONEROUS CONTRACTS

A contract is said to be onerous when the expected economic benefits to be derived by the group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with the contract.

3 A Recent pronouncements

On 24.03.2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01.04.2021. Key amendments relating to Division II which relates to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet :

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the Consolidated financial statements.

  The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

4. Property Plant & Equipment, Intangible assets and Capital Work-in-Progress

(₹ in Lakhs)

Particulars		Property, Plant & Equipment											
	Leased asset Land	Freehold Land	Factory Building	Non- Factory Building	Plant and Equipment	Windmill	Electricals	Furniture and Fixture	Computer and accessories	Vehicles	Total	Capital work in-progress	Intangible assets (Computer Software)
Gross carrying amount													
As at 01.04.2019	**-**	**8,963**	**31,631**	**18,206**	**86,295**	**12,845**	**6,036**	**3,416**	**682**	**1,415**	**1,69,489**	**1,243**	**139**
Additions on account of transition to Ind AS 116 - 01.04.2019	331	-	-	-	-	-	-	-	-	-	331	-	-
Additions	219	8	5,119	645	21,194	-	3,874	225	103	539	31,926	644	103
Disposals / adjustments	-	(55)	-	-	(147)	-	(1)	(25)	(2)	(83)	(313)	(1,243)	-
As at 31.03.2020	550	8,916	36,750	18,851	1,07,342	12,845	9,909	3,616	783	1,871	2,01,433	644	242
Additions	-	884	1,911	247	5,191	-	298	250	85	85	8,951	2,862	18
Disposals / adjustments	-	-	-	-	(1,007)	-	(40)	(78)	(14)	(213)	(1,352)	(644)	-
As at 31.03.2021	**550**	**9,800**	**38,661**	**19,098**	**1,11,526**	**12,845**	**10,167**	**3,788**	**854**	**1,743**	**2,09,032**	**2,862**	**260**
Accumulated Depreciation and amortisation													
As at 01.04.2019	**-**	**-**	**4,173**	**1,064**	**38,682**	**7,329**	**2,251**	**1,483**	**418**	**506**	**55,906**	**-**	**119**
Depreciation and amortisation Expense	4	-	1,186	302	9,890	1,115	576	290	138	190	13,691	-	18
Disposals / adjustments	-	-	-	-	(68)	-	(1)	(12)	(2)	(38)	(121)	-	-
As at 31.03.2020	**4**	**-**	**5,359**	**1,366**	**48,504**	**8,444**	**2,826**	**1,761**	**554**	**658**	**69,476**	**-**	**137**
Depreciation and amortisation Expense	6	-	1,366	312	10,523	1,112	729	291	98	205	14,642	-	28
Disposals / adjustments	-	-	-	-	(280)	-	(16)	(43)	(13)	(125)	(477)	-	-
As at 31.03.2021	**10**	**-**	**6,725**	**1,678**	**58,747**	**9,556**	**3,539**	**2,009**	**639**	**738**	**83,641**	**-**	**165**
Net Carrying amount													
As at March 31, 2020	**546**	**8,916**	**31,391**	**17,485**	**58,838**	**4,401**	**7,083**	**1,855**	**229**	**1,213**	**1,31,957**	**644**	**105**
As at March 31, 2021	**540**	**9,800**	**31,936**	**17,420**	**52,779**	**3,289**	**6,628**	**1,779**	**215**	**1,005**	**1,25,391**	**2,862**	**95**

Notes:

1. The Group's lease arrangements comprise of leasehold land which have used for construction of manufacturing facility. The total cash outflow towards leased land is Nil for the year ended 31.03.2021 (Pr.Yr. ₹ 219 lakhs).
2. Property, Plant and Equipment include non-factory building given on lease with a gross carrying amount of ₹ 16,880 lakhs as at 31.03.2021 (Pr.Yr. ₹ 16,632 lakhs) and a net carrying amount of ₹ 15,422 lakhs as at 31.03.2021 (Pr.Yr. ₹ 15,451 lakhs).
3. Refer note 17 and 20 for assets given as securities for borrowings.
4. As per Ind - AS 20,"Accounting for Government Grants and Disclosure of Government Assistance", the company has opted to present the grant related to assets as deduction from the carrying value of such specfic assets. For financial year 2020-21 such amount deducted from Property, Plant and Equipment is ₹ 545 lakhs (Pr.Yr. Nil)

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(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
	FINANCIAL ASSETS		
5	**INVESTMENTS**		
	Investment measured at fair value through profit or loss Unquoted (all fully paid-up)		
	a) Investment in equity shares of other entity		
	1,50,000 (Pr.Yr.2,10,000) Equity shares of ₹ 100 each of Somanur Water Scheme Pvt Ltd.	150	210
	Aggregate value of unquoted investments	**150**	**210**
	Information about the Group's fair value measurement is included in Note 37		
6	**DEFERRED TAX ASSET (Net)**		
	MAT Credit Entitlement	3,731	3,786
	Less: Deferred Tax Liability	2,363	2,310
	Net deferred tax assets	**1,368**	**1,476**
	For movement in deferred tax assets (Refer Note 33)		
7	**OTHER NON - CURRENT ASSETS**		
	(i) Capital advances	19,405	1,587
	(ii) Advances other than capital advances		
	Security deposit	1,600	2,248
	Advance tax	1	89
	(iii) Others		
	Refund due from income tax	121	315
		21,127	**4,239**
8	**INVENTORIES**		
	Raw materials	48,291	9,747
	Work-in-progress **	3,450	2,803
	Finished goods (includes goods in transit of ₹ 2,664 lakhs (March 31, 2020 ₹ 815 lakhs))	33,570	39,554
	Stock-in-trade	911	15,697
	Stores, spares, packing and others	5,104	3,772
		91,326	**71,573**
	** Includes Cotton ₹ 2,375 Lakhs (Pr. Yr. ₹ 2,118 Lakhs), Fabric ₹ 28Lakhs (Pr. Yr. ₹ 28 Lakhs), Sugar Nil (Pr. Yr. Nil) and Garments ₹ 1,047 Lakhs (Pr. Yr. ₹ 657 Lakhs). The Mode of Valuation of inventories has been stated in Note 3		
	For the carrying value of inventories pledged as securities for borrowings, refer note 17 & 20.		
	FINANCIAL ASSETS		
	CURRENT INVESTMENTS		
9	**Investments in Mutual Funds (Quoted)**		
	Investments in mutual funds (Quoted) at fair value through Profit and Loss Nippon India & LIC mutual fund (also Refer Note 45)	23,344	701
	Aggregate value of quoted investments	**23,344**	**701**
	The Group's exposure to credit risk and price risk related to investments has been disclosed in Note 37.		

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(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
10	**TRADE RECEIVABLES**		
	Trade Receivables considered good - Unsecured	32,141	40,967
	Less: Loss allowance	(43)	(43)
	Net trade receivables	**32,098**	**40,924**
	Movement of loss allowance in trade receivables		
	Opening balance	43	82
	Allowances made / (reversed) during the year	-	-
	Written off	-	(39)
	Closing balance	**43**	**43**
	(i) For receivables secured against borrowings, refer Note 17 and Note 20		
	(ii) The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 37		
	(iii) For terms and conditions relating to related party receivables, refer Note 38		
11	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	109	67
	Balance with banks		
	i) In current accounts	4,388	3,463
	ii) In EEFC accounts	2,298	1,651
	iii) In deposit with original maturity of less than three months	-	10,000
		6,795	**15,181**
12	**Other Bank Balances**		
	i) Balance with banks held as margin money deposits	926	234
	ii) Unpaid dividend accounts	5	7
		931	**241**
	Note: The disclosures regarding details of specified bank notes held and transacted during 08.11.2016 to 30.12.2016 has not been made in these consolidated financial statements since the requirement does not pertain to the years presented.		
13	**OTHER FINANCIAL ASSETS**		
	Interest accrued on bank deposits and other deposits	259	125
	Technology upgradation fund subsidy receivable	96	79
	Term Deposit with Non-Banking Finance Companies	4,000	-
	Other advances	96	86
		4,451	**290**
	Information about the Group's exposure to credit risk and market risk are disclosed in Note 37		
14	**OTHER CURRENT ASSETS**		
	Advance for purchases	9,864	7,809
	Balances with government authorities GST/ VAT credit receivable	3,215	4,267
	Export incentive receivable	2,741	9,319
	Others (Primarily prepaid expenses)	678	712
		16,498	**22,107**

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(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
15	**EQUITY SHARE CAPITAL**		
	a) Authorised		
	9,00,00,000 (Pr.Yr. 9,00,00,000) Equity Shares of ₹ 5 each with voting rights.	4,500	4,500
	10,00,000 (Pr.Yr.10,00,000) 7% Redeemable Cumulative Non-Convertible Preference Shares of ₹ 100 each.	1,000	1,000
		5,500	**5,500**
	b) Issued, Subscribed and Fully Paid up		
	6,88,10,000 (Pr.Yr. 6,88,10,000) Equity Shares of ₹ 5 each fully paid-up with voting rights.	3,441	3,441
		3,441	**3,441**

15.1 Term / Rights to Shares

Equity Shares

The Company has issued only one class of equity shares having a face value of ₹ 5 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board declared and paid an interim dividend of 75% (₹ 3.75/- per share) of the face value of ₹ 5/- each for the year 2020-21 (Pr.Yr. ₹ 3.75).

The Board has recommended a final dividend of 15% (₹ 0.75/- per share) of the face value of ₹ 5/- each for the year 2020-21 (Pr.Yr. ₹ 0.75/- per share) subject to the approval of the shareholders in Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.2 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares with voting rights	As at 31.03.2021		As at 31.03.2020	
Particulars	**Number of Shares**	**(₹ in Lakhs)**	**Number of Shares**	**(₹ in Lakhs)**
At the beginning of the year	6,88,10,000	3,441	7,25,60,784	3,628
Less: Buyback	-	-	37,50,784	187
Outstanding at the end of the year	6,88,10,000	3,441	6,88,10,000	3,441

15.3 Details of Shareholders holding more than 5% of Shares in the Company

Equity Shares

Particulars	As at 31st March, 2021		As at 31st March 2020	
	Number of Shares	**%**	**Number of Shares**	**%**
Mr. K.P. Ramasamy	1,48,71,362	21.61	1,48,71,362	21.61
Mr. KPD Sigamani	1,48,71,362	21.61	1,48,71,262	21.61
Mr. P. Nataraj	1,48,71,362	21.61	1,48,71,362	21.61
L&T Mutual Fund Trustee Limited	42,41,855	6.16	46,60,112	6.77

NOTES

(₹ in Lakhs)

As per records of the Company, including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as at the balance sheet date.

15.4 Bonus shares/ buy-back/ shares for consideration other than cash issued during a period of five years immediately preceding year ended 31.03.2021:

(i) The Company has not issued any shares without payment being received in cash.
(ii) The Company has not issued any bonus shares.
(iii) The aggregate number of equity shares bought back by the Company is 65,55,784 (Pr.Yr. 65,55,784).

16	**OTHER EQUITY**	**As at 31.03.2021**	**As at 31.03.2020**
	Capital reserve		
	Opening Balance	293	293
	Changes during the year	-	-
	Closing balance (A)	**293**	**293**
	Securities premium		
	Opening Balance	19,096	19,096
	Changes during the year	-	-
	Closing balance (B)	**19,096**	**19,096**
	Balance in securities premium represents amount received on issue of shares in excess of par value. The same may be utilised in accordance with the provisions of the Companies Act, 2013		
	Capital Redemption reserve		
	Opening Balance	1,827	1,640
	Capital redemption on buyback	-	187
	Closing balance (C)	**1,827**	**1,827**
	Balance in capital redemption reserve represents an amount equal to the nominal value of share bought back. The same may be utilised by the Company for issuing fully paid bonus shares.		
	General reserve		
	Opening balance	24,845	24,845
	Add: Transfer from surplus in the statement of profit and loss	-	-
	Closing balance (D)	**24,845**	**24,845**
	The General reserve represents an amount transferred from retained earnings from time to time for appropriation purpose which can be utilised for meeting future obligations. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
	Retained earnings		
	Opening balance	1,37,085	1,29,515
	Add: Profit for the year	51,526	37,668
	Less:		
	Final dividend paid (₹ 0.75 per share)	516	544
	Tax on Final dividend paid	-	113
	Interim dividend paid (₹ 3.75 per share)	2,580	2,580
	Tax on Interim dividend	-	531
	Premium on buyback of equity Share	-	26,143
	Transferred to:		
	Capital redemption reserve	-	187
	Closing balance (E)	**1,85,515**	**1,37,085**
	The above reserve represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.		
	Total (A+B+C+D+E)	**2,31,576**	**1,83,146**

NOTES

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
	NON CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
17	**BORROWINGS**		
	Term Loans - Measured at Amortised cost		
	Secured		
	From banks (secured)	21,960	24,750
	Less : Amount included under 'other financial liabilities'	(4,729)	(4,707)
		17,231	20,043
	From others (unsecured) - Interest Free Sales Tax Loan - NPV	677	632
		17,908	**20,675**

Information about the Group's exposure to interest rate and liquidity risks is included in Note 37

17.1 Term Loans from banks are secured by pari-passu first charge on fixed assets and second charge on current assets of the Group.

17.2

i) The Company has availed a term loan from Bank of Baroda in respect of which balance as at 31.03.2021 was ₹ 991 Lakhs (Pr.Yr. ₹ 3,991 lakhs). The loan is repayable in 24 quarterly instalments commencing from June 2018. This term loan is secured by exclusive charge on fixed assets of expansion project and first charge on land and building situated at SIPCOT, Perundhurai.

ii) The Company has availed a term loan from IDBI Bank Limited in respect of which balance as at 31.03.2021 was ₹ 32 lakhs (Pr.Yr. ₹ 112 lakhs). The loan is repayable in 24 quarterly installments commencing from April 2016. This term loan is secured by hypothecation of machineries purchased out of the loan.

iii) The Company has availed a term loan from IDBI Bank Limited in respect of which balance as at 31.03.2021 was ₹ 129 lakhs (Pr.Yr. ₹ 692 lakhs). The loan is repayable in 24 quarterly instalments commencing from September 2015. This term loan is secured by equitable mortgage on the land, factory and non-factory building constructed out of the loan and hypothecation of machineries purchased out of the loan.

iv) The Company has availed an external commercial borrowing loan from Citi Bank NA New Jersey, USA in respect of which balance as at 31.03.2021 was Nil (Pr.Yr. ₹ 2,507). This term loan is secured by first pari passu charge on present and future stocks and book debts and second pari passu charge on present and future fixed assets. Interest rate relating to this term loan is Libor + 0.60% p.a.

v) K.P.R Sugar Mill Limited has availed a term loan from ICICI Bank Limited in respect of which balance as at 31.03.2021 was ₹ 307 Lakhs (Pr.Yr. ₹ 3,919 lakhs). The loan is repayable in 24 quarterly instalments commencing from March 2017. This term loan is secured by equitable mortgage on the land, factory and hostel building constructed out of the loan and hypothecation of machineries purchased out of the loan.

vi) Jahnvi Motor Private Limited has availed a term loan from IDBI Bank Limited in respect of which balance as at 31.03.2021 was Nil (Pr.Yr. ₹ \53 lakhs). The loan is repayable in 20 quarterly instalments commencing from October 2015. This term loan is secured by equitable mortgage on the land and building constructed out of the loan.

vii) K.P.R Sugar Mill Limited has availed a term loan from Bank of Baroda in respect of which balance as at 31.03.2021 was ₹ 7,001 Lakhs (Pr.Yr. ₹ 8,476 lakhs). The loan is repayable in 24 quarterly installments commencing from March 2020. This term loan is secured by First charge on fixed asset created out of this loan, second charge of current asset of the Company and second charge on other fixed assets of the Company

viii) K.P.R Sugar Mill Limited has availed a term loan from ICICI Bank in respect of which balance as at 31.03.2021 was ₹ 4,000 Lakhs (Pr.Yr. ₹ 5,000 lakhs). The loan is repayable in 10 quarterly instalments commencing from December 2020. This term loan is secured by second charge on fixed asset.

ix) KPR Sugar and Apparels Limited has availed a term loan from ICICI Bank Limited, during the year, in respect of which balance as at 31.03.2021 was ₹ 7,500 Lakhs. The loan is repayable in 16 quarterly installments commencing from March 2022. This term loan is secured by exclusive charge by equitable mortgage and hypothecation of fixed asset of garment division.

x) KPR Sugar and Apparels Limited has availed a term loan from ICICI Bank Limited, during the year, in respect of which balance as at 31.03.2021 was ₹ 2,000 Lakhs. The loan is repayable in 20 quarterly installments commencing from March 2023. This term loan is secured by first charge of hypothecation of all moveable assets of Ethanol Division. First pari passu charge by equitable mortgage and Hypothecation of immovable fixed assets of Ethanol Division

17.3 Interest rate relating to term loans from banks is in the range of 7.90% to 11.47% (Pr.Yr. 8.65% to 11.30%)

17.4 The Group has not defaulted in the repayment of principal and interest during the year.

NOTES

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
18	**DEFERRED TAX LIABILITIES (Net)**		
	Deferred tax liabilities (Refer Note 33)	4,303	4,736
	For movement in deferred tax liabilities (Refer Note 33)	**4,303**	**4,736**
19	**OTHER NON CURRENT LIABILITIES**		
	Payables on purchase of Property, plant and equipment	267	438
	Deferred revenue arising from government grants	195	240
	Security deposit from dealers - FASO	4	7
	Security Deposit - Contractor	-	2
	CURRENT LIABILITIES	**466**	**687**
	FINANCIAL LIABILITIES		
20	**BORROWINGS**		
	Loans repayable on demand from banks - Secured		
	Loans for working capital	11,771	14,034
	Packing credit	30,579	38,890
	Loans repayable on demand from others - Secured	753	458
		43,103	**53,382**

Information about the group's exposure to interest rate and liquidity risks is included in Note 37

20.1 i) Loans for working capital and packing credit are secured by pari passu first charge on the current assets of the Group and pari passu second charge on entire block of assets of the Group.

ii) The Group has not defaulted in its repayments of the loans and interest during the year.

iii) Interest rate relating to working capital loans are in the range of 7.85% to 11.08% per annum (Pr.Yr. 8.20% to 10.95%). Interest rates relating to USD packing credit are in the range of Nil per annum (Pr.Yr. 3.33% to 3.43%) and interest rates relating to INR packing credit are in the range of 1.50% to 5.35% per annum (Pr.Yr. 3.50% to 5.95%).

Reconciliation of cashflows from financing activities

(₹ in Lakhs)

Cash and cash equivalents	6,795	15,181
Non-current borrowings	(22,637)	(25,382)
Current borrowings	(43,103)	(53,382)
Net debt	**(58,945)**	**(63,583)**

	Other assets	Liabilities from financing activities		Total
	Cash and equivalents	Non-current borrowings includings current maturities	Current borrowings	
Net debt as at April 1, 2020	15,181	(25,382)	(53,382)	(63,583)
Net cash flows	(8,386)	2,745	10,279	4,638
Other non-cash movement	-	-	-	-
Net debt as at March 31, 2021	**6,795**	**(22,637)**	**(43,103)**	**(58,945)**
Net debt as at April 1, 2019	6,409	(16,554)	(69,079)	(79,224)
Net cash flows	8,772	(8,783)	15,697	15,686
Other non-cash movement	-	(45)	-	(45)
Net debt as at March 31, 2020	**15,181**	**(25,382)**	**(53,382)**	**(63,583)**

NOTES

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
21	**TRADE PAYABLES**		
	A. Total outstanding dues of Micro and small enterprises	909	616
	B. Total outstanding dues of creditors other than Micro and small enterprises	11,307	12,579
		12,216	**13,195**
	(i) All the trade payables are current and non-interest bearing. (ii) Refer note 35 for details of dues to Micro and small enterprises. (iii) The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 37. (iv) For terms and conditions relating to related party payables, refer Note 38		
22	**OTHER FINANCIAL LIABILITIES**		
	Current maturities of long term loans (Refer Note 17)	4,729	4,707
	Unclaimed dividend	5	7
	Interest accrued	22	60
	Others	4,866	2,905
		9,622	**7,679**
	Information about the Group's exposure to currency, interest rate and liquidity risks is included in Note 37		
23	**OTHER CURRENT LIABILITIES**		
	Advance payment from customers - Contractor liabilities (Refer Note below)	900	661
	Statutory dues payables	533	1,771
		1,433	**2,432**
	Note: Revenue recognised during the year that was included in the contract liability balance at the beginning of the year amounts to ₹ 661 lakhs. (Pr.Yr ₹ 1,415 lakhs)		
24	**CURRENT TAX LIABILITIES (Net)**		
	Provision for tax (net of advance tax)	2,438	345
		2,438	**345**
		Year ended	
25	**REVENUE FROM OPERATIONS**	**31.03.2021**	**31.03.2020**
	Sale of products	3,37,545	3,17,083
	Sale of services	5,169	3,493
	Other operating revenues	10,301	14,687
	Revenue from operations	**3,53,015**	**3,35,263**
	Disaggregation of revenue from contracts with customers In the following disclosure, Revenue from contract with customers have been disaggregated based on the nature and type of goods sold.		

NOTES

(₹ in Lakhs)

Sl. No.	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
25.1	**Sale of Products**		
	Garment	1,24,560	1,27,107
	Yarn	1,22,198	1,26,731
	Fabric	29,240	14,865
	Sugar	30,573	25,244
	Molasses	-	1,160
	Co-Gen Power	3,379	3,656
	Ethanol	14,011	1,210
	Automobile	3,901	7,389
	Cotton Waste	8,432	9,752
	Accessories and Others	1,646	1,525
		3,37,940	**3,18,639**
	Less: Discount Allowed	395	1,556
		3,37,545	**3,17,083**
25.2	**Sale of Services**		
	Processing and fabrication income	4,718	2,937
	Automobile service income	451	556
		5,169	**3,493**
25.3	**Other Operating Revenues**		
	Export incentives	7,502	11,465
	Others (primarily scrap sales)	2,799	3,222
		10,301	**14,687**
26	**OTHER INCOME**		
	Interest income on		
	Cash and bank balances	319	63
	Others	109	127
	Gain on sale of investments (net)	359	546
	Net gain on sale of property, plant and equipment	26	199
	Miscellaneous income	205	71
	Rental Income	2,866	2,640
		3,884	**3,646**
27	**COST OF MATERIALS CONSUMED**		
	a) Inventory of materials at the beginning of the year		
	Cotton	2,081	41,666
	Dyes and chemicals	432	327
	Yarn, fabric and Polyester	7,234	8,242
		9,747	**50,235**
	b) Add : Purchases		
	Cotton	1,25,162	75,851
	Dyes and chemicals	6,825	6,893
	Yarn, fabric, polyester and garments	31,374	31,053
	Trims, packing and others	13,423	14,225
	Sugar cane and coal	34,970	19,134
		2,11,754	**1,47,156**
	c) Less : Inventory of materials at the end of the year		
	Cotton	40,441	2,081
	Dyes and chemicals	478	432
	Yarn, fabric and polyester	7,372	7,234
		48,291	9,747
	Total	**1,73,210**	**1,87,644**

NOTES

(₹ in Lakhs)

Sl. No.	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
28	**CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE AND WORK-IN-PROGRESS**		
	a) Inventories at the beginning of the year		
	Finished goods	39,554	40,996
	Work-in-progress	2,803	2,990
	Stock-in-trade (Refer Note 49)	15,697	1,487
		58,054	**45,473**
	b) Inventories at the end of the year		
	Finished goods	33,570	39,554
	Work-in-progress	3,450	2,803
	Stock-in-trade	911	15,697
		37,931	58,054
	Net Decrease / (Increase)	**20,123**	**(12,581)**
29	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	31,893	31,409
	Contribution to provident and other funds	2,263	2,210
	Staff welfare expenses	5,212	5,821
		39,368	**39,440**
30	**FINANCE COSTS**		
	Interest expense on financial liabilities measured at amortised cost		
	Term loans	963	1,506
	Working capital loans	1,323	2,704
	Interest on shortfall in payment of income tax	244	132
	Net (gain) / loss on foreign currency transaction & translation	214	-
	Interest on interest free sales tax loan	45	45
	Others	495	578
		3,284	**4,965**
31	**OTHER EXPENSES**		
	Manufacturing Expenses		
	Power and fuel	12,467	12,624
	Consumption of stores and packing materials	5,054	4,110
	Repairs and Maintenance		
	Building	616	804
	Machinery	5,630	5,936
	Others	901	451
	Insurance	525	340
	Administration Expenses		
	Legal and professional charges	240	321
	Rent (Refer Note 43)	367	296
	Rates and taxes	212	259
	Payment to auditor (Refer note 32)	30	22
	Travelling and conveyance	615	752
	Expenditure on Corporate Social Responsibility (CSR) (Refer note 36)	993	831
	Donations	14	250
	Foreign exchange loss (Net)	15	2
	Impairment loss on financial assets	295	1,782
	General expenses	568	799
	Selling Expenses		
	Freight and forwarding	2,946	2,724
	Sales commission	2,305	1,153
	Other selling expenses	605	1,453
		34,398	**34,909**

NOTES

32. PAYMENT TO AUDITORS (including payment to subsidiaries auditors)

(₹ in Lakhs)

Particulars	2020-21	2019-20
Statutory audit fees	29	21
Reimbursement of expenses	1	1
Total	**30**	**22**

33. INCOME TAX

(₹ in Lakhs)

Particulars	2020-21	2019-20
33.1 Income tax recognised in the statement of profit and loss		
Current tax		
Current income tax charge	17,427	11,850
Adjustment in respect of current income tax of prior years	259	(927)
	17,686	**10,923**
Deferred tax		
Origination and reversal of temporary difference	(326)	737
Reduction in tax rate	-	(1,586)
MAT Credit Entitlement	-	(575)
Total	**17,360**	**9,499**

33.2 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	2020-21			2019-20		
	Amount	Tax (expense) / Benefit	Net of Tax	Amount	Tax (expense) / Benefit	Net of Tax
Remeasurements of defined benefit liability / asset	-	-	-	-	-	-

33.3 Reconciliation with effective tax rate

The Income tax expense for the year can be reconciled to the accounting profit as follows

(₹ in Lakhs)

Particulars	Effective Tax Rate		Amount	
	2020-21	2019-20	2020-21	2019-20
Profit before tax			68,886	47,167
Tax using the Company's domestic tax rate	26.82%	27.38%	18,478	12,915
Effect of deductions under Chapter VI-A of the Income Tax Act, 1961	-2.36%	-6.20%	(1,625)	(2,923)
Effect of non-deductible expenses and others	0.36%	2.14%	248	1,009
	24.82	23.32%	17,101	11,001
Adjustments recognised in the current year in relation to the current tax of prior years	0.38%	-1.97%	259	(927)
MAT Credit Entitlement	0.00%	-1.22%	-	(575)
Income tax recognised in the statement of profit and loss	**25.20%**	**20.14%**	**17,360**	**9,499**

Note: The Group recognizes MAT credit availed in earlier years as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group reviews the MAT credit entitlement asset at each reporting date and writes down the asset to the extent it is no longer probable that it will pay normal tax during the specified period.

33.4 Movement in Deferred Tax Liabilities

Particulars	Balance as at 01.4.2019	Recognised in P&L during 2019-20	Recognised in/ OCI during 2019- 20	Balance as at 31.03.2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as at 31.03.2021
Property, Plant and Equipment	5,670	(934)	-	4,736	(434)	-	4,302
Total	**5,670**	**(934)**	-	**4,736**	**(434)**	-	**4,302**

NOTES

33.5 Movement in Deferred Tax Assets :

Particulars	Balance as at 01.4.2019	Recognised in P&L during 2019-20	Recognised in/ OCI during 2019- 20	Balance as at 31.03.2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as at 31.03.2021
Property, Plant and Equipment	2,225	85	-	2,310	53	-	2,363
MAT Credit Entitlement	(3,212)	(574)	-	(3,786)	55	-	(3,731)
Total	**(987)**	**(489)**	**-**	**(1,476)**	**108**	**-**	**(1,368)**

Note: Pursuant to the amendment in Income Tax Act, 1961 effective 20.09.2019, which provides for an option to domestic companies to pay income tax at reduced rates, the Company exercised the option permitted under section 115BAA of the Income Tax Act,1961 and suitable adjustments have been made in the tax expense for the year ended 31.03.2020.

34 Contingent Liabilities and Commitments (to the extent not provided for)

I. Contingent Liabilities

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
(a) Claims against the Company not acknowledged as debts #		
(i) Income Tax demands	1,142	1,147
(b) Bank Guarantees in favour of parties		
(i) Tamil Nadu Generation and Distribution Corporation [TANGEDCO]	164	164
(ii) Tamil Nadu Pollution Control Board	5	5
(iii) Tata Power Trading Company Limited	100	72
(iv) Bank Note Paper Mill India Private Limited	-	50
(v) New Tirupur Area Water Development Corporation Limited	58	58
(vi) Indian Oil Corporation	122	76
(vii) Bharat Petroleum Corporation Limited	54	92
(viii) Hindustan petroleum Corporation Limited	46	-
(ix) Central Government Samarath Scheme	2	-
(c) Letter of Credit Facility in favour of Suppliers		
(i) Foreign Letter of Credit	669	1,950
(d) Discounted sales invoices	6,812	2,479
(e) Provident Fund: Pursuant to the Supreme Court judgement dated 28.02.2019 on the inclusion of special allowances for contribution to provident fund, the Group has been legally advised that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of the reliable measurement of the provision for earlier periods, the Group has not recorded a provision for the prior years.		

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities

II. Commitments

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
(a) Capital Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for.	62,726	433
(b) Other Commitments		
(i) Export obligations against the import licenses taken for import of capital goods under the Export Promotion on Capital Goods Scheme and advance license scheme for import of raw material. The duty implication involved is ₹ 696 Lakhs (Pr.Yr. ₹ 2,599 Lakhs)	4,177	15,596

NOTES

35 Disclosure with respect to Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006") is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
1. The Principal amount remaining unpaid to any supplier at the end of each accounting year	909	616
2. Interest due remaining unpaid to any supplier at the end of each accounting year	-	-
3. The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

36 Corporate Social Responsibility Expenditure

The gross amount required to be spent by the Group during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ 888 Lakhs (Pr.Yr. ₹ 831 Lakhs). Amount spent during the year on CSR activities (included in Note 31 of the Statement of Profit and Loss) as under:

(₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2021	31.03.2020
Promotion of Education	888	825
Donation to Chief Minister's Relief Fund - Covid-19	102	-
Protection of agroforestry, animal welfare & flora and fauna	-	5
Funding for crematorium Building	-	1
Rural Development Projects	3	-
Total	**993**	**831**

NOTES

37 Financial Instruments

Accounting Classification and Fair Values:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

31.03.2021 (₹ in Lakhs)

Particulars	Carrying amount				Fair Value Hierarchy
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	
Financial assets measured at fair value					
Non-current investments	150	-	-	150	Level 2
Current Investments	23,344	-	-	23,344	Level 1
Financial assets not measured at fair value					
Trade receivables	-	32,098	-	32,098	-
Cash and cash equivalents	-	6,795	-	6,795	-
Other bank balances	-	931	-	931	-
Other financial assets	-	4,451	-	4,451	-
Financial liabilities not measured at fair value					
Borrowings	-	-	61,011	61,011	-
Trade payables	-	-	12,216	12,216	-
Other financial liabilities	-	-	9,622	9,622	-

31.03.2020 (₹ in Lakhs)

Particulars	Carrying amount				Fair Value Hierarchy
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	
Financial assets measured at fair value					
Non - Current Investments	210	-	-	210	Level 2
Current investments	701	-	-	701	Level 1
Financial assets not measured at fair value					
Trade receivables	-	40,924	-	40,924	-
Cash and cash equivalents	-	15,181	-	15,181	-
Other bank balances	-	241	-	241	-
Other financial assets	-	290	-	290	-
Financial liabilities not measured at fair value					
Borrowings	-	-	74,057	74,057	-
Trade payables	-	-	13,195	13,195	-
Other financial liabilities	-	-	7,679	7,679	-

For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not required as the carrying amounts approximates the fair values.

NOTES

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 17, 20 and 22 off set by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group's net debt to equity ratio as at March 31, 2021 was as follows

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Debt *	65,740	78,764
Less : Cash and Bank Balances *	7,726	15,422
Net Debt	58,014	63,342
Total equity	2,35,017	1,86,587
Net Debt to Equity Ratio	24.69%	33.95%

* Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in Notes 17, 20 and 22. Cash and Bank balances include cash and cash equivalents and other bank balances as described in Notes 11 and 12.

Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- Market risk (See A below)
- Credit risk (See B below)
- Liquidity risk (See C below)

Risk Management Framework

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

The respective Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The respective Company's board of directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A. Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of holding of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk

The Group's sales and purchases activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Group enters into plain vanilla forward contracts to manage its exposure to foreign currency risk.

NOTES

Details of hedged and unhedged foreign currency exposures

(a) Outstanding forward exchange contracts for hedging purposes as on 31.03.2021

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
USD	INR	43,476 (60,598)	Sell Sell
EURO	INR	3,770 (8,308)	Sell Sell
GBP	INR	3,572 (6,466)	Sell Sell

Note: Figures in brackets relates to the previous year

(b) The year-end unhedged foreign currency exposures are given below

Foreign currency denominated financial assets and liabilities (including firm commitments, if any) which expose the Group to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in Rupees.

	USD	EURO	GBP	JPY	CHF	TOTAL
As at 31.03.2021						
Trade receivables	8,145	1,112	1,818	-	-	11,075
Cash and cash equivalents	-	-	-	-	-	-
Trade payables	(84)	(421)	-	-	(70)	(575)
	8,061	**691**	**1,818**	**-**	**(70)**	**10,500**

	USD	EURO	GBP	JPY	CHF	TOTAL
As at 31.03.2020						
Trade receivables	3,532	578	1,038	-	-	5,148
Cash and cash equivalents	-	-	-	-	-	-
Trade payables	(1,213)	-	-	(289)	-	(1,502)
Borrowing	-	(2,507)	-	-		(2,507)
	2,319	**(1,929)**	**1,038**	**(289)**	**-**	**1,139**

Note: Trade receivables and Trade payables includes firm commitments.

Sensitivity Analysis :

Sensitivity analysis is carried out for un-hedged foreign exchange risk as at March 31, 2021. For every 1% strengthening / weakening of Indian Rupees against all relevant uncovered foreign currency transactions, profit before tax and equity would be impacted as follows:

Increase / (decrease) in Profit and equity	Strengthening		Weakening	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
USD	(81)	(23)	81	23
Euro	(7)	19	7	(19)
GBP	(18)	(10)	18	10
JPY	-	3	-	(3)
CHF	1	-	(1)	-
	(105)	**(11)**	**105**	**11**

NOTES

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Interest rate exposure

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Non-current borrowings	17,908	20,675
Current borrowings	43,103	53,382
Other financial liabilities (Refer Note 22)	4,729	4,707
Total	**65,740**	**78,764**

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at 31.03.2021. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately ₹ 657 lakhs (Pr.Yr: ₹ 788 lakhs). Similarly, for every 1% decrease in average interest rates, there would be an equal and opposite impact on the profit before tax. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

(iii) Price risk

The Group is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. As at 31.03.2021, the investments in mutual funds amounts to ₹ 23,344 lakhs (Pr.Yr. ₹ 701 lakhs). As regards Group's investments in unquoted equity securities, the management contends that such investments do not expose the Group to price risks. In general, these securities are not held for trading purposes.

Sensitivity analysis:

For every 1% increase in price, profit before tax would be impacted by gain of approximately ₹ 233 lakhs (Pr.Yr. ₹ 7 lakhs). Similarly, for every 1% decrease in price there would be an equal and opposite impact on the profit before tax.

B. Credit risk management

Credit risk is the risk that the counterparty to a financial instrument will not meet its contractual obligations, leading to a financial loss. Credit risk primarily arises from the Group's trade receivables, investments, cash and cash equivalents, other bank balances and other financial assets. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables:

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Trade receivables	32,098	40,924

NOTES

The Group mitigates credit risk by strict receivable management procedures and policies. The Group has a dedicated independent team to review credit and monitor collection of receivables. In addition, the Group mitigates credit risk substantially through availment of credit insurance for both domestic and export buyers.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, the management believes that unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Group are not expected to be able to pay their outstanding dues, mainly due to economic circumstances.

The concentration of credit risk is limited due to the customer base being large and unrelated. Further, the Group constantly evaluates the quality of trade receivable and provides allowance towards doubtful debts based on expected credit loss model.

For movement of loss allowance in trade receivables, refer note 10.

Investments :
Investments of surplus funds are made only with approval of Board of Directors. This primarily include investments in equity instruments of an unlisted entity and mutual funds. The Group does not expect significant credit risks arising from these investments.

Cash and cash equivalents and Other bank balances :
The Group held cash and cash equivalents and margin money deposits with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Other financial assets :
Other financial assets primarily consists of Interest accrued on bank deposits and other deposits and term deposit with Non Banking Finance companies. The Group does not expect any loss from non-performance by these counter-parties.

C. Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current financial liabilities are disclosed in Note 17.

38 Related Party Disclosures

Disclosures under "Ind AS" 24– Related Party Disclosure, as identified and disclosed by the management and relied upon by the Auditors:

38.1 Name of related parties and nature of relationships

Key Management Personnel	Mr. K.P. Ramasamy Mr. KPD Sigamani Mr. P. Nataraj Mr. C.R. Anandakrishnan Mr. E.K. Sakthivel
Relatives of Key Management Personnel	Mrs. D. Geetha (Daughter of Mr. KPD Sigamani)
Enterprises owned by Key Management Personnel/Directors or their relatives	M/s K.P.R. Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited

NOTES

38.2 Transactions during the year and the balance outstanding at the balance sheet date (₹ in Lakhs)

Nature of Transaction	Enterprises owned by key management personnel / Directors or their relatives	Key Management Persons	Relatives to Key Management Persons	Total as on 31.03.2021
Lease Rent Paid	- -	1 (1)	- -	1 (1)
Remuneration / Salary	- -	1,756 (1,758)	6 (6)	1,762 (1,764)
Balance outstanding as at the balance sheet date Trade Payable	- -	925 (668)	- -	925 (668)

(Previous year figures are shown in brackets)

38.3 Details of transactions with related parties

a. Lease Rent Paid (₹ in Lakhs)

Particulars	2020-21	2019-20
Mr. K.P. Ramasamy	0.19	0.19
Mr. KPD Sigamani	0.18	0.18
Mr. P. Nataraj	0.18	0.18
Total	**0.55**	**0.55**

b. Remuneration / Salary (₹ in Lakhs)

Particulars	2020-21	2019-20
Mr. K.P. Ramasamy	572	572
Mr. KPD Sigamani	572	572
Mr. P. Nataraj	572	572
Mr. C.R. Anandakrishnan	22	24
Mr. E.K. Sakthivel	18	18
Mr. D. Geetha	6	6
Total	**1,762**	**1,764**

Note: Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

c. Trade Payable (₹ in Lakhs)

Particulars	2020-21	2019-20
Mr. K.P. Ramasamy	321	238
Mr. KPD Sigamani	312	232
Mr. P. Nataraj	290	197
Mr. C.R. Anandakrishnan	2	-
Mr. E.K. Sakthivel	-	1
Total	**925**	**668**

NOTES

38.4 Terms and conditions of transactions with related parties

Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

38.5 Transfer pricing

The Group has transactions with related parties. For the financial year ended 31.03.2020, the Group has obtained the Accountant's report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the year ended 31.03.2021, the Group maintains documents as prescribed by the Income-tax Act to prove that these transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

39 Earnings Per Share (EPS)

Particulars	2020-21	2019-20
Profit for the year attributable to the equity shareholders (₹ in Lakhs)	51,526	37,668
Weighted average number of equity shares (Refer Note a)	6,88,10,000	7,12,08,042
Face Value Per Share (₹)	5	5
Earnings Per Share - Basic & Diluted (₹)	74.88	52.90

Notes

a. The Calculation of Weighted Average Number of Equity Shares for the purpose of basic and diluted Earnings per Share is as follows:

Particulars	2020-21	2019-20
Opening balance	6,88,10,000	7,25,60,784
Effect of Shares bought back during the year	-	(13,52,742)
Weighted Average Number of Equity Shares	**6,88,10,000**	**7,12,08,042**

During the previous year, the Company bought back 37,50,784 fully paid-up equity shares of face value ₹ 5/- each through "Tender route" process at a price of ₹ 702/- per share.

b. The Company does not have any potential equity shares. Accordingly basic and diluted earnings per share would remain the same.

40 Goodwill on Consolidation

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Opening Balance	70	70
Add: On acquisition of subsidiaries during the year	-	-
Total	**70**	**70**
Less: On disposal of subsidiaries during the year	-	-
Less: Impairment		
Closing Balance	70	70

NOTES

41 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the respective Company's Board of Directors to make decisions about resources to be allocated to the segments and assess their performance. The Board of Directors is considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 - Operating Segments.

The Group has classified its operations primarily into three reporatable segments viz., Textile, Sugar and Others based on 'Management Approach' as defined in Ind-AS 108. These segments offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the reporatable segments, the respective Company's Board of Directors reviews internal management reports on atleast a quarterly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the respective Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

41.1 (₹ in Lakhs)

Particulars	For the year ended 31.03.2021			
	Textile	Sugar	Others	Total
External Revenue	2,98,356 (2,92,138)	49,612 (34,092)	5,047 (9,033)	3,53,015 (3,35,263)
Inter-segment revenue	- -	- -	- -	- -
Total	2,98,356 (2,92,138)	49,612 (34,092)	5,047 (9,033)	3,53,015 (3,35,263)
Segment results before other income, finance costs and tax	61,380 (41,930)	6,484 (6,010)	422 (546)	68,286 (48,486)
Unallocable expenses (net)				- -
Operating income				68,286 (48,486)
Less: Finance costs				3,284 (4,965)
Add: Other income (net)				3,884 (3,646)
Profit before tax				68,886 (47,167)
Less: Tax expense				17,360 (9,499)
Profit for the year				51,526 (37,668)

Note : Figures in bracket relate to the previous year

NOTES

41.2

(₹ in Lakhs)

Particulars	For the year ended 31.03.2021			
	Textile	Sugars	Others	Total
Segment Assets	2,45,248 (2,23,900)	77,096 (59,002)	2,621 (2,663)	3,24,965 (2,85,565)
Unallocable Assets				1,541 (4,153)
Total Assets				3,26,506 (2,89,718)
Segment Liabilities	56,417 (68,835)	33,813 (30,604)	1,176 (1,471)	91,406 (1,00,910)
Unallocable Liabilities				83 (2,221)
Total Liabilities				91,489 (1,03,131)
Capital Employed (Segment asset - Segment Liabilities)				2,35,017 (1,86,587)
Other information Capital expenditure	3,820 (17,650)	5,142 (14,186)	7 (193)	8,969 (32,029)
Depreciation and amortisation	10,370 (10,513)	4,188 (3,068)	112 (128)	14,670 (13,709)

Note : Figures in brackets relate to the previous year

42 Geographical information on revenue and assets:

The geographic information analyses the Group's revenues and non-current assets by the Company's country of domicile and overseas. In presenting the geographical information, segment revenue has been determined based on the geographical location of the customers and non - current assets has been determined based on the geographical location of the assets.

Revenue from sale of products and services by Geographic Location of Customers

(₹ in Lakhs)

Particulars	2020-21	2019-20
India	2,22,655	1,85,795
Overseas	1,20,059	1,34,781
Total	**3,42,714**	**3,20,576**

Non-current assets* by geographic location of assets

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
India	1,48,453	1,35,867
Overseas	1,092	1,148
Total	**1,49,545**	**1,37,015**

*Non-current assets exclude financial instruments and deferred tax assets.

No single customer contributed 10% or more to the Group's revenue for both the financial years 2020-21 and 2019-20.

NOTES

43 Operating Lease Disclosure

43.1 As Lessee:

The Group has taken factory premises, office spaces, plant and equipment and vehicles on cancellable operating leases. The leases are for varied periods which are classified as short-term leases under Ind AS 116. The Group has incurred ₹ 367 lakhs (Pr.Yr.:₹ 296 lakhs) for the year ended 31.03.2021 towards expenses relating to short-term leases. The total cash outflow for leases is ₹ 367 lakhs (Pr.Yr : ₹ 515 lakhs) for the year ended 31.03.2021, including cash outflow of short-term leases.

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Minimum lease payments not later than one year	212	300
Later than one year but not later than five years	623	569
More than five years	1,002	1,398

43.2 As Lessor:

The Group has given certain non-factory building on cancellable operating leases and has earned rental income of ₹ 2,866 lakhs (Pr.Yr.:₹ 2,582 lakhs) for the year ended 31.03.2021. Since the aforesaid leases are short-term in nature, there are no lease payments receivable after one year as at 31.03.2021. The expected amount of minimum lease payments to be received within one year is ₹ 2,866 lakhs (Pr.Yr.: ₹ 2,582 lakhs)

44 Disclosure of Employee Benefits

44.1 Defined Contribution Plans

(₹ in Lakhs)

Particulars	2020-21	2019-20
Provident Fund	2,140	1,976
Employee State Insurance	694	775

44.2 Defined Benefit Plan - Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined (asset) / liability and its components.

NOTES

(₹ in Lakhs)

		2020-21	2019-20
A	**Changes in present value of Obligation**		
	PV of obligation as at the beginning of the year	975	745
	Current Service Cost	58	188
	Interest Cost	62	42
	Benefits paid	(66)	-
	Balance at the end of the year	**1029**	**975**
B	**Reconciliation of fair value of plan assets:**		
	Balance at the beginning of the year	975	789
	Interest income	36	57
	Benefits paid	-	-
	Contributions by the employer	16	129
	FV of Plan Asset as at end of the year	**1027**	**975**
	Plan assets comprises of :		
	% of Investment with insurer	100	100
C	**Net Asset/(Liability) recognized in the Balance Sheet**		
	Present value of obligation as at end of the year	1029	975
	Fair value of plan asset as at end of the year	1027	975
	Funded Status [Surplus/(Deficit)]	**(2)**	-
D	**Expense recognized in the Consolidated Statement of Profit and Loss**		
	Current Service Cost	58	188
	Interest Cost	62	42
	Expected return on Plan Assets	(36)	(57)
		84	**173**
E	**Remeasurement recognised in other comprehensive income**		
	Actuarial (gains) / losses on defined benefit obligation	-	-
	Actuarial (gains) / losses on plan assets	-	-
F	**Actuarial Assumptions**		
	Discount Rate (per annum)	7.21%	6.83%
	Rate of increase in compensation levels (per annum)	7.50%	8.00%
	Rate of return on plan assets (per annum)	7.21%	6.83%
	Attrition rate (per annum)	4.00%	4.00%
	Expected average remaining working lives of employees (years)	27.09	27.29
	Demographic Assumptions - Based on Indian Assured Lives Mortality (2012-14)		

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

Asset-liability matching strategies

The Group has funded the liability with the insurance company. The entire investible assets are managed by the fund managers of the insurance company and the asset values as informed by the insurance company has been taken for valuation purpose. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rates (in particular, the significant fall in interest rates, which should result in a increase in liability without a corresponding increase in the asset).

NOTES

Expected contributions to the plan for the next annual reporting period

The expected benefits are based on the same assumptions as are used to measure Company's defined benefit plan obligations as at 31.03.2021. The Company is expected to contribute ₹195 lakhs (Pr.Yr: ₹187 Lakhs) to defined benefit plan obligations funds for the year ending 31.03.2022.

(₹ in Lakhs)

	2020-21	2019-20
Weighted average duration of the defined benefit obligation	**17.50 years**	**18.17 years**
Disclosure related to indication of effect of the defined benefit plan on the entity's undiscounted future cash flows		
Payout in the next		
1 year	32	29
1-2 years	35	26
2-3 years	34	30
3-4 years	37	30
4-5 years	40	33
5 years and beyond	2,834	2,789

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31.03.2021		31.03.2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(111)	135	(116)	142
Salary growth (1% movement)	130	(109)	135	(113)
Attrition rate (1% movement)	(12)	14	(22)	26

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

45 Details of quoted current investment:

(₹ in Lakhs)

Particulars	31.03.2021		31.03.2020	
	Units	Amount	Units	Amount
Nippon India Mutual Fund	2,22,493	11,197	6,53,815	701
LIC Mutual Fund	3,28,037	12,147	-	-
Total	**5,50,530**	**23,344**	**6,53,815**	**701**

NOTES

46 Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, containing salient features of financial statements of Subsidiary Companies

2020-21 (₹ in Lakhs)

Particulars	Quantum Knits PVT. Limited	K.P.R. Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	KPR Sugar and Apparels Limited	KPR Exports PLC	KPR Mill Pte. Limited
Country of incorporation	India	India	India	India	India	Ethiopia	Singapore
Reporting currency	INR	INR	INR	INR	INR	BIRR	SGD
Exchange rate	1	1	1	1	1	1.7854	54.5200
Share Capital*	10	583	5	193	1,836	1,594	28
Other equity	2,016	48,683	(1)	1,252	9,340	(616)	(155)
Total Assets	2,113	77,566	4	2,621	20,909	1,469	783
Total Liabilities	87	28,300	-	1,176	9,733	491	910
Revenue from operations	136	64,615	-	5,047	-	393	1,197
Profit / (Loss) Before Tax	12	10,498	-	348	-	(231)	(182)
Tax expense / (credit)	3	2,044	-	95	-	-	(2)
Profit / (loss) after tax	9	8,454	-	253	-	(231)	(180)
Proposed Dividend	-	-	-	-	-	-	-
% of Share Holding	100	100	100	100	100	100	100

* Includes share application money pending allotment of ₹ 1,170 lakhs relating to KPR Exports PLC, ₹ 7 lakhs relating to KPR Mill Pte. Limited and ₹ 698 Lakhs relating to KPR Sugar and Apparels Limited

2019-20 (₹ in Lakhs)

Particulars	Quantum Knits PVT. Limited	K.P.R. Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	KPR Exports PLC	KPR Mill Pte. Limited
Country of incorporation	India	India	India	India	Ethiopia	Singapore
Reporting currency	INR	INR	INR	INR	BIRR	SGD
Exchange rate	1	1	1	1	2.2807	52.9584
Share Capital	10	583	5	193	1,594	28
Other equity	2,007	40,255	(1)	999	(385)	25
Total Assets	2,032	79,294	4	2,663	1,392	660
Total Liabilities	15	38,456	-	1,471	183	607
Revenue from operations	-	54,210	-	9,033	1,030	180
Profit / (Loss) Before Tax	(15)	9,571	-	345	(387)	29
Tax expense / (credit)	-	1,194	-	95	-	4
Profit / (loss) after tax	(15)	8,377	-	250	(387)	25
Proposed Dividend	-	-	-	-	-	-
% of Share Holding	100	100	100	100	100	100

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

47. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries

2020 -2021

(₹ in Lakhs)

Name of the Entity	Net Assets i.e., Total Assets minus Total Liabilities		Share of Profit or Loss		Share in other comprehensive income		Share in total other comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	Amount
Parent								
K.P.R.Mill Limited	74.64%	1,90,654	83.89%	43,262	-	-	83.96%	43,262
Subsidiaries - Indian								
1. M/s Quantum Knits Private Limited	0.79%	2,026	0.02%	9	-	-	0.02%	9
2. M/s K.P.R.Sugar Mill Limited	19.29%	49,266	16.39%	8,454	-	-	16.41%	8,454
3. M/s Jahnvi Motor Private Limited	0.57%	1,445	0.49%	253	-	-	0.49%	253
4. M/s Galaxy Knits Limited	0.00%	4	-	-	-	-	0.00%	-
5. KPR Sugar and Apparels Limited	4.38%	11,176	-	-	-	-	0.00%	-
Subsidiaries - Foreign								
M/s KPR Exports Plc, Ethiopia	0.38%	978	-0.45%	(231)	-	-	-0.45%	(231)
M/s KPR Mill Pte Limited, Singapore	-0.05%	(127)	-0.35%	(180)	-	-	-0.35%	(180)
Less : Eliminations		(20,405)		(41)				(41)
	100%	**2,35,017**	**100%**	**51,526**	**-**	**-**	**100%**	**51,526**

2019-2020

(₹ in Lakhs)

Name of the Entity	Net Assets i.e., Total Assets minus Total Liabilities		Share of Profit or Loss		Share in other comprehensive income		Share in total other comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated Total OCI	Amount
Parent								
K.P.R.Mill Limited	76.86%	1,50,488	78.12%	29,461	-	-	78.21%	29,461
Subsidiaries - Indian								
1. M/s Quantum Knits Private Limited	1.03%	2,017	-0.04%	(15)	-	-	-0.04%	(15)
2. M/s K.P.R.Sugar Mill Limited	20.86%	40,838	22.21%	8,377	-	-	22.24%	8,377
3. M/s Jahnvi Motor Private Limited	0.61%	1,192	0.66%	250	-	-	0.66%	250
4. M/s Galaxy Knits Limited	0.00%	4	0.00%	-	-	-	0.00%	-
5. KPR Sugar and Apparels Limited	0.00%	-	0.00%	-	-	-	-	-
Subsidiaries - Foreign								
M/s KPR Exports Plc, Ethiopia	0.62%	1,209	-1.03%	(387)	-	-	-1.03%	(387)
M/s KPR Mill Pte Limited, Singapore	0.03%	53	0.07%	25	-	-	0.07%	25
Less : Eliminations	-	(9,214)	-	(43)	-	-	-	(43)
	100%	**1,86,587**	**100%**	**37,668**	-	-	**100%**	**37,668**

NOTES

48 Impact of COVID - 19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Group has considered internal and external information while finalizing various estimates in relation to its consolidated financial statements captions upto the date of approval of the consolidated financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions.

49 Stock In Trade

During the previous year, owing to the prevailing market conditions which led to significant decline in the price of cotton and considering management's intention to hold a portion of its inventory as stock-in-trade, the Company had measured the said inventory at lower of cost and net realizable value. Consequent to the above, the amount of write-down charged to the Consolidated statement of profit and loss for the year ended 31.03.2020 was ₹ 4,347 lakhs .

50 Events after reporting period

The Board has recommended a Final Dividend of 15% (₹ 0.75/- per share of the face value of ₹ 5/- each) for the year 2020-21 subject to the approval of the Shareholders in Annual General Meeting.

The notes from 1 to 50 are an integral part of these consolidated financial statements.

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

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

K.P. Ramasamy
Chairman
DIN: 00003736

K. Sudhakar
Partner
Membership No. : 214150

KPD Sigamani
Managing Director
DIN: 00003744

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

PL Murugappan
Chief Financial Officer

P. Kandaswamy
Company Secretary

Coimbatore
April 28, 2021

Chennai
April 28, 2021

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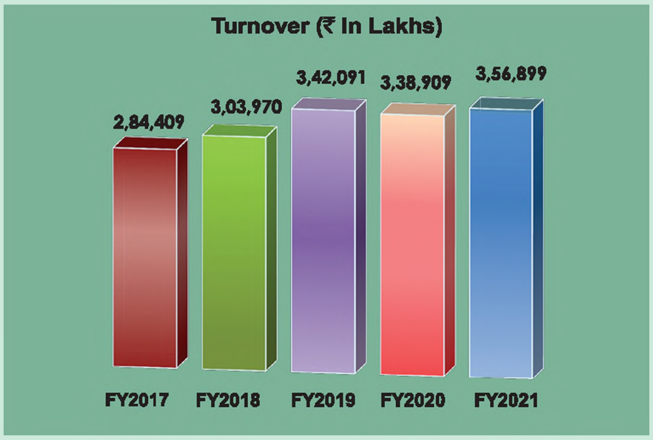
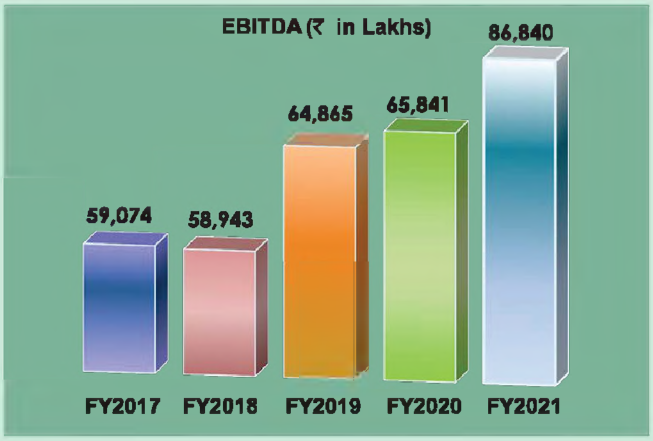
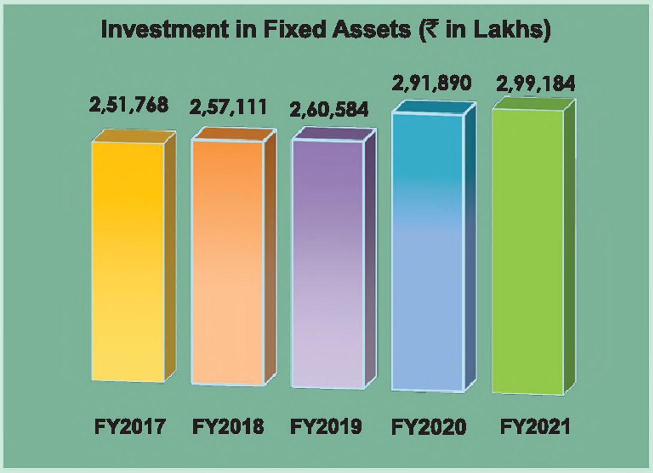
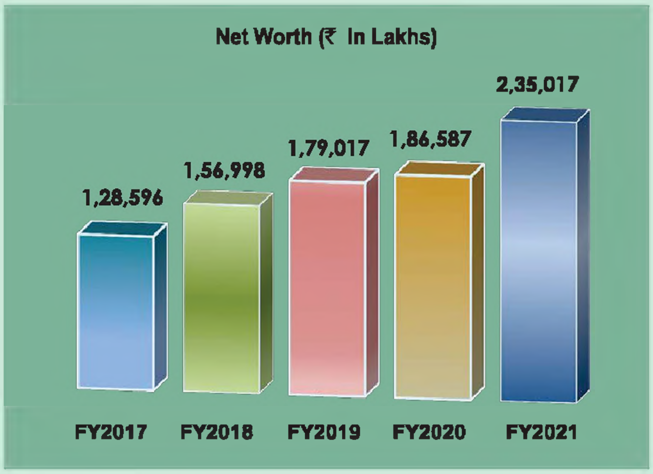
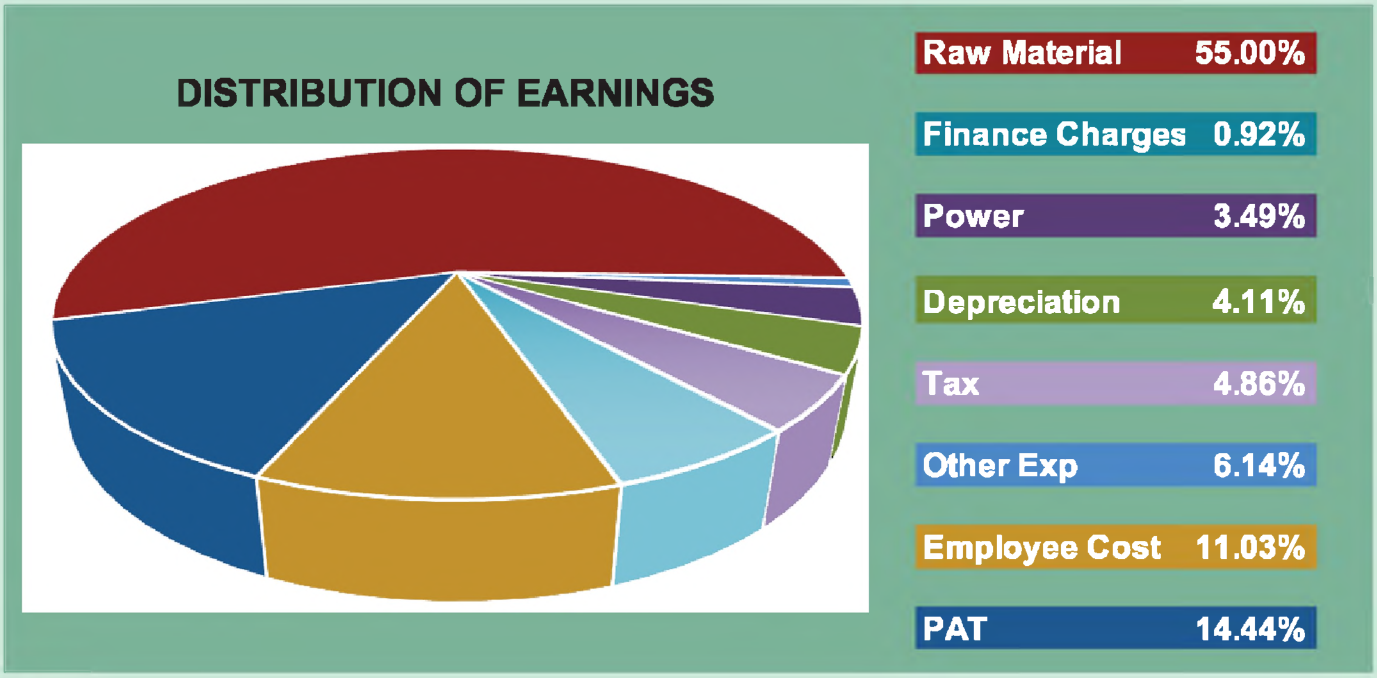

Turnover (₹ In Lakhs)
2,84,409
3,03,970
3,42,091
3,38,909
3,56,899
FY2017
FY2018
FY2019
FY2020
FY2021


EBITDA (₹ in Lakhs)
59,074
58,943
64,865
65,841
86,840
FY2017
FY2018
FY2019
FY2020
FY2021


Investment in Fixed Assets (₹ in Lakhs)
2,51,768
2,57,111
2,60,584
2,91,890
2,99,184
FY2017
FY2018
FY2019
FY2020
FY2021


Net Worth (₹ In Lakhs)
1,28,596
1,56,998
1,79,017
1,86,587
2,35,017
FY2017
FY2018
FY2019
FY2020
FY2021


DISTRIBUTION OF EARNINGS
Raw Material 55.00%
Finance Charges 0.92%
Power 3.49%
Depreciation 4.11%
Tax 4.86%
Other Exp 6.14%
Employee Cost 11.03%
PAT 14.44%

Corporate Office :

K.P.R. MILL LIMITED

1st Floor, Srivari Shrimat, 1045, Avinashi Road,
Coimbatore - 641 018

Phone : +91 422 220 7777 | Fax : +91 422 220 7778
CIN : L17111TZ2003PLC010518
Email : corporate@kprmill.com

www.kprmilllimited.com