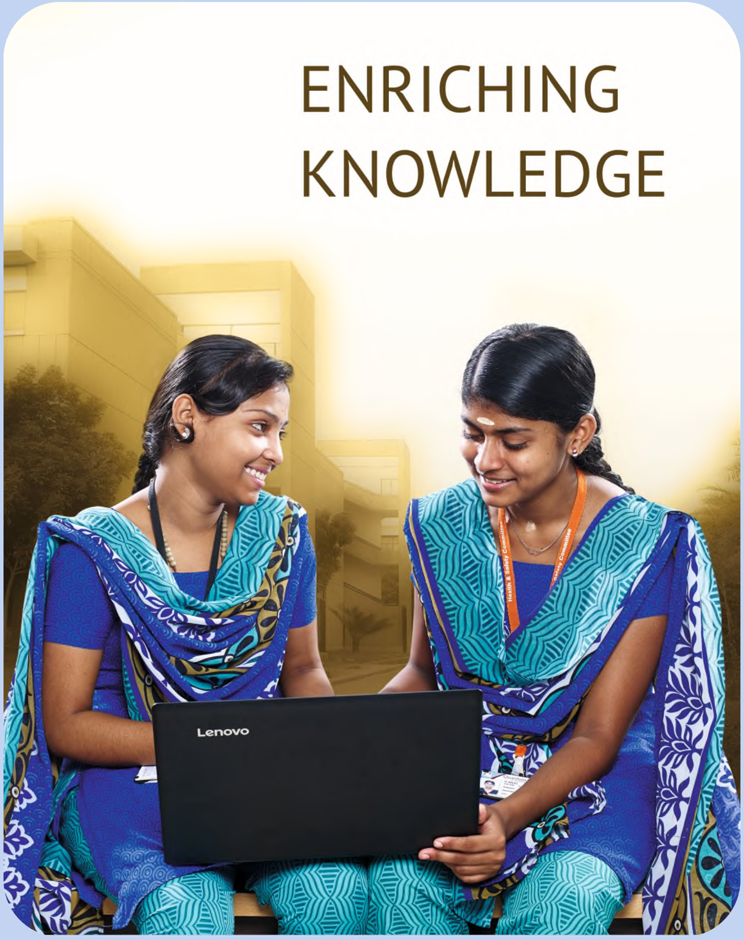
KPR
MILL LIMITED

FASO®
INNERWEAR | ATHLEISURE

19th Annual Report 2021-22



HIGHLIGHTS 2021-22

	(₹ in Lakhs)
Total Revenue	4,90,970
PBDIT	1,30,593
PBT	1,14,152
PAT	84,184
Cash Profit	98,296
Assets	3,80,067
Net worth	3,18,685
EPS - ₹	24.47
Cash EPS - ₹	28.57

NEW SOPHISTICATED SUGAR, COGEN & ETHANOL PLANT AT KARNATAKA

KPR's successive growth is built upon the combined efforts of virtue-driven leadership, hard-working workforce, unstinted support from the stakeholders and the customers who place their trust in its Products. The culture KPR has built throughout the years took root in the founding principles, virtues and visions held by its founders. It was shaped by the relationships that the founders and their masterly products and services built with the customers and stakeholders. K.P.R Mill Limited, now considered as one of the Top 10 Listed Textile Companies in India with diversified business focus spanning across Yarn, Fabrics, Garments, Green Power Sugar and Ethanol provides employment to over 25,000 people (90% are women). The Company has earned a great deal of experience of over three decades to produce an indelible mark in the textile landscape. Manufacturing an impressive product range of textile varieties such as Readymade Knitted Apparel; Fabrics; Compact, Melange, Carded, Combed, Polyester, Vortex Viscose and Fancy Yarn, the Company reaches out to global customers with diligence, superior quality and delivery excellence.

The illustrious 'K.P.R Group' has 15 Manufacturing units of advanced technology equipped with a capacity to produce 1,00,000 MT of Cotton yarn & 4,000 MT Viscose yarn per annum; 40,000 MT fabrics per annum; 157 million ready-made knitted apparel per annum, one of the largest Garment Producers in India; Industry acclaimed ETP embedded Fabric Processing capacity of 30,000 MT per annum equipped with Advanced Cold Processing Technology and Sophisticated Printing Division with a capacity to print 7500 MT per annum; 30 Million High Fashion Garments placement printing per annum; 66 Wind mills with a total green power generation capacity of 61.92 MW; Co-gen cum Sugar Plants with an aggregate capacity of 90 MW & 20,000 TCD and Ethanol Plants with 360 KLPD capacity. The unique 100% organic cotton FASO products with multiple special features has set its foot strongly in the Retail industry at South. Inspired by the market response, the plans for spreading its wings in the rest of the Nation is in progress.

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

Our results in FY 2022 is one of the best in our 19-years history, with a record Revenue of ₹ 4910 Crores and a Net profit of ₹ 842 Crores. It has been an exciting year for us. Despite the disruptions that have impacted the industry and value chain, we achieved growth. Our consistent performance over the years has been made possible by our strategic plans and timely execution; state-of-art manufacturing facilities with the latest technology; delivery of innovative products of international standards; hard work and commitment from over 25,000 dedicated work force; reliability and long relationships with the customers that established strong market position and the favourable demand conditions. Keeping pace with the market demand, KPR has upgraded its entire spinning capacity to value – added yarn such as compact, melange, colour melange, PC, slub, grindle and vortex.

Amidst this competitive environment, the rising costs and unpredictability of quality raw cotton have emerged as a key challenge for the textile industry. Allowing duty free import of cotton till 30th September, 2022 by the Government is expected to bring some relief for the Indian Textile and Apparel Industry. The bright side is that the industry is seeing new business opportunities arising due to change in geopolitical situation that provides huge opportunities for Indian textiles and clothing industry to boost exports from the current level.

MAJOR CAPEX

During the year, besides the Expansion plans in Garment and Sugar, modernisation was implemented in some of our units.

KPR EXPORTS PLC

The uncertainty of normalcy at Tigray, where our Garment unit is situated, had forced us to close our operations at Ethiopia. Moreover, the deprival of USA duty-free access to Ethiopia

CEMCA AWARD PRESENTED TO KPR EMPLOYEE BY HON'BLE MINISTER OF HUMAN RESOURCES, MALAYSIA DATUK SERI SARAVANAN MURUGAN

over the ongoing conflict in Tigray has also defeated the very purpose of establishment of Garment Factory therein by the Garment Industry. As the political turmoil still continues there, we have sought the help of Ethiopian Investment Commission and Indian Embassy to bring back Capital Equipment from the Garment Factory to India.

EXPANSION

In FY 2022, established a new Garment facility with a capacity to produce 42 million knitted garments per annum at Chengappally, Erode District Tamil Nadu and ramping of its production is in progress. The expansion of sugar, co-generation and ethanol production capacity with 10,000 TCD, 50 MW and 230 KLPD at Chowdapur, Gulbarga District, Karnataka has also been completed.

WORK FORCE

The success of a business also depends on the success of its employees. Establishing and maintaining positive working conditions develop a sense of belonging making the employees more engaged, productive and committed to the success of an Organisation. The trendsetter HR facilities continue to extend learning paths to more employees. Besides, also extends career path to them guiding the talented to advance in their career too adding value to the work force. Rewarding our efforts and the excellent coaching offered through skilled teachers, as in every year, our Employees have marked achievements as detailed below:

I. At the 13th convocation of the Tamil Nadu Open University (TNOU) held at Chennai, eight employees of KPR have secured Gold medals for securing First Ranks in various courses, from the Governor of Tamil Nadu.

Among them, one girl has secured an award instituted by 'Commonwealth Educational Media Center for Asia' (CEMCA) for securing highest marks.

II. 100% results were achieved in the recently concluded 10th Standard and 12th Standard Government Examinations. As in every year, some of them are also Top Scorers and recognizing their achievement, KPR has awarded Scholarship for their collegiate education.

III. Our Career development process has also uplifted the career growth for 174 employees by securing Placement in various reputed Organisations spread over the Nation.

A PROUD MOMENT TO CHERISH

We are also glad that KPR IAS Academy has consecutively

OATH TAKING CEREMONY OF EMPLOYEES GRADUATED AT THE CONVOCATION

produced astounding results in civil service exams 2020-21.

• Out of eight students who have successfully cracked the Civil Services exams from the Academy, one candidate has secured 1st Rank at Tamilnadu level and 42nd Rank at All India Level.

• In the IFOS category one candidate has secured 1st Rank at Tamilnadu level and 16th Rank at All India Level.

CREDENTIALS

The Market cap as on 31.03.2022 has elevated KPR's ranking at 207th place among the top 500 Listed Companies (Last year 319th place).

We are happy to note that KPR was one among the top 5 Companies shortlisted by one of the financial magazines for the purpose of awarding 'Corporate Governance Award', based on the feedback from Investors, Bankers, analysts etc.

FUTURE AHEAD

Global Textile & Apparel (T&A) is one of the largest in world trade. Its export is effectively in the midst of a gradual shift away from single source country. After witnessing a strong recovery from the pandemic, the entire Indian Textile & Apparel Industry is now embarked upon a new trajectory of growth. During FY 2022, export of textiles and clothing registered a significant growth after several years of stagnation due to unfavorable market dynamics. Considering the export potential of the sector and Govt's strategy to boost exports through bilateral deals are helping the country to achieve the novel goals. The country has signed an FTA with UAE and trade deal with Australia. Also, FTA negotiations with EU and UK, Canada etc., are in process. We are committed to quality, excellent customer relations & services and shall continue to maintain the ethical, moral and professional standard in our business dealings. We continue to make progress on our value creation model based on a balanced pursuit of top-line and bottom-line growth with capital efficiency. Our ability to continuously deliver profitable growth demonstrates the consistency and dependability of our company.

We believe that we have built a strong foundation for the future with sustainable and profitable growth for the long term.

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

K.N.V. Ramani
Director

G.P. Muniappan
Director

A.M. Palanisamy
Director

Dr.K. Sabapathy
Director

C. Thirumurthy
Director

Dr. S. Ranganayaki
Director

P. Selvakumar
Director

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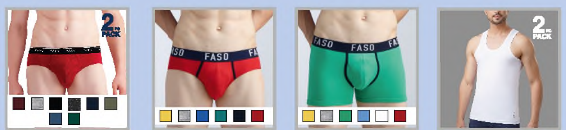
INNERWEAR

KEY COLLECTIONS

K101 | MRP.469/- · K102 | MRP.599/- · K103 | MRP.479/- · K104 | MRP.419/-

K201 | MRP.329/- · K202 | MRP.499/- · K203 | MRP.359/- · K204 | MRP.509/-

COMFORT



FS1001 | MRP.409/- · FA1005 | MRP.229/- · FA1006 | MRP.279/- · FA1008 | MRP.469/-

FA1009 | MRP.299/-

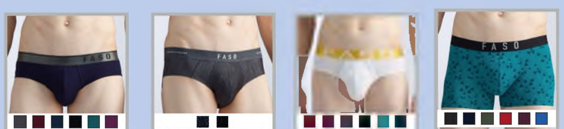
STYLE

FS2001 | MRP.299/- · FS2002 | MRP.229/- · FS2003 | MRP.269/- · FS2004 | MRP.239/-

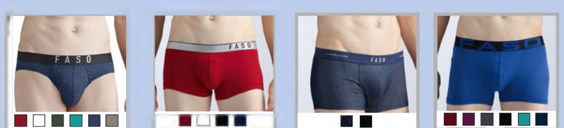
FA2013 | MRP.279/- · FS2006 | MRP.319/- · FS2007 | MRP.349/- · FA2023 | MRP.339/-

FS2009 | MRP.329/-

SUPREME



FS3002 | MRP.299/- · FS3009 | MRP.269/- · FA3014 | MRP.359/- · FS3007 | MRP.369/-



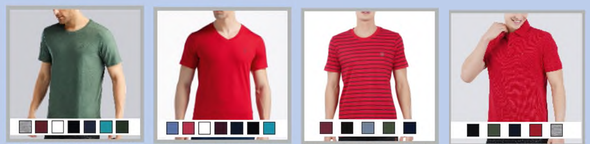
FS3004 | MRP.289/- · FS3005 | MRP.319/- · FS3010 | MRP.309/- · FA3017 | MRP.399/-

ATHLEISURE

KEY COLLECTIONS

FS2010 | MRP.289/-

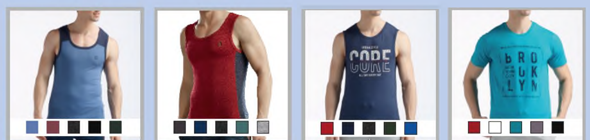
COMFORT



FS4001 | MRP.429/- · FS4002 | MRP.429/- · FA4020 | MRP.599/- · FA5001 | MRP.799/-

FS4005 | MRP.709/- · FS4009 | MRP.549/- · FS4010 | MRP.909/-

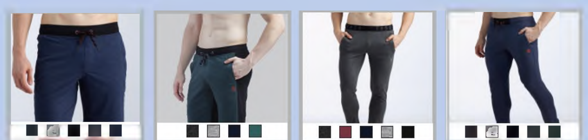
STYLE



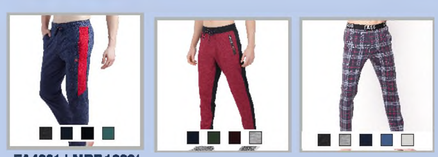
FS4003 | MRP.359/- · FS4004 | MRP.359/- · FS306 | MRP.419/- · FA4019 | MRP.499/-

FS4008 | MRP.909/- · FS4015 | MRP.1309/-

SUPREME



FS4006 | MRP.769/- · FA4016 | MRP.909/- · FS4012 | MRP.1149/- · FS4013 | MRP.1219/-



FA4021 | MRP.1209/- · FA4022 | MRP.1409/- · FA4024 | MRP.1409/-

51 STYLES

AVAILABLE SIZES : S, M, L, XL (IN ALL PRODUCTS) & 2XL(K201,K202,K203,K204,FS1001,FS2002,FS2006,FS4001,FS4005,FS4010,FA4020)

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ATHLEISURE

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REGISTERED OFFICE

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

CORPORATE OFFICE

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

CHIEF FINANCIAL OFFICER

PL Murugappan

COMPANY SECRETARY & COMPLIANCE OFFICER

P. Kandaswamy

STATUTORY AUDITORS

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

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

COMPANY CIN

L17111TZ2003PLC010518

DIRECTORS' REPORT

Dear Members,

The Board of Directors takes pleasure in presenting the report on the operations and business of the Company along with Audited Financial Statements for the Financial Year ended 31st March, 2022.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Sales and Other Income:-				
Domestic Sales	**2,42,442**	1,81,428	**2,95,811**	2,22,382
Export Sales	**1,52,427**	1,06,694	**1,71,667**	1,20,059
Other Income	**20,961**	11,038	**23,492**	14,185
	4,15,830	2,99,160	**4,90,970**	3,56,626
Profit before Interest & Depreciation	**1,06,853**	70,235	**1,30,593**	86,840
Less : Interest	**1,339**	1,961	**2,329**	3,284
Depreciation	**7,565**	9,792	**14,112**	14,670
Profit Before Tax	**97,949**	58,482	**1,14,152**	68,886
Less : Taxation:-				
Provision for Current Tax	**24,870**	15,453	**29,706**	17,427
Tax relating to earlier years	**(75)**	201	**(53)**	259
	24,795	15,654	**29,653**	17,686
Deferred Tax expense / Credit	**74**	(434)	**315**	(326)
Profit After Tax	**73,080**	43,262	**84,184**	51,526
Other Comprehensive Income (Net of tax)	**-**	-	**-**	-
Total Comprehensive Income	**73,080**	43,262	**84,184**	51,526

REVIEW OF OPERATIONS

We are glad to report a good financial results driven by solid performance from all segments during the year under review. KPR recorded the highest ever turnover and Profit After Tax (PAT). The textile business continues to be good. The historic high demand for cotton resulted in spiraling its prices, both at domestic and the international markets due to which the yarn prices have also gone up. Irrespective of the record high prices of cotton, the demand for cotton products are also going up. Given the sharp recovery in the US and the European markets export garment orders remained healthy. The wind power generation during the year was good.

WAY FORWARD

With the Covid pandemic coming towards an end, the global economy is likely to recover and so the demand for Textile & Apparel (T&A) products is expected to be good. The Government of India is also making concerted efforts for branding of Indian T&A Industry on the global front to help Indian Companies increase their share in the global market. It is high time for the T&A Companies to leverage the present conditions to ready themselves to adapt to the present changes to ensure their growth prospects. The FTA negotiations with major countries will also help India to get concessional duties for its textile products. We are sure that all these FTAs together when fructified, will help India gaining more access to these established markets.

COVID 19 IMPACTS

The Omicron variant has again resulted in another COVID wave not only in India but across the globe. However, its impact seems lesser as compared to earlier Covid waves, with more and more people getting vaccinated and observance of safety measures. The Government had relaxed the lockdown norms and also lifted restrictions in a phased manner to bring back normalcy. The continuous best health and safety care norms adopted by KPR has averted its impact on the operations of the Company.

DIRECTORS' REPORT

BRANDED RETAIL BUSINESS

FASO

The positive response to our 100% organic FASO products launched in the Southern States have enthused us to vigorously pursue its 'Pan India' spread. However, the continuous spillover of pandemic in different form for the past two years has been delaying the process. Currently FASO Products are sold through more than 3000 retail stores. Besides, its online sale is also growing steadily.

DIVIDEND

The Board in its meeting held on 27.04.2022 has recommended a Final Dividend of 15% (₹0.15) on Equity Shares of ₹1 each (Rupee One only), subject to the approval of the Members at the 19th (Nineteenth) Annual General Meeting.

FINANCE

We are happy to inform that the comfortable financial position continued during the year. We have repaid entire term loans availed and funded the new garment project and sugar cum ethanol project of our Wholly Owned Subsidiary Company.

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

QUANTUM KNITS PVT. LIMITED

The garment business has been consolidated for effective management. Its Board has recommended a Dividend.

K.P.R. SUGAR MILL LIMITED

<u>SUGAR AND COGEN</u>

The goodwill gained through honoring our payment commitments promptly ensured the sustained support from the cane growers. The sugarcane crushing commenced in October 2021, produced 1,23,893.50 MT of Sugar. The Co-gen plant produced 1,249 lakhs units of power. Out of the above, 646.75 lakhs units were sold and 601.92 lakh units captively consumed. The Central Government's regulatory measures continues to help the Industry to perform better.

<u>ETHANOL PLANT</u>

The enhanced capacity of Ethanol plant (130KLPD) started accelerating the revenue. During the year 33,863 KL of Ethanol was produced, using Sugar Syrup and Molasses and the entire production was sold to Oil Marketing Companies.

Supportive Sugar prices in both the International and domestic markets, Government's measures on increasing ethanol blending are expected to improve the earnings of the Company.

KPR SUGAR AND APPARELS LIMITED

The new 42 million Garments production capacity at Chengapally, Tirupur district, Tamil Nadu has been commissioned on 21.11.2021. Ramping up of its capacity is in progress.

The new Sugar, Cogen and Ethanol Factory at SF. No. 144/2, Chinamageri Village, Afzalpur Taluk, Kalaburagi (Gulbarga) District – 585265, Karnataka State has also been successfully commissioned with a Capacity of 10,000 TCD Sugar, 50 MW Cogen Power and 230 KLPD Ethanol. Trial production is in progress.

JAHNVI MOTOR PRIVATE LIMITED

The third covid wave have subdued the buyer sentiments thereby impacting the expected growth level in sale of automobiles as a whole. However, despite adverse market conditions, the Company could sell 88 Audi Cars and earned a total revenue of ₹64.11 Crores. Driven by the demand for new products and continuous demand for electric vehicle range the Audi car sales is expected to pick up in the near future.

Its Board has recommended a Dividend.

GALAXY KNITS LIMITED

The Company has not yet commenced its operation.

K P R EXPORTS PLC - ETHIOPIA

The tide of the civil war at Ethiopia had fluctuated wildly forcing its Government to declare a state of emergency there. The prevalence of continuous social disturbance therein forced us to close its operations since revival of activities became remote. In order to take back our capital materials therein we have sought its

Government's support and help. We are closely monitoring the situation to take necessary steps at appropriate time.

KPR MILL PTE. LTD - SINGAPORE

The wholly owned Subsidiary was established at Singapore for the purpose of marketing the Products manufactured at India and Ethiopia.

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 referred to as Listing Regulations). Familiarization Program on the Company and its operation was conducted for the Independent Directors. Requisite declaration from the Independent Directors of the Company under Section 149 (7) of the Act confirming that they meet with the criteria of their Independence laid in Section 149 (6) have been obtained. Mr. K.P. Ramasamy was re-appointed as the Executive Chairman of the Company for a further term of five years by passing special resolution through Postal Ballot on 21.04.2022.

Mr.P.Selvakumar, Whole-time Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

KEY MANAGERIAL PERSONNEL AND MANAGERIAL REMUNERATION CRITERIA

In pursuance of the Act the Company has Key Managerial Personnel. None of the Managing Directors or Whole Time Directors receives any remuneration or commission from the Subsidiary Companies and the remuneration paid to them is within the purview of the provisions of Section 197 of the Act. The Company pays remuneration by way of salary, perquisites 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 https://kprmilllimited.com/policy/

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

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Act & Regulation 17(9) of the Listing Regulation, the Company has a Risk Management Policy and has constituted a Risk Management Committee. The Risk Management Committee held its meetings on 27.07.2021 and 12.01.2022 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 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 displayed in the company website.

CSR EXPENDITURE

During the year, in pursuance of the recommendations of the CSR committee the Company has contributed ₹1026.63 Lakhs (2.25% 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 28.04.2021, 27.07.2021, 27.10.2021, 07.02.2022 and 14.03.2022. 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. However, as per regulatory requirements an omnibus approval of the audit committee for such transactions has been obtained.

The Transactions as required under Indian Accounting Standards AS-24 are reported in Note 39 of the Notes to Accounts of the Standalone Financial Statements as well as Note 39 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

Realizing that the Education and employment are the two basic tools which can change the economic and social status of woman, KPR continues to concentrate on mobilizing women work force from the rural villages and empower them with the employment as well as higher education. 90% of our Employees are woman who get value addition through KPR's outstanding employee welfare schemes. The pandemic conditions could not deter our dedicated efforts in upgrading their educational qualifications. So far over 31,000 employees are benefitted by the higher education and vocational training facilities. During the year also, the unique placement scheme extended by the Company enabled 174 employees to get placement in other reputed Companies in the on-campus selection conducted by them under our initiative.

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 31.03.2022 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

During the year under review the Company has not issued any shares. However, the Company has sub-divided its Equity shares and resorted to Buyback of shares as explained below.

SUB-DIVISION OF EQUITY SHARE (SPLIT OF SHARE)

After obtaining the consent of the Members of the Company in the 18th AGM and complying with the applicable provisions of the Act and Regulations, the Equity Shares of the Company of the Face value of ₹5/- each has been split into 5 equity shares of Face value of ₹1/- each during September 2021. The new ISIN of the Company is **INE930H01031.**

DIRECTORS' REPORT

BUYBACK

The Board of Directors of the Company resorted to a Buyback of 22,36,000 fully paid-up equity shares (0.65% of the pre Buyback equity share capital) of the face value of ₹1/- each from all the existing shareholders on a proportionate basis, through the "Tender Route" process at a price of ₹805/- per Equity Share payable in cash. The total consideration amounted to ₹179.99 Crores representing 9.53% and 7.73% of the aggregate of the fully paid-up equity share capital and free reserves, as per the audited accounts of the Company for the year ended March 31, 2021. After complying with the applicable laws, the Company bought back 22,36,000 Equity Shares. The funds in respect of accepted Equity Shares have been paid out. Buyback was completed on 26th April 2022. The present paid up Capital post Buyback is ₹34.18 Crores.

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 five Years from the Financial Year 2017 - 18. The Audit committee and the Board recommends the continuity of BSR & Co LLP, Chartered Accountants as Statutory Auditors for the second term of five consecutive years from FY 2022-23.

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 2021-22.

SECRETARIAL AUDIT REPORT & CERTIFICATES AND SECRETARIAL STANDARDS COMPLIANCE

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

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

ANNUAL RETURN

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

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year as on 31.03.2022 and the date of this Report. Only the Buyback of shares commenced in FY 2021-22 has been completed on 26.04.2022

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
27.04.2022

ANNEXURE TO THE DIRECTORS REPORT

Form AOC – 1

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

Financial Summary of Subsidiary Companies

(₹ in Lakhs)

Particulars	K.P.R. Sugar Mill Limited	Quantum Knits PVT. Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	KPR Sugar and Apparels Limited	KPR Exports PLC	KPR Mill PTE. Limited
Share Capital*	583	10	5	193	5,100	424	21
Reserves & Surplus	59,653	2,018	(1)	1,437	44,206	(275)	(189)
Total Assets	81,553	2,110	4	3,422	1,28,634	149	51
Total Liabilities	21,317	82	-	1,792	79,328	-	219
Investments (Excluding investment in subsidiaries)	-	-	-	-	-	-	-
Turnover	88,652	10	-	6,411	195	41	132
Profit /(loss) Before Tax	16,026	(1)	-	258	(794)	(829)	(41)
Provision for Tax	5,029	(3)	-	73	-	-	-
Profit /(loss) After Tax	10,997	2	-	185	(794)	(829)	(41)
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, ₹7 lakhs relating to KPR Mill Pte. Limited and ₹1,239 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	238.33
Mr. KPD Sigamani	Managing Director	No increase	238.33
Mr. P. Nataraj	Managing Director	No increase	238.33
Mr. C. R. Anandakrishnan	Executive Director	No increase	10.00
Mr. E.K. Sakthivel	Executive Director	No increase	7.50
Mr. P. Selvakumar	Whole time Director	17.18%	6.05

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	13.63%
Mr. P. Kandaswamy	Company Secretary	5.41%

4. Percentage increase in the Median Remuneration of employees in the financial year: 11.59%

5. Number of Permanent Employees on the roll of the Company at the end of the year: 20,536

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

The average annual increase in the salaries of employees during the year was 11.59% which is more than the average increase, if any, in Managerial Remuneration.

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

For and on behalf of the Board

K.P.Ramasamy
Chairman
DIN: 00003736

Coimbatore
27.04.2022

ANNEXURE TO THE DIRECTORS REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for Financial Year 2021-22

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.**

   Corporate social responsibility is a practice in which businesses voluntarily take part to self-regulate and contribute to social and environmental improvement projects. As proven in India, engaging in a dedicated approach to CSR presents one of the best avenues for a business to sustainably grow. India, the world's fastest-growing economy, is also home to CSR, one of the strangest corporate laws on the planet. It is the only country in the world that requires companies to have a corporate social responsibility policy.

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

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

S.No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K.P.Ramasamy	Chairman	1	1
2	Mr. KPD Sigamani	Managing Director	1	1
3	Mr. P. Nataraj	Managing Director	1	1
4	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) - ₹**45,674 Lakhs**

7. (a). Two percent of average net profit of the company as per section 135(5) – ₹ **913.47 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) – ₹**913.47 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
1,026.64	Nil				

ANNEXURE TO THE DIRECTORS REPORT

(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 ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - 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 for the project (₹ In Lakhs).	Mode of implementation - 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	911.26	Yes	-	-
2	Donation to Chief Minister's Public Relief Fund - Covid-19	Disaster Management		Tamil Nadu		109.00	Yes	-	-
3	Women Empowerment	Women Empowerment	Yes	Tamil Nadu	Coimbatore	6.38	Yes	-	-
	Total					**1026.64**			

(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) – ₹1026.64 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)	913.47
(ii)	Total amount spent for the Financial Year	1026.64
(iii)	Excess amount spent for the financial year [(ii)-(i)]	113.17
(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	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							
3							
	Total						

NIL

(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 ₹)	Status of the project - Completed/ Ongoing.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1								
2								
3								
	Total							

NIL

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 reason(s), if company has failed to spend 2% of the average net profit as per section 135(5) - **Not Applicable**

	P. Nataraj	**K.P. Ramasamy**
Coimbatore	Managing Director	Chairman
27.04.2022	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 unit, the existing pumps and motors (IE2 efficiency) 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 result in consumption of economized power and fuel that would reduce the cost of production. Total energy consumption & Consumption per unit of production are as per Form `A' below:

FORM A – PARTICULARS IN RESPECT OF ENERGY CONSUMPTION:

Particulars	Units	2021-22	2020-21
1. Power & Fuel Consumption			
A) Electricity			
i) Connected Load	KVA	42,915	42,915
ii) Purchase of Units	Lakh Units	1,065	210
iii) Total Amount	₹ Lakhs	7,735	1601
iv) Rate Per Unit (Average)	₹	7.26	7.64
v) Demand Charges	₹ Lakhs	1,674	1,581
B) Electricity from Third Party			
i) Purchase of Units	Lakh Units	722	1,439
ii) Total Amount	₹ Lakhs	3,896	6,774
iii) Rate Per Unit (Average)	₹	5.40	4.71
2. Own Generation			
i) Through Diesel Generator			
Units generated	Lakh Units	2	3
Total Amount	₹ Lakhs	61	66
Cost/Unit	₹	28.18	23.11
Units/Litre of Diesel	Units	3.23	3.26
ii) Through Wind Mill			
Units generated	Lakh Units	1,050	863
iii) Through Steam Turbine Units			
Coal/Furnace Oil / Others	Units	NIL	NIL
3. Consumption per unit of Production			
a) Production of Yarn	Kgs	8,51,98,948	7,60,30,242
Electricity (units) per Kg of yarn Production	Units	2.70	2.71
b) Processed Fabric	Kgs	2,14,77,954	1,78,59,844
Electricity (units) per Kg of Fabric Processed	Units	1.08	1.15
c) Garment Produced – In House	Kgs	11,27,50,741	8,46,22,665
Electricity consumed/ Garment Production	Units	0.19	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 Quality of Products, Development of new Products and Designs, Cost control measures, Energy Conservation.

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

   Sustained quality of products at economized cost.

3. Future Plan of Action:

   Continuous focus on innovations in Textile development processes & products.

4. Technology absorption, adaptation and innovation:

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakhs)

S.No	Particulars	2021-22	2020-21
1	Foreign Exchange earned through exports amounted to	1,52,427	1,06,694
2	Foreign exchange used	11,916	25,864

For and on behalf of the Board

K.P. Ramasamy
Chairman
DIN: 00003736

Coimbatore
27.04.2022

ANNEXURE TO THE DIRECTORS REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, subject to the Annual Report, the Company has, during the audit period covering the financial year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
   e) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
vi. And other applicable laws to a Textile Industry viz., Textile Control Orders, Textile Committee Produce Cess Act, Textile (Development and Regulation) Order etc.,

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

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

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

ANNEXURE TO THE DIRECTORS REPORT

I further report that

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

During the year under review, the Company has re-appointed Sri.K.P.Ramasamy as an Executive Chairman of the Company for a further period of 5 years from 01.04.2022 to 31.03.2027 at the Board Meeting held on 14.03.2022 and the same was approved by Special Resolution passed on 21.04.2022 by the Shareholders through Postal Ballot by way of remote e-voting process.

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

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

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

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

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

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

b) Redemption

c) Foreign Technical Collaboration

d) Merger / Amalgamation / Reconstruction, etc

I further report that during the audit period there was the following event:

During the year under review, the Company has sub divided 1 (one) Equity Shares of ₹5/- (five) each into 5 (five) Equity Shares of ₹1/- (one) each with effect from 27.09.2021. As a result of this, the number of Equity Shares issued has been increased from 6,88,10,000 Equity Shares of ₹5/- each to 34,40,50,000 Equity Shares of ₹1/- each in accordance with the shareholders' approval by way of special resolution passed at the Annual General Meeting held on 09.09.2021.

During the year under review, the Company has initiated Buy Back of 22,36,000 Equity Shares of ₹1/- each at the Board Meeting held on 07.02.2022 and the same was completed on 26.04.2022.

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

K Radhakrishnan B.Com ACS
Practising Company Secretary
ACS No: 30614 CP No: 16911
Peer review Certificate No.1181/2021

Place : Coimbatore
Date : 27.04.2022
UDIN : A30614D000220628

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.

Place : Coimbatore
Date : 27.04.2022

UDIN : A30614D000220628

K Radhakrishnan B.Com ACS
Practising Company Secretary
ACS No: 30614 CP No: 16911
Peer review Certificate No.1181/2021

ANNEXURE TO THE DIRECTORS REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

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

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

K Radhakrishnan B.Com ACS
Practising Company Secretary
ACS No: 30614 CP No: 16911
Peer review Certificate No.1181/2021

Place : Coimbatore
Date : 27.04.2022
UDIN : A030614D000220760

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is a system by which Corporates are directed and controlled for the attainment of its objectives in a highly effective manner so as to achieve positive results thereby maximising the returns to the stakeholders.

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 Listing Regulation & Companies Act, 2013 ('Act').

Name of the Director	Category	Number of Directorships held **	Number of Board & Committee Memberships in Other Companies ***	
			Chairman	Member
Mr.K.P.Ramasamy	Executive Director	11	-	-
Mr.KPD Sigamani	Executive Director	12	-	-
Mr.P.Nataraj	Executive Director	12	-	-
Mr.C.R.Anandakrishnan	Executive Director	3	-	-
Mr.E.K.Sakthivel	Executive Director	1	-	-
Dr.K. Sabapathy	Independent Director	4	-	-
Mr.G.P.Muniappan	Independent Director	5	1	-
Mr.K.N.V.Ramani	Independent Director	4	4	-
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	5	-	-

** 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. K. N. V. Ramani	Bannari Amman Spinning Mills Limited	Independent Director
	Shiva Texyarn Limited	Independent Director
	Shiva Mills Limited	Independent Director
2. 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.

CORPORATE GOVERNANCE

SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS

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

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

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

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

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

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

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

CORPORATE GOVERNANCE

Key Board Qualification & experience

Name of Director	Leadership	Governance	Technology	Financial	Industry Global Business	Industry Sales and Marketing
Mr.K.P.Ramasamy Chairman	✓	✓	✓	✓	✓	✓
Mr.KPD Sigamani Managing Director	✓	✓	✓	✓	✓	✓
Mr. P. Nataraj Managing Director	✓	✓	✓	✓	✓	✓
Mr. C.R. Anandakrishnan Executive Director	✓	✓	✓	✓	✓	✓
Mr.E.K.Sakthivel Executive Director	✓	✓	✓	✓	✓	✓
Mr.P.Selvakumar Whole time Director	✓	✓	-	✓	✓	-
Dr. K. Sabapathy Independent Director	✓	✓	-	✓	✓	-
Mr.G.P.Muniappan Independent Director	✓	✓	-	✓	-	-
Mr. K.N.V. Ramani Independent Director	✓	✓	-	✓	-	-
Mr. A.M. Palanisamy Independent Director	✓	✓	-	✓	✓	✓
Mr. C. Thirumurthy Independent Director	✓	✓	-	✓	-	-
Dr. S. 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 28.04.2021, 27.07.2021, 27.10.2021, 07.02.2022 and 14.03.2022. The Agenda and Notes on agenda containing all material information such as Purchase and stock of raw materials; Production, Sale, Export, Realisation and stock details of yarn fabric and Garments; Data on Fabric processing; Capacity utilization in each segment; Wind power generated, power consumed, availment of working capital facilities and term loan; FOREX risk exposures, annual budget, capital expenditure, sale of assets, proposal for Investments & Projects and status of its implementation, financials of Subsidiary Companies; Cash flow Statement; Comparison of performance with the budget; applicable Regulatory changes etc., are circulated to the Directors in advance for facilitating meaningful and focussed discussions at the Meetings. The attendance record of each Director at the Board Meetings and at the last Annual General Meeting is given below:

S.No	Name of Director	Number of Board Meeting		Last AGM Attended Yes / No
		Held	Attended	
1	Mr. K. P. Ramasamy	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	4	Yes
7	Mr. G. P. Muniappan	5	5	Yes
8	Mr. K. N. V. Ramani	5	4	Yes
9	Mr. A. M. Palanisamy	5	4	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 Member	Attendance at the Meetings held on			
	28.04.2021	27.07.2021	27.10.2021	04.02.2022
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 and Cost Auditors. 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 09.09.2021.

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 twice and the attendance of each member is furnished as below

Name of Member	Attendance at the Meeting held on 24.04.2021	Attendance at the Meeting held on 14.03.2022
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 Director	Remuneration during the year 2021 – 2022 (₹ in Lakhs)	Sitting fees for attending meeting of the board and/or committee there of (₹ in Lakhs)
Mr. K.P. Ramasamy	572.00	Nil
Mr. KPD Sigamani	572.00	Nil
Mr. P. Nataraj	572.00	Nil
Mr. C.R. Anandakrishnan	24.00	Nil

CORPORATE GOVERNANCE

Name of Director	Remuneration during the year 2021 – 2022 (₹ 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	3.30
Mr. K.N.V. Ramani	Nil	1.20
Mr. G.P. Muniappan	Nil	3.60
Mr. A.M. Palanisamy	Nil	1.20
Mr. C. Thirumurthy	Nil	1.50
Dr. S. Ranganayaki	Nil	1.50
Mr. P. Selvakumar	14.52	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 is provided here:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

It held three 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 Member	Attendance at the Meetings held on		
	28.04.2021	27.07.2021	27.10.2021
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 2021 - 22	No. of Complaints
For non-receipt of dividend, annual report, shares lodged for transfer, issue of duplicate share certificates	0
Queries / Complaints redressed	0
Pending queries/ complaints as on 31.03.2022	0

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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 Member	Attendance at the meeting held on 24.04.2021
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

CORPORATE GOVERNANCE

RISK MANAGEMENT:

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

Name of Member	Attendance at the meeting held on	
	27.07.2021	12.01.2022
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
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/2022/04/Familiarisation-programme-2021-22.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:

CORPORATE GOVERNANCE

Annual General Meeting	Date	Venue	Time of Meeting
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
18th	09.09.2021	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 18th AGM and remote e-voting were extended to all the Shareholders of the Company to facilitate voting on the Subjects/Resolutions contained in the 18th AGM notice. To conduct the voting procedure in a fair and transparent manner, a Scrutinizer was appointed for the above purposes. Accordingly the Scrutinizer conducted the voting process and submitted his reports on the voting polled, to the Chairman of the company.

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

During the year under review no Extra - Ordinary General Meeting was held. However, a Special Resolution for re-appointment of Mr. K.P.Ramasamy as the Executive Chairman of the Company with effect from 1st April, 2022 for a further term of five years was passed by the Shareholders of the Company through Postal Ballot on 21.04.2022.

DISCLOSURE:

I. None of the transactions with related parties during the year 2021-22 were in conflict with the interest of the Company and all the transactions were only with the Wholly Owned Subsidiary Companies.

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

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

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

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

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

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

CORPORATE GOVERNANCE

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) or "Business Line" (English) and in "Makkal Kural" (Tamil) or "Malaimalar" (Tamil)

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

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

SHAREHOLDERS INFORMATION

Annual General Meeting for the financial year 2021-22:	
Day and Date :	Tuesday, 23rd August, 2022
Time :	2.30 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

DATE OF BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company will remain closed from 17.08.2022 to 23.08.2022 (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,
Phiiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited Symbol: KPRMILL

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

The Annual Listing Fee payable to the Stock Exchanges for the Financial Year 2021-22 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 INE930H01031.

The Annual Custodian Fee for the Financial Year 2021-22 to NSDL and CDSL have been paid in full.

As on 31.03.2022, 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:

The Company has appointed NSDL Database Management Limited, Mumbai as Registrar and Share Transfer agent of the Company in the place of KFin Technologies Limited. Till such time the database and electronic connectivity is shifted to new RTA and until the requisite confirmations are received from National Securities Depositories Limited and Central Depositories Services (I) Limited, the KFin Technologies Limited will continue to act as the RTA of the Company and render RTA services to the Company and Members.

New Registrar and Share Transfer Agent

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

SHARE TRANSFER SYSTEM

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

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

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

In respect of shares to be transferred in physical form, the facility has been done away with as per the new amendment SEBI (LODR amendment) Regulation, 2018. Unless and until the shares in physical forms are converted 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 respect to transposition or transmission of securities. Such transposition and transmission can still be done in physical mode. So, for effecting the transfer of shares, the shareholders are requested to send application to the depository for conversion of physically held shares in dematerialized form.

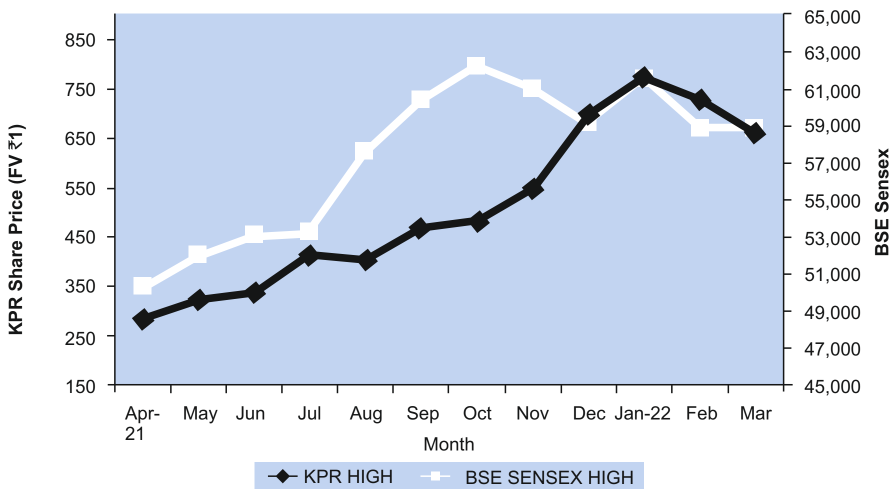
MARKET PRICE DATA

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., during the financial year 2021-22 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Total Traded Quantity (in Crs)	High (₹)	Low (₹)	Total Traded Quantity (in Crs)
April 2021	1,423.35	1,032.20	0.01	1,424.70	1,032.00	0.24
May 2021	1,631.80	1,397.05	0.01	1,631.25	1,400.00	0.16
June 2021	1,695.55	1,450.00	0.01	1,695.00	1,485.00	0.09
July 2021	2,086.25	1,522.00	0.02	2,085.00	1,520.05	0.23
August 2021	2,010.70	1,660.00	0.01	2,020.00	1,651.15	0.10
September 2021*	2,349.60	423.00	0.05	2,349.00	422.65	0.62
October 2021	484.90	410.45	0.07	486.00	410.00	0.96
November 2021	548.40	446.00	0.08	548.00	445.60	1.07
December 2021	699.20	502.85	0.10	699.00	503.25	1.39
January 2022	771.80	605.30	0.08	769.00	606.25	1.09
February 2022	728.25	592.60	0.08	728.80	591.50	1.08
March 2022	663.00	582.00	0.04	661.00	581.45	1.05

****Note:*** During September 2021 Equity shares of the Company of the face value of ₹5/- each has been split into ₹1/- each.

KPR Share Price Vs BSE Sensex



Note: As ₹5/- paid up share was split in to ₹1/- paid up, effective from 27th September 2021, for this graphical presentation the paid up share of the Company is considered as ₹1/- for the entire Financial year.

CORPORATE GOVERNANCE

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH 2022:

Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Equity
1-500	1,46,983	95.98	67,94,447	1.98
501- 1000	2,833	1.85	21,59,971	0.63
1001- 2000	1,433	0.94	21,02,889	0.61
2001- 3000	547	0.35	13,56,729	0.39
3001- 4000	274	0.18	9,69,775	0.28
4001- 5000	234	0.15	10,80,608	0.31
5001- 10000	346	0.23	24,95,481	0.73
10001 & Above	493	0.32	32,70,90,100	95.07
Total	**1,53,143**	**100.00**	**34,40,50,000**	**100.00**

SHAREHOLDING PATTERN AS ON 31ST MARCH 2022:

Category	Number of Shares Held	% of Holding
Promoters & Promoters Group	25,70,65,755	74.72
Mutual Funds	4,12,19,231	11.98
Foreign Institutional Investors	1,48,84,486	4.33
NRIs	15,75,784	0.46
Bodies Corporate	19,92,138	0.58
Public	2,73,12,606	7.93
Total	**34,40,50,000**	**100.00**

SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH 2022:

S.No	Name of Director	Shareholding
1	Mr. K.P. Ramasamy	7,16,21,810
2	Mr. KPD Sigamani	7,43,56,810
3	Mr. P. Nataraj	7,43,56,810
4	Mr. C.R.Anandakrishnan	6,950
5	Mr. E.K.Sakthivel	-
6	Dr. K. Sabapathy	-
7	Mr. K.N.V. Ramani	-
8	Mr. G.P.Muniappan	-
9	Mr. A.M. Palanisamy	-
10	Mr. C.Thirumurthy (Shares in the name of relative only)	50
11	Dr. S. Ranganayaki	-
12	Mr. P. Selvakumar	-

CORPORATE GOVERNANCE

PLANT LOCATION:

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

ADDRESS FOR CORRESPONDENCE

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

For your reference the Company's CIN: L17111TZ2003PLC010518

CORPORATE GOVERNANCE

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 & KPR Sugar and Apparels Limited, KPR Export PLC, Ethiopia and 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 the Material Subsidiary Company as per the Listing Regulation. Its Secretarial Audit Report as per 24A of SEBI (LODR) Regulations is provided in the following web link: **https://kprmilllimited.com/financial-result_annual-reports/**

RELATED PARTY TRANSACTIONS (RPT)

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

CORPORATE GOVERNANCE

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS:

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

REGARDING SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of sexual harassment of women at workplace (Prevention, Prohibition and Redressal Act) 2013 Internal Complaints Committee has been formed. There were no complaints filed/disposed or pending during the financial year 2021-2022.

TRANSFER 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 2021-2022 to the Investor Education and Protection Fund of the Central Government:

Transfer of Dividend to IEPF Account

S.No	Dividend	Date of Transfer	Amount (₹)
1	Final Dividend 2013-2014	27.09.2021	73,803.00
2	Interim Dividend 2014-2015	09.03.2022	87,656.00

Transfer of Shares to IEPF Account

No of Shareholders	No of Shares	Date Of Transfer
3	1020	23.11.2021
2	70	07.04.2022

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 still not furnished their e-mail ID with the Depository / RTA / Company, despite various reminder requests every year through AGM notice, we are considering the proposal to send by e-mail the half-yearly declaration of financial performance including Highlights to the shareholders having e-mail ID's.

3. Modified opinion(s) in Audit Report:

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

4. Separate posts of Chairperson and Chief Executive Officer:

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

5. Reporting of Internal Auditor:

The Internal Auditor is reporting directly to the Audit Committee.

The above Corporate Governance Report has been placed before the Board of Directors at their Meeting held on 27.04.2022 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 2021- 2022.

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

Coimbatore
27.04.2022

CERTIFICATE

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

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

1. This certificate is issued in accordance with the terms of our engagement letter dated March 24, 2022.
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, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"), pursuant to the Listing agreement of the Company with the National Stock Exchange of India Limited and the BSE Limited (collectively referred to as "the Stock exchanges") .

Management's responsibility

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, 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), Guidance Note on Certification of Corporate Governance both issued by the Institute of Chartered Accountants of India (the "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) and (t) 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 of enabling the Company to comply with the requirement of the Listing Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 22214150AHXGZF7898

Place : Chennai
Date : April 27, 2022

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 31.03.2022** we hereby certify that:

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

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

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

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

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

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

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

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

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

Place: Coimbatore
Date: 27.04.2022

PL. Murugappan
Chief Financial Officer

P. Nataraj
Chief Executive Officer &
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMY

Global

After weathering over two years of the pandemic, the global business community was eager to get down to real business. But the war in Ukraine has triggered significant slowdown in global growth in 2022 and add to inflation. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. Multilateral efforts such as response to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential to tide over this. (Source:IMF)

India

The two waves of COVID-19 pandemic have created a prolonged health crisis and slowed down the economy. However, despite the pandemic, the authorities have responded with implementation of structural reforms such as scaled-up support to vulnerable groups, monetary policy easing and liquidity provision and accommodative financial sector and regulatory policies. This helped India to a strong recovery. The recent geopolitical tensions in Ukraine and Russia have sent oil prices spiralling and raised concerns over India's economic recovery. But as per RBI Report, the impact of Ukraine war will be marginal on the growth target.

TEXTILE INDUSTRY

Global

The global textile market size is predicted to grow at a CAGR of 3.9% The rising consumer awareness levels coupled with rapidly changing trends and Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth. The abundance of cotton in India, China and the United States, is contributing significantly to the growth of the global textile market. The increasing consumption of natural fibers, will drive the global textile market at the expected level.

India

The years 2020 and 2021 were a challenging time for the Indian textile industry. However, empowered by its inherent strengths such as huge textile production capacity, efficient multi-fiber manufacturing capacity, large pool of skilled work force at competitive cost, entrepreneurial skills, huge export potential, large domestic market and demand, very low import content, the industry weathered the storm.

With economies opening up and a boost in domestic and export demand we expect the textile sector performance to recover to pre-Covid levels.

Cotton

Traditionally India has been Cotton dominated, be it domestic consumption or Exports. The cotton textile industry revived on a fast track after the second wave of COVID pandemic taking advantage of the various relief measures, pro-active policy initiatives taken by the Government and spurt in demand both from the domestic and international market. But unfortunately, the skyrocketing cotton price has deterred the potential growth of the textile value chain causing uncertainties under the current market scenario. As the steep increase in international cotton prices and consequential domestic cotton price has fetched the Indian cotton farmers high revenue for their produce during the current season, the farmers were holding the cotton hoping for higher prices. This created an artificial shortage of good quality cotton to the Mills. In view of the above and the increased industry consumption and crop damage due to excessive rainfall in cotton growing states, the industry that has been severely impacted has been demanding for the removal of import duty levied on cotton. The Indian cotton textile industry is heading towards a cotton shortage to the tune of 40 to 50 lakh bales due to increased consumption because of higher demand for textiles & clothing products across the globe, enhanced export performance of the industry. Only recently the Government exempted the duty on import of cotton and that too temporarily. However, to sustain the global competitiveness of Indian cotton textile value chain, the much needed measures to control its prices and ensure stability in its supply are needed to create a level playing field. The higher demand and the higher rates for cotton may increase the cotton sowing area in future.

INDIAN COTTON BALANCE SHEET FOR THE SEASON 2021-22

As on 31.03.2022 **(In Lakh Bales)**

Opening Stock	71.84
Production	340.62
Imports	18.00
TOTAL SUPPLY	430.46
Consumption	345.00
Exports	40.00
TOTAL DEMAND	385.00
Closing Stock	45.46

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

YARN

The rise in demand for natural fibers owing to increasing health consciousness among consumers has led to increased consumption of cotton yarn which drives the market both domestic and international. The Cotton yarn prices have increased sharply since the beginning of the new cotton season mainly because of cotton rates increasing to record highs across domestic markets in the country. The Yarn prices are keeping pace with cotton prices, though slightly in a staggered manner. It takes almost a month for yarn prices to catch up with cotton prices. As there prevails a huge demand in the domestic market, the spinning mills preferred to sell in domestic market despite an equally good demand in the global market. Indian cotton spinners are riding high on strong demand and realisations touching all-time highs in recent months. The Company is able to provide customers with value-added yarns, niche yarns, fancy yarns and a wide selection of colored yarns because of its technologically advanced and environmentally conscientious manufacturing setup.

GARMENTS

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel and has a history of fine craftsmanship and global appeal. The Indian apparel industry is highly diversified with a wide range of segments ranging from products of traditional to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products. After the end of pandemic, the garment manufacturing units have returned to the normal state. The garment units are fast expanding in size and investments, to meet the bulk orders pouring in from various foreign countries. The promotion of Garment industry through several government schemes has been implemented in the last three decades. The apparel industry is progressing fast with more varieties of products and spreading in more countries across the world, enhancing its export revenue. India has increased its market share in apparel exports in the US and many other countries recently and the signing of free trade pact with the UAE and Australia will further accelerate it.

Internal control

Internal controls are essential to ensure the accomplishment of goals and objectives of any business entity. They help to ensure efficient and effective operations; compliance with applicable laws and regulations; transparency in its activities and provision of reliable financial reporting to the Stakeholders.

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

Empowering women at the workplace by offering them opportunities to make their own plans, gain new skills, and gain autonomy entails them to have more control over their lives. This means Women empowerment is created when the strengths that women bring to the workplace are accepted and used diligently. When a woman decides to start a family she plays a less active career-focused role because of her family obligations. To address this, we create more flexible options for women, including higher education, vocational training, job opportunities to motivate women and ensure financial and professional continuity to them. The Companies that allow employees to reach their aspirations are more likely to succeed and keep growing. In a bid to promote women empowerment at the workplace, we are proud to have a workforce ratio of 90% (women) to 10% (men). Seizing the opportunities, the employees also prove their might by recording their success in the Government examinations with flying colours. We are happy to share that the innovative and Industry acclaimed HR Practices are continued.

PERFORMANCE

The impact of the second wave of the coronavirus pandemic on the economy as well as on the performance of the Company remained muted compared to the first wave. The market conditions were favourable enabling the Company to repeat a strong performance during the year also. However, the unprecedented increase in the cotton prices was a stumbling block. Its prices reached historical heights thereby inflating yarn prices also. Wind power generation was supportive. Overall, we could sustain the better performance during the year also.

RETAIL BUSINESS

The FASO Products are a combination an organic, fashionable and affordable. The sheer feel and comfort of our products are making them a favourite. The pandemic disrupted and rescheduled our Pan-India plans to 2023. However the customer's preference for our organic products at affordable cost even during the pandemic helped our brand to boost its online presence making deeper inroads over these years.

EXPANSION

The expansion of our Garment capacity and Sugar, Co-gen and Ethanol capacity have all been completed successfully. The expanded capacities shall start contributing to the revenue from the current year. The better prospects prevailing for the well-integrated Garment Sector and Sugar cum Ethanol sector would certainly help us to sustain the growth level.

RISKS AND THREATS

Risk relating to Raw material

Cotton, being the primary input constituting the single largest cost component has a significant impact on operational performance of the cotton textile companies. As an agricultural commodity, it is exposed to various factors such as crop area, monsoons, and pest control etc. Fluctuations in its prices will have a bearing on the operating profits. With the distressing past experience the textile mills are cautious on stocking cotton for long periods preferring a leaner inventory cycle.

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

Risk relating to Technology obsolescence

Technology, engineering, and manufacturing trends change frequently. Investing in new Machinery or equipment, as well as leading-edge technologies, enables businesses to be more agile and responsive to change. Considering these and the factors such as increased efficiency and productivity KPR always buy new advanced Technology Machinery and Equipment only. Moreover, regular updation of technology advancement in the machinery and production process continues, thereby automation, wherever possible, is introduced which also entails production and supply of high quality goods and services.

Market Risks / Industry Risks:

With the ongoing Russia-Ukraine conflict and the resurgence of pandemic wave, the downward risks to global and domestic growth are reflected through surge in commodity prices and global supply chain disruptions. A push toward universal vaccination and booster doses in India, combined with adoption of work-from-home mode in work places, which India has accustomed, augurs well for the future of the economy. The reforms initiated by the Government to counter the pre-COVID slowdown along with additional measures and initiatives during the pandemic may help launch the Indian economy on a sustainable high growth path. KPR, empowered by the support from all stakeholders especially from its dedicated strong work force is confident of managing any such risk in the future also with ease.

Logistics Risks:

Inadequate and inefficient logistics is a big challenge in India which is to be addressed urgently. Poor quality of roadways/highways/railways/ports leads to delays and high cost of logistics. Infrastructure facilities should be enhanced in terms of better connectivity with seaways/airways. Moreover, the container shortage is also posing hurdles for on - time shipment. The Government should take more initiatives in solving these issues. However, KPR with its strategic Logistic team is able to source and supply products as per plans.

Political environment risks:

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

Disaster Risks:

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

Financial Risks:

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

I. **Credit Risks:** Systems are put in place for assessment of 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

Global Market conditions are somehow in India's favour and this is high time that the Textile Industry and the Government to take measures to address the shortage of skilled work force and their core issues. Otherwise though India has good business, state of the art plants, and raw materials, but without full and motivated workforce there will be a struggle to complete these orders.

However, KPR doesn't face this issue because of its best HR practices that are unique and distinctive from others. Low absenteeism & attrition rate, higher productivity, ability to source required work force are the fruits of its strategic HR policies.

MANAGEMENT DISCUSSION AND ANALYSIS

Stiff competition from low cost Countries enjoying duty concessions

The neighboring competing Countries enjoy lower duties on its exports to major Importing Countries. India's advantageous 'In-house' cotton strength, availability of labour with high efficiency, good quality product, better compliance of code of conduct compliances should necessarily have to be supported by the trade agreements according low import duties in key export destinations to compete with those low cost Countries. The recently concluded FTA s with a few Countries and initiative towards expediting FTAs with other major Countries are some of the encouraging factors that would mitigate the stiff competition from low cost countries.

CYBER RISK AND SECURITY

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

FUTURE PROSPECTS

The Economic Survey 2021-22 has projected India's GDP growth at 9.2% which is the highest among all. India's broad range of fiscal, monetary and health responses to the pandemic crisis supported its recovery and, along with economic reforms, are helping to mitigate a longer-lasting adverse impact of the crisis. The government is making all possible efforts towards gaining access to the new markets. The improved market dynamics, positive expectations from the concluded FTA's with UAE, Australia neutralizing the undue advantage being enjoyed by neighbor Countries is currently a breather for the Industry. It also indicates an encouraging signal to the prospective FTA partners like the UK and EU. Indian textiles and apparel sector is heading for a bright future. KPR, with the performance track record even during the difficult period would confidently march ahead to accelerate its growth level further with the support of all stakeholders.

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

Coimbatore
27.04.2022

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 : 2021-22
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) - 4,15,830/-
3. Total profit after taxes (INR) - 73,080/-
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) - 2.25% (Section 135(5))
5. List of activities in which expenditure in 4 above has been incurred:
   - Promotion of Education
   - Disaster Management
   - Woman Empowerment

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 Private 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	Principles
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the 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)

S.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, GOES, OEKO-TEX, ISO 14001:2015, ISO 9001:2015, ISO 45001:2018, SA 8000:2014 etc., relating to social or environmental concerns.

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

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 and also introduced automation wherever possible which enable 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%.

   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 **- 20,536**
2. Please indicate the Total number of employees hired on temporary/ contractual / casual basis - **NIL**
3. Please indicate the Number of permanent women employees. - **17,223**
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. In addition, we also provide unique 'Placement training 'to the qualification upgraded Employees, most of whom get placement in other reputed Corporates in the campus placement organized by us.

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 Factories and nearby 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. THE SOUTHERN INDIA MILLS ASSOCIATION**
   - **B. TAMILNADU SPINNING MILL ASSOCIATION**
   - **C. TIRUPUR EXPORTERS ASSOCIATION**
   - **D. INDIAN WIND POWER ASSOCIATION**
   - **E. INDIAN COTTON FEDERATION**
   - **F. THE INDIAN CHAMBER OF COMMERCE AND INDUSTRY, COIMBATORE**
   - **G. 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 trendsetter HR 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 to the Employees (over 90% are women) and vocational training empower our employees with financial & social strength. It also paves way for women empowerment that plays a significant role in the economic development of the Nation because of its positive impact on their family and the village they belong supporting 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 ₹ 1026.64 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 and reputed Companies by availing our higher education, vocational and placement training facilities itself reflect the success of our initiatives. As mentioned earlier it elevated the standard of the employee as well as their family and the village they belong. So far, more than 31,000 employees are benefited 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 behavior 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 31 March 2022 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 ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of 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 1 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.

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

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

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 49 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 49 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 48 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

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

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

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 22214150AHXEXO2335

Place : Coimbatore
Date : April 27, 2022

INDEPENDENT AUDITORS' REPORT

Annexure A to the Independent Auditor's Report on Standalone Financial Statements of K.P.R. Mill Limited for the year ended March 31, 2022

(Referred to in our report of even date)

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

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Rs. in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land located at Kittampalayam and Tirunelveli admeasuring 19 acres and 8 acres respectively	66.76	K.P.R. Spinning Mill Private Limited	NO	April 1, 2005	The title deeds are in the name of K.P.R. Spinning Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.
Freehold land located at Arasur, Bogampatti, Thenkasi, Tirunelveli admeasuring 40.65 acres, 18.20 acres, 57.63 acres and 6 acres respectively	64.47	K.P.R. Mill Private Limited	NO	April 1, 2005	The title deeds are in the name of K.P.R. Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.
Freehold land located at Tirunelveli admeasuring 2 acres	9.61	K.P.R. Knits	NO	April 1, 2005	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.

INDEPENDENT AUDITORS' REPORT

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.

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

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

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

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

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties in respect of which the requisite information is as below:

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular, where applicable. Also refer Note 47 to the standalone financial statements. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Also refer Note 47 to the standalone financial statements. Further, the Company has not given any advances in the nature of loans to any party during the year.

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

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

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
-Subsidiaries*	71,500	-	-	-
-Joint ventures*	-	-	-	-
-Associates*	-	-	-	-
-Others	3,300	-	-	-
Balance outstanding as at balance sheet date				
-Subsidiaries*	1,79,045	-	204	-
-Joint ventures*	-	-	-	-
-Associates*	-	-	-	-
-Others	3,629	-	-	-

**As per the Companies Act, 2013*

INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.68	2016-17	Commissioner of Income Tax (Appeals), Coimbatore.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

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

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

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

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

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

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

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

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

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

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

INDEPENDENT AUDITORS' REPORT

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

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

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

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

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

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

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

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

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

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

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

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

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

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W100022

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 22214150AHXEXO2335

Place : Coimbatore
Date : April 27, 2022

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, 2022

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, 2022 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, 2022, 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 accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations

INDEPENDENT AUDITORS' REPORT

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: 22214150AHXEXO2335

Place : Coimbatore
Date : April 27, 2022

BALANCE SHEET

(₹ in Lakhs)

Particulars	Note	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	84,433	79,680
(b) Capital work-in-progress	4	491	1,742
(c) Intangible assets	4	80	95
(d) Financial assets			
(i) Investments	5	57,912	18,714
(ii) Loans	6	204	555
(iii) Other financial assets	7	2,350	3,274
(e) Other non - current assets	8	3,479	683
Total non - current assets		**1,48,949**	**1,04,743**
(2) Current assets			
(a) Inventories	9	85,190	69,085
(b) Financial assets			
(i) Investments	10	27,403	23,344
(ii) Trade receivables	11	39,263	26,081
(iii) Cash and cash equivalents	12	9,561	4,503
(iv) Other bank balances	13	479	787
(v) Other financial assets	14	4,442	4,359
(c) Other current assets	15	20,603	15,641
Total current assets		**1,86,941**	**1,43,800**
Total assets		**3,35,890**	**2,48,543**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	3,441	3,441
(b) Other equity	17	2,59,777	1,87,213
Total equity		**2,63,218**	**1,90,654**
Liabilities			
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	31	990
(b) Deferred tax liabilities (net)	19	4,368	4,294
(c) Other non-current liabilities	20	3	4
Total non- current liabilities		**4,402**	**5,288**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	41,754	30,740
(ii) Trade payables			
(A)Total outstanding dues of micro and small enterprises	22 (A)	1,454	881
(B)Total outstanding dues of creditors other than micro and small enterprises	22 (B)	10,952	8,297
(iii) Other financial liabilities	23	43	51
(b) Other current liabilities	24	12,395	10,310
(c) Current tax liabilities (net)	25	1,672	2,322
Total current liabilities		**68,270**	**52,601**
Total liabilities		**72,672**	**57,889**
Total equity & liabilities		**3,35,890**	**2,48,543**

Significant accounting policies 3

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

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

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

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

K Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
April 27, 2022

Coimbatore
April 27, 2022

STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

Particulars	Note	Year Ended	
		31.03.2022	31.03.2021
I. Revenue from operations	26	**4,07,367**	**2,95,364**
II. Other income	27	8,463	3,796
III. Total Income (I+II)		**4,15,830**	**2,99,160**
IV. Expenses			
Cost of materials consumed	28	2,27,875	1,37,852
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods, stock -in- trade and work- in-progress	29	(8,323)	20,087
Employee benefits expense	30	43,289	38,479
Finance costs	31	1,339	1,961
Depreciation and amortisation expense	4	7,565	9,792
Other expenses	32	46,136	32,507
V. Total expenses		**3,17,881**	**2,40,678**
VI. Profit before tax (III-V)		**97,949**	**58,482**
VII. Tax expenses			
Current tax			
- Pertaining to current year		24,870	15,453
- Pertaining to prior year		(75)	201
Deferred tax		74	(434)
Income tax expense		**24,869**	**15,220**
VIII. Profit for the year (VI-VII)		**73,080**	**43,262**
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)		**73,080**	**43,262**
Earnings per equity share (EPS)			
Basic and diluted EPS (in ₹) of face value ₹ 1/- each	40	**21.24**	**12.57**

Significant accounting policies 3

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's Registration Number : 101248W/W-100022

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
April 27, 2022

K Sudhakar
Partner
Membership No. : 214150

Coimbatore
April 27, 2022

CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		**73,080**	**43,262**
Adjustments for:			
Income tax expenses recognised in the statement of profit and loss		24,869	15,220
Depreciation and amortisation		7,565	9,792
Net gain on sale of property, plant and equipment		(296)	(44)
Finance costs		1,339	1,961
Interest income		(305)	(410)
Dividend income from subsidiary		(26)	(26)
Gain on sale of current investments		(1,359)	(359)
Rental income from operating leases		(112)	(61)
Impairment loss on financial assets		121	295
Impairment of investments (including investment pending allotment)		1,594	-
Impairment on Loans		113	-
Operating profit before working capital changes		**1,06,583**	**69,630**
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(16,105)	(19,648)
Trade receivables		(13,303)	8,751
Other current assets		(4,963)	3,045
Other non current financial assets		(944)	599
Other financial assets		4	(22)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		3,228	(159)
Other financial liabilities		3	1,964
Other current liabilities		2,085	1,784
Other long-term liabilities		(1)	(3)
Cash generated from operations		**76,587**	**65,941**
Net income tax (paid)		(25,684)	(13,691)
Net cash flow from/ (used in) operating activities	**(A)**	**50,903**	**52,250**
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment, including capital advances (Net of capital subsidy)		(14,082)	(4,104)
Purchase of current investments (net)		(2,700)	(22,284)
Decrease/ (increase) in margin deposit accounts		308	(616)
Proceeds from sale of property, plant and equipment		530	149
Investment in term deposits (having original maturity of more than 3 months)		-	(4,000)
Loans to related party (net of repayment)		233	(203)
Purchase of non-current investments:			
- Subsidiaries		(38,924)	(11,176)
(Purchase) / proceeds from sale of non-current investments		-	60
Interest received from:			
- Subsidiaries		-	7
- Others		218	314
Dividend received from subsidiary		26	26
Rental income received from operating leases		112	61
Net cash flow from / (used in) investing activities	**(B)**	**(54,279)**	**(41,766)**

CASH FLOW STATEMENT

(₹in Lakhs)

Particulars	Note	Year Ended	
		31.03.2022	31.03.2021
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from / (repayment of) long-term borrowings (Net)		(959)	(6,151)
Proceeds from/ (repayment of) working capital borrowings (net)		11,014	(9,297)
Finance costs paid		(1,105)	(1,970)
Dividends paid		(516)	(3,096)
Net cash flow (used in) / from financing activities	**(C)**	**8,434**	**(20,514)**
Net (decrease) / increase in cash and cash equivalents	(A+B+C)	5,058	(10,030)
Add: Opening cash and cash equivalents		4,503	14,533
Closing cash and cash equivalents (Refer note no 12)		**9,561**	**4,503**
Closing cash and cash equivalents comprises			
(a) Cash on hand		25	47
(b) Balance with banks:			
i) In Current accounts		2,752	2,158
ii) In EEFC accounts		6,784	2,298
		9,561	**4,503**

Significant accounting policies 3

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

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

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

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

K Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
April 27, 2022

Coimbatore
April 27, 2022

CHANGES IN EQUITY

a. Equity share capital

	Notes	(₹ in Lakhs)
Balance as at 01.04.2020		**3,441**
Changes in Equity share Capital during 2020-21	16	**-**
Balance as at 31.03.2021		**3,441**
Changes in Equity Share Capital during 2021-22		**-**
Balance as at 31.03.2022		**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 01.04.2020	**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 on face value of ₹5/-)	-	-	-	(2,580)		(2,580)
Final Dividend relating to 2019-20 paid (₹0.75 per share on face value of ₹ 5/-)	-	-	-	(516)	-	(516)
Balance as at 31.03.2021	**15,233**	**1,827**	**24,716**	**1,45,437**	-	**1,87,213**
Profit for the year	-	-	-	73,080	-	73,080
Final Dividend relating to 2020-21 paid (₹ 0.75 per share on face value of ₹5/-)	-	-	-	(516)	-	(516)
Balance as at 31.03.2022	**15,233**	**1,827**	**24,716**	**2,18,001**	-	**2,59,777**

Significant accounting policies 3

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

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

For and on behalf of the Board of Directors of
K.P.R. Mill Limited
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Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
April 27, 2022

Coimbatore
April 27, 2022

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 31.03.2022 are authorised by the Board on April 27, 2022.

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.

Judgment

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).

(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

ACCOUNTING POLICIES

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

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

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

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

C) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the 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.

ACCOUNTING POLICIES

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 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

ACCOUNTING POLICIES

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. 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 :

ACCOUNTING POLICIES

(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 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

ACCOUNTING POLICIES

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. 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 counterparty for these contracts is generally a bank.

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

I) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants and subsidies 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.

ACCOUNTING POLICIES

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.

(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 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

ACCOUNTING POLICIES

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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. 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 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

ACCOUNTING POLICIES

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.

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.

ACCOUNTING POLICIES

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

Impairment of Non-Financial Assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

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

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

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

R) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions:

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 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, made amendments to the Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments

ACCOUNTING POLICIES

relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment (PPE) – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss (SOPL) and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

NOTES

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

(₹ in Lakhs)

Particulars	Property, Plant & Equipment											Capital work-in progress	Intangible assets (Computer software)
	Leased Asset - Land	Freehold Land	Factory Building	Non-factory Building	Plant and Equipment	Windmill	Electricals	Furniture and Fixture	Computers and accessories	Vehicles	Total		
Gross carrying amount													
As at 01.04.2020	**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
Additions	-	4,886	-	1,263	5,743	-	21	412	113	123	12,561	491	10
Disposals / adjustments	-	-	-	-	(489)	-	-	(60)	(2)	(14)	(565)	(1,742)	-
As at 31.03.2022	**550**	**13,460**	**23,340**	**11,831**	**81,575**	**12,845**	**5,207**	**3,173**	**648**	**1,371**	**1,54,000**	**491**	**270**
Accumulated Depreciation and amortisation													
As at 01.04.2020	**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
Depreciation and amortisation expense	6	-	873	208	4,569	1,104	343	196	86	155	7,540	-	25
Disposals / adjustments	-	-	-	-	(241)	-	-	(42)	(2)	(12)	(297)	-	-
As at 31.03.2022	**16**	-	**5,386**	**1,199**	**46,417**	**10,660**	**3,086**	**1,655**	**453**	**695**	**69,567**	-	**190**
Net carrying amount													
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**
As at 31.03.2022	**534**	**13,460**	**17,954**	**10,632**	**35,158**	**2,185**	**2,121**	**1,518**	**195**	**676**	**84,433**	**491**	**80**

Notes:

1. Property, plant and equipment includes non-factory building given on lease with a gross carrying amount of ₹11,831 lakhs as at 31.03.2022 (Pr.Yr. ₹10,568 lakhs) and a net carrying amount of ₹10,632 lakhs as at 31.03.2022 (Pr.Yr. ₹9,577 lakhs).

2. Refer note 18 and 21 for assets given as securities for borrowings.

3. As per Ind - AS 20,"Accounting for Government Grants and Disclosure of Government Assistance", the Company has opted to present the grant related to assets as deduction from the carrying value of such specific assets. For year ended 31.03.2022, such amount deducted from property,plant and Equipment is ₹ 34 lakhs (Pr.Yr. ₹545 lakhs)

NOTES

4.1 Title deeds of Immovable Properties not held in name of the Parent Company:

(a)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Relevant line item in the balance sheet	Property, plant and equipment	Property, plant and equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	67	67
(iv) Title deeds held in the name of	K.P.R. Spinning Mill Private Limited	K.P.R. Spinning Mill Private Limited
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Spinning Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.	The title deeds are in the name of K.P.R. Spinning Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.
(viii) Whether disputed	No	No

(b)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Relevant line item in the balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	64	64
(iv) Title deeds held in the name of	K.P.R. Mill Private Limited	K.P.R. Mill Private Limited
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.	The title deeds are in the name of K.P.R. Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.
(viii) Whether disputed	No	No

NOTES

(c)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Relevant line item in the balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	10	10
(iv) Title deeds held in the name of	K.P.R. Knits	K.P.R. Knits
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.
(viii) Whether disputed	No	No

4.2 Capital work-in-progress (CWIP) ageing schedule:

As at 31.03.2022

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More Than 3 years**	**Total**
Projects in progress	491	-	-	-	**491**
Projects temporarily suspended	-	-	-	-	**-**

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

As at 31.03.2021

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More Than 3 years**	**Total**
Projects in progress	1,742	-	-	-	**1,742**
Projects temporarily suspended	-	-	-	-	**-**

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
	FINANCIAL ASSETS		
5	**INVESTMENTS**		
	A) Investments measured at cost:		
	Unquoted (all fully paid-up)		
	a) In Equity Instruments		
	i) Indian Subsidiaries		
	1,00,000 (Pr.Yr. 1,00,000) Equity Shares of ₹10 each in Quantum Knits Private Limited.	10	10
	50,000 (Pr.Yr. 50,000) Equity Shares of ₹10 each in Galaxy Knits Limited.	5	5
	15,10,000 (Pr.Yr.15,10,000) Equity Shares of ₹10 each in Jahnvi Motor Private Limited.	151	151
	4,16,666 (Pr.Yr. 4,16,666) Equity Shares of ₹10 each at a premium of ₹20 each in Jahnvi Motor Private Limited.	125	125
	10,50,000 (Pr.Yr.10,50,000) Equity Shares of ₹10 each at a premium of ₹140 per share in K.P.R. Sugar Mill Limited.	1,575	1,575
	10,00,000 (Pr.Yr. 10,00,000) Equity Shares of ₹10 each in K.P.R. Sugar Mill Limited	100	100
	10,00,000 (Pr. Yr. 10,00,000) Equity Shares of ₹10 each in KPR Sugar and Apparels Limited	100	100
	ii) Foreign Subsidiary		
	41,000 (Pr.Yr. 41,000) Equity Shares of Singapore Dollar 1 each in KPR Mill Pte Limited, Singapore	21	21
	1,68,855 (Pr.Yr. 1,68,855) Equity Shares of Birr 100 each in KPR Exports PLC. Ethiopia	424	424
	Less : Provision for impairment of investment in KPR Exports PLC, Ethiopia (Refer note 32 and 47)	(424)	-
	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
	50,00,000 (Pr.Yr.10,37,800) 7% Optionally Convertible Non - Cumulative Redeemable Preference Shares of ₹100 each at a premium of ₹900 per share in KPR Sugar and Apparels Limited.	50,000	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.1,50,000) Equity shares of ₹100 each of Somanur Water Scheme Pvt Ltd.	150	150
	Aggregate value of unquoted investments	**57,912**	**18,714**
	Aggregate amount of impairment in value of investments	(424)	
	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 Mill Pte. Ltd, Singapore	204	437
	Loan to related party - M/s KPR Exports PLC, Ethiopia	118	118
	Less: Impairment loss on loan to KPR Exports PLC, Ethiopia (Refer note 32 and 47)	(118)	-
		204	**555**
	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**		
	Security deposits to others	2,343	1,399
	Investment in wholly owned subsidiary pending allotment		
	KPR Exports PLC, Ethiopia	1,170	1,170
	KPR Mill Pte. Limited, Singapore	7	7
	KPR Sugar and Apparels Limited	-	698
	Less: Impairment loss on other financial assets in relation investment in KPR Exports PLC, Ethiopia (Refer note 32 and 47)	(1,170)	-
		2,350	**3,274**
	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 31.03.2022	As at 31.03.2021
8	**OTHER NON - CURRENT ASSETS**		
	(i) Capital advances	3,479	683
		3,479	**683**
9	**INVENTORIES**		
	Raw Materials	54,812	47,960
	Work-in-progress *	4,698	3,450
	Finished goods (includes goods in transit of ₹ 3,096 lakhs (Pr. Yr. ₹ 2,263 lakhs))	20,776	13,701
	Stores, spares, packing and others	4,904	3,974
		85,190	**69,085**
	* Includes Cotton ₹3,605 Lakhs (Pr. Yr. ₹2,375 Lakhs), Fabric ₹30 Lakhs (Pr. Yr. ₹28 Lakhs) and Garments ₹1,063 Lakhs (Pr. Yr. ₹1,047 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 and 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 & IDBI mutual fund (also refer note 44)	27,403	23,344
	Aggregate value of quoted investments	**27,403**	**23,344**
	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	39,263	26,081
	Trade Receivables which have significant increase in credit risk	-	-
	Trade Receivables - credit impaired	114	23
		39,377	26,104
	Less: Loss allowance	(114)	(23)
	Net trade receivables	**39,263**	**26,081**
	Movement of loss allowance in trade receivables		
	Opening balance	23	23
	Allowances made / (reversed) during the year	121	-
	Written off	(30)	-
	Closing balance	**114**	**23**

Trade Receivables ageing schedule:
As at 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables - considered good	39,017	55	-	191	-	**39,263**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	91	23	**114**
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**39,017**	**55**	**-**	**282**	**23**	**39,377**

NOTES

As at 31.03.2021 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(I) Undisputed Trade receivables – considered good	25,737	-	325	-	19	**26,081**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	23	**23**
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**25,737**	**-**	**325**	**-**	**42**	**26,104**

(I) For receivables secured against borrowings, refer note 18 and 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
(iv) Also refer note 32 and 47.

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
12	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	25	47
	Balance with banks		
	i) In current accounts	2,752	2,158
	ii) In EEFC accounts	6,784	2,298
		9,561	**4,503**
13	**OTHER BANK BALANCES**		
	i) Balance with banks held as margin money deposit	476	782
	ii) Unclaimed dividend accounts	3	5
		479	**787**
14	**OTHER FINANCIAL ASSETS**		
	Interest accrued on bank deposits and other deposits	345	258
	Technology upgradation fund subsidy receivable	97	96
	Term Deposit with Non-Banking Finance Companies	4,000	4,000
	Other advances	-	5
		4,442	**4,359**
	Information about the Company's exposure to credit risk and market risk are disclosed in note 38		
15	**OTHER CURRENT ASSETS**		
	Advance to suppliers	9,216	9,699
	Balances with government authorities	4,032	2,444
	Rent advance to related party - (Refer note 39)	-	2,500
	Export incentive receivable	6,779	408
	Others (primarily prepaid expenses)	576	590
		20,603	**15,641**
16	**SHARE CAPITAL**		
	a) Authorised		
	45,00,00,000 (Pr.Yr. 9,00,00,000) Equity Shares of ₹ 1 (₹ 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**

NOTES

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
	b) Issued, Subscribed and Fully Paid up		
	34,40,50,000 (Pr.Yr. 6,88,10,000) Equity Shares of ₹ 1 (₹ 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 ₹1 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

The Board declared and paid an interim dividend of Nil (₹ Nil per share of the face value of ₹1/-each) for the year 2021-22 (Pr.Yr. ₹3.75). (Face Value of ₹5/-each)

The Board has recommended a final dividend of 15% (₹0.15/- per share of the face value of ₹ 1/- each) for the year 2021-22 (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.

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 31.03.2022		As at 31.03.2021	
Particulars	**Number of Shares**	**(₹ in Lakhs)**	**Number of Shares***	**(₹ in Lakhs)**
At the beginning of the year	34,40,50,000	3,441	34,40,50,000	3,441
Changes during the year	-	-	-	-
Outstanding at the end of the year	34,40,50,000	3,441	34,40,50,000	3,441

* Also refer note 16.3

16.3 Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 09.09.2021, one equity share of ₹ 5/- each fully paid up was sub-divided into five equity shares of ₹ 1/- each fully paid up, with effect from the record date, i.e., 27.09.2021. Consequently, the basic, diluted earnings per share have been adjusted retrospectively for the year ended 31.03.2021 as presented in the Standalone Financial Statements of the Company on the basis of the new number of equity shares in accordance with the provisions of applicable Ind AS.

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

Equity Shares

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of Shares	**%**	**Number of Shares***	**%**
Sri K.P.Ramasamy	7,16,21,810	20.82	1,48,71,362	21.61
Sri KPD Sigamani	7,43,56,810	21.61	1,48,71,362	21.61
Sri P.Nataraj	7,43,56,810	21.61	1,48,71,362	21.61
L&T Mutual Fund Trustee Limited	1,69,99,064	4.94	42,41,855	6.16

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

* Also refer note 16.3 on sub-division of one equity share of ₹ 5/- each fully paid up into five equity shares of ₹ 1/- each fully paid up.

16.5 **For the period of five years immediately preceding the date at which the Balance Sheet is prepared:**

(i) The Company has not issued any shares without payment being received in cash. Also refer note 16.3.

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

(iii) The aggregate number of equity shares bought back by the Company is 65,55,784 of ₹ 5/- each, fully paid up (Pr.Yr. 65,55,784 of ₹ 5/- each, fully paid up). Also refer note 16.3.

NOTES

16.6 Shareholding of promoters

Promoter Name	As at 31.03.2022			As at 31.03.2021		
	Number of Shares	%	% change during the year	Number of Shares*	%	% change during the year
Equity shares:						
Sri K.P.Ramasamy @	7,16,21,810	20.82	(0.79)	1,48,71,362	21.61	-
Sri KPD Sigamani	7,43,56,810	21.61	-	1,48,71,362	21.61	-
Sri P.Nataraj	7,43,56,810	21.61	-	1,48,71,362	21.61	-

* Also refer note 16.3 on sub-division of one equity share of ₹ 5/- each fully paid up into five equity shares of ₹ 1/- each fully paid up.

@ During the year Sri. K.P.Ramasamy gifted 27,35,000 shares to his immediate relatives. The total promoter and promoter group holding remains unchanged.

16.7 After obtaining the approval from the Board of Directors on 07.02.2022, the Buyback of 22,36,000 Equity Shares of ₹ 1/-each (representing 0.65% of the total number of paid up equity shares of the Company) from the Shareholders of the Company on proportionate basis by way of tender offer route at a price of ₹ 805/- per share for an aggregate amount of ₹ 17,999.80 lakhs (9.44% of the paid up capital and free reserves) was initiated in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ('SEBI Buy-back Regulations'). The same was completed on 26.04.2022.

17 OTHER EQUITY

(₹ in Lakhs)

	As at 31.03.2022	As at 31.03.2021
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.

Capital redemption reserve		
Opening balance	1,827	1,827
Impairment loss on financial assets	-	-
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	1,45,437	1,05,271
Add: Profit for the year	73,080	43,262
Less:		
Interim Dividend (₹ 3.75 per share)	-	2,580
Final dividend (₹ 0.75 per share)	516	516
Closing balance (D)	**2,18,001**	**1,45,437**

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
	Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.		
	Total (A+B+C+D)	**2,59,777**	**1,87,213**
	NON - CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
18	**BORROWINGS**		
	Term Loan - Measured at amortised cost		
	From banks (secured)	-	1,151
	From others (secured)	38	-
	Less : amount included under Borrowings (Refer note 21)	(7)	(161)
		31	**990**
	Information about the company's exposure to interest rate and liquidity risks is included in Note 38		
18.1	(i) The Company has availed, in the earlier years, a term loan from IDBI Bank Limited in respect of which balance as at 31.03.2022 was Nil (Pr.Yr. ₹ 129 lakhs). As per the terms of the arrangement, 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, in the earlier years, a term loan from IDBI Bank Limited in respect of which balance as at 31.03.2022 was Nil (Pr.Yr. ₹ 32 lakhs). As per the terms of the arrangement, 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, in the earlier years, a term loan from Bank of Baroda in respect of which balance as at 31.03.2022 was Nil (Pr.Yr. ₹ 990 lakhs). As per the terms of the arrangement, 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 a term loan from Daimler Financial Services India Pvt Ltd in respect of which balance as at 31.03.2022 was ₹ 38 lakhs (Pr.Yr. ₹ Nil). The loan is repayable in 36 quarterly instalments commencing from December 2021. This term loan is secured by Vehicle purchased out of the loan.		
18.2	Interest rate relating to term loans from banks/others are in the range of 8.75% to 10.45% per annum (Pr.Yr. 9.60% 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)	4,368	4,294
	Net deferred tax liabilities	**4,368**	**4,294**
	For movement in deferred tax liabilities (Refer note 34)		
20	**OTHER NON - CURRENT LIABILITIES**		
	Payables on purchase of Fixed Assets	-	-
	Others		
	Security deposit from dealers - FASO	3	4
		3	**4**
	CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
21	**BORROWINGS**		
	Loans repayable on demand from banks - Secured		
	Working capital loan	810	-
	Packing credit loan	40,937	30,579
	Current maturities of long term borrowings (Refer note 18)	7	161
		41,754	**30,740**
	Information about the company's exposure to currency, interest rate and liquidity risks is included in Note 38		

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
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 7.00% to 7.85% per annum (Pr.Yr. 7.85% to 8.65%). Interest rates relating to packing credit are in the range of 2.40% to 3.80% per annum (Pr.Yr. 1.50% to 5.35%).		
21.2	**Reconciliation of cashflows from financing activities**		
	Cash and cash equivalents	9,561	4,503
	Non-current borrowings	(31)	(990)
	Current borrowings	(41,754)	(30,740)
	Net debt	**(32,224)**	**(27,227)**

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Non-current borrowing including current maturities	Current borrowings	
Net debt as at 01.04.2021	**4,503**	**(990)**	**(30,740)**	**(27,227)**
Net cash flows	5,058	959	(11,014)	(4,997)
Foreign exchange adjustments	-	-	-	-
Net debt as at 31.03.2022	**9,561**	**(31)**	**(41,754)**	**(32,224)**
Net debt as at 01.04.2020	**14,533**	**(6,659)**	**(39,876)**	**(32,002)**
Net cash flows	(10,030)	5,669	9,136	4,775
Foreign exchange adjustments	-	-	-	-
Net debt as at 31.03.2021	**4,503**	**(990)**	**(30,740)**	**(27,227)**

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
21.3	Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by Company.		
21.4	Quarterly returns or statements of current assets filed by the Company for the sanctioned borrowings with banks or financial institutions are not materially different with that of books of accounts.		
22	**TRADE PAYABLES**		
	(A) Total outstanding dues of micro and small enterprises	1,454	881
	(B) Total outstanding dues of creditors other than micro and small enterprises	10,952	8,297
		12,406	**9,178**

Trade payables ageing schedule:

As at 31.03.2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
i) MSME	1,454	-	-	-	1,454
ii) Others	10,952	-	-	-	10,952
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	12,406	-	-	-	**12,406**

NOTES

As at 31.03.2021 **(₹ in Lakhs)**

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
i) MSME	881	-	-	-	881
ii) Others	8297	-	-	-	8,297
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	9,178	-	-	-	**9,178**

(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

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
23	**OTHER FINANCIAL LIABILITIES**		
	Unclaimed dividend	3	5
	Interest accrued	-	5
	Others	40	41
		43	**51**
	Information about the company's exposure to currency, interest rate and liquidity risks is included in note 38		
24	**OTHER CURRENT LIABILITIES**		
	Advance payment from customers - Contract liabilities (refer notes below)	5185	3752
	Statutory dues payable	1,327	513
	Employee benefits payable	5,883	6,045
		12,395	**10,310**
	Notes:		
	Revenue recognised during the year that was included in the contract liability balance at the beginning of the year amounts to ₹ 3,752 lakhs (Pr.Yr ₹ 1,021 lakhs).		
	For terms and conditions relating to related party, refer note 39		
25	**CURRENT TAX LIABILITIES (Net)**		
	Provision for tax (net of advance tax)	1,672	2,322
		1,672	**2,322**
26	**REVENUE FROM OPERATIONS**		
	Sale of products	3,89,495	2,83,399
	Sale of services	5,374	4,723
	Other operating revenues	12,498	7,242
	Revenue from operations	**4,07,367**	**2,95,364**
	Disaggregation of revenue from contracts with customers		
	In the following disclosure, revenue from contract with cutomers have been disaggregated based on the nature and type of goods sold.		

NOTES

(₹ in Lakhs)

S.No	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
26.1	**Sale of products**		
	Garment	1,66,911	1,21,693
	Yarn	1,81,859	1,22,320
	Fabric	27,895	29,597
	Cotton waste	11,408	8,432
	Accessories and others	2,144	1,752
		3,90,217	**2,83,794**
	Less: Discount Allowed	722	395
		3,89,495	**2,83,399**
26.2	**Sale of services**		
	Processing and fabrication income	5,374	4,723
		5,374	**4,723**
26.3	**Other operating revenues**		
	Export incentives	9,577	5,261
	Others (primarily scrap sales)	2,921	1,981
		12,498	**7,242**
27	**OTHER INCOME**		
	Interest income on:		
	Cash and bank balances	233	314
	Others	72	96
	Dividend income from long-term investments in subsidiaries	26	26
	Gain on sale of investments (Net)	1,359	359
	Investment promotion subsidy	3,478	-
	Net gain on sale of property, plant and equipment	296	44
	Miscellaneous income	52	131
	Rental income (Refer note 42)	2,947	2,826
		8,463	**3,796**
28	**COST OF MATERIALS CONSUMED**		
	a) Inventory of materials at the beginning 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**
	b) Add: Purchases		
	Cotton	1,65,804	1,25,162
	Dyes and chemicals	8,806	6,825
	Yarn, fabric, polyester and garments	42,187	30,987
	Trims, packing and others	17,930	13,352
		2,34,727	**1,76,326**
	c) Less : Inventory of materials at the end of the year		
	Cotton	44,591	40,441
	Dyes and chemicals	557	478
	Yarn, fabric and polyester	9,664	7,041
		54,812	**47,960**
	Cost of materials consumed (a + b - c)	**2,27,875**	**1,37,852**

NOTES

(₹ in Lakhs)

S.No	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
29	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK- IN- TRADE AND WORK-IN-PROGRESS**		
	a) Inventories at the beginning 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**
	b) Inventories at the end of the year		
	Finished goods	20,776	13,701
	Work-in-progress	4,698	3,450
		25,474	**17,151**
	Net decrease / (increase)	**(8,323)**	**20,087**
30	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	33,991	31,211
	Contribution to provident and other funds	3,051	2,184
	Staff welfare expenses	6,247	5,084
		43,289	**38,479**
31	**FINANCE COSTS**		
	Interest expense on financial liabilities measured at amortised cost		
	Term loans	40	180
	Working capital loans	721	888
	Interest on shortfall in payment of income tax	239	244
	Net (gain) / loss on foreign currency transactions & translation	-	214
	Others	339	435
		1,339	**1,961**
32	**OTHER EXPENSES**		
	Power and fuel	17,262	12,303
	Consumption of stores, spares and packing materials	5,062	3,593
	Repairs and Maintenance		
	Building	950	510
	Machinery	7,796	4,877
	Others	684	787
	Insurance	564	472
	Legal and professional charges	261	202
	Rent (Refer note 42)	3,092	3,094
	Rates and taxes	154	142
	Payment to auditors (Refer note 33)	16	16
	Travelling and conveyance	871	532
	Expenditure on Corporate Social Responsibility (CSR) (Refer note 37)	1,027	832
	Donations	23	14
	Foreign exchange gain/ loss	16	-

NOTES

(₹ in Lakhs)

S.No	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
	Impairment loss on financial assets	121	295
	Impairment loss on investment	1,707	-
	General expenses	543	406
	Freight and forwarding	2,279	2,174
	Sales commission	3,288	1,984
	Other selling expenses	420	274
		46,136	**32,507**
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 and loss**		
	Current tax		
	Current income tax charge	24,870	15,453
	Adjustment in respect of current income tax of prior years	(75)	201
		24,795	15,654
	Deferred tax		
	Origination and reversal of temporary differences	74	(434)
	Reduction in tax rate	-	-
	Total	**24,869**	**15,220**
	There are no items Income tax recognised in other comprehensive income		

34.2 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	
	2021-22	2020-21	2021-22	2020-21
Profit before tax			97,949	58,482
Tax using the Company's domestic tax rate	25.17%	25.17%	24,652	14,719
Effect of deductions under Chapter VI-A of the Income Tax Act, 1961	-0.26%	-0.43%	(252)	(252)
Effect of non-deductible expenses and others	0.56%	0.94%	544	552
	25.47%	25.68%	24,944	15,019
Adjustments recognised in the current year in relation to the current tax of prior years	-0.08%	0.34%	(75)	201
Income tax recognised in the statement of profit and loss	**25.39%**	**26.03%**	**24,869**	**15,220**

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.

NOTES

34.3 Movement in Deferred Tax Liabilities :

Particulars	Balance as at 01.04.2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as at 31.03.2021	Recognised in P&L during 2021-22	Recognised in OCI during 2021-22	Balance as at 31.03.2022
Property, plant and equipment	4,727	(433)	-	4,294	74	-	**4,368**
Total	**4,727**	(433)	-	**4,294**	**74**	-	**4,368**

35 Contingent Liabilities and Commitments (to the extent not provided for)

I. Contingent Liabilities (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
(a) Claims against the Company not acknowledged as debts #		
(i) Income tax demands	3	3
(b) Bank guarantees in favour of parties		
(i) Tamil Nadu Generation and Distribution Corporation [TANGEDCO]	164	164
(ii) Tamil Nadu Pollution Control Board	5	5
(iii) Tata Power Trading Company Limited	100	100
(iv) New Tirupur Area Water Development Corporation Limited	58	58
(v) Central Government Samarath Scheme	2	2
(c) Letter of Credit Facility in favour of Suppliers		
(I) Foreign letter of credit	6,919	669
(ii) Inland Letter of Credit	103	-
(d) Discounted sales invoices	**9,316**	**6,812**

(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 (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
(a) Capital Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for.	4,323	479
(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.	1,79,045	1,08,260
(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 ₹ 2,206 Lakhs (Pr.Yr. ₹ 696 Lakhs)	13,233	4,177

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

NOTES

(₹ in Lakhs)

Name	31.03.2022	31.03.2021
M/s.K.P.R. Sugar Mill Limited	58,845	58,845
M/s.Jahnvi Motor Private Limited	2,700	2,915
M/s KPR Sugar and Apparels Limited	1,17,500	46,500
Total	**1,79,045**	**1,08,260**

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.

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
1.The Principal amount remaining unpaid to any supplier at the end of each accounting year	1,454	881
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 ₹ 913 Lakhs (Pr.Yr. ₹ 730 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	
	31.03.2022	31.03.2021
Promotion of Education	911	730
Donation to Chief Minister's Relief Fund - Covid-19	109	102
Women Empowerment	6	-
Total	**1,027**	**832**

NOTES

Details of corporate social responsibility expenditure: (₹ in Lakhs)

Particulars	For the year Ended	
	31.03.2022	31.03.2021
(i) shortfall at the end of the year	-	-
(ii) total of previous years shortfall	-	-
(iii) reason for shortfall	NA	NA
(iv) details of related party transactions	NA	NA
(v) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

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

31.03.2022 (₹ in Lakhs)

Particulars	Carrying amount			Total carrying amount	Fair value hierarchy
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities		
Financial assets measured at fair value					
Non-current Investments (excluding investments in subsidiaries)	150	-	-	150	Level 2
Current Investments	27,403	-	-	27,403	Level 1
Financial assets not measured at fair value					
Loans	-	204	-	204	-
Trade receivables	-	39,263	-	39,263	-
Cash and cash equivalents	-	9,561	-	9,561	-
Other bank balances	-	479	-	479	-
Other financial assets	-	4,442	-	4,442	-
Financial liabilities not measured at fair value					
Borrowings	-	-	41,785	41,785	-
Trade payables	-	-	12,406	12,406	-
Other financial liabilities	-	-	43	43	-

31.03.2021 (₹ in Lakhs)

Particulars	Carrying amount			Total carrying amount	Fair value hierarchy
	Mandatorily at FVTPL - Others	Other financial assets - amortised cost	Other financial liabilities		
Financial assets measured at fair value					
Non-current Investments (excluding investments in subsidiaries)	150	-	-	150	Level 2
Current Investments	23,344	-	-	23,344	Level 1

NOTES

(₹ in Lakhs)

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	-
Financial liabilities not measured at fair value					
Borrowings	-	-	31,730	31,730	-
Trade payables	-	-	9,178	9,178	-
Other financial liabilities	-	-	51	51	-

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 and 21 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, 2022 was as follows

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Debt *	41,785	31,730
Less : Cash and Bank Balances *	10,040	5,290
Net Debt	31,745	26,440
Total equity	2,63,218	1,90,654
Net Debt to Equity Ratio	12.06%	13.87%

* Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in Notes 18 and 21. 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

NOTES

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 31.03.2022

Currency	Cross Currency	Amount (₹ in Lakhs)	Buy / Sell
USD	INR	1,17,344 (43,476)	Sell Sell
USD	INR	5,268 -	Buy
EURO	INR	7,438 (3,770)	Sell Sell
GBP	INR	6,705 (3,572)	Sell Sell

Note: Figures in brackets relates to the previous year

(b) The year-end unhedged foreign currency exposures are given below

Foreign currency denominated financial assets and liabilities (including firm commitments, if any) which expose the Company to currency risk are disclosed below. The amounts shown are those reported translated at the closing rate. Unhedged foreign currency risk exposure at the end of the reporting period has been expressed in Rupees.

(₹ in Lakhs)

	USD	Euro	GBP	JPY	CHF	Total
As at 31.03.2022						
Loans	204	-	-	-	-	204
Trade receivables	1,155	1,620	1,807	-	-	4,582
Cash and cash equivalents	-	-	-	-	-	-
Trade payables	(785)	-	(24)	(279)	(453)	(1,541)
	574	**1,620**	**1,783**	**(279)**	**(453)**	**3,245**

NOTES

(₹ 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)
Borrowings	-	-	-	-	-	-
Total	**6,407**	**691**	**1,818**	-	**(70)**	**8,846**

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, 2022. 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, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
USD	(6)	(64)	6	64
Euro	(16)	(7)	16	7
GBP	(18)	(18)	18	18
JPY	3	-	(3)	-
CHF	5	(1)	(5)	1
	(32)	(90)	32	90

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate exposure

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Non-current borrowings	31	990
Current borrowings	41,754	30,740
Total	**41,785**	**31,730**

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at March 31, 2022. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately ₹ 418 lakhs (Pr.Yr: ₹317 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.

NOTES

(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 31.03.2022, the investments in mutual funds amounts to ₹ 27,403 lakhs (Pr.Yr: ₹ 23,344 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 ₹ 274 lakhs (Pr.Yr: ₹ 233 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	31.03.2022	31.03.2021
Trade receivables	39,263	26,081

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.

For movement of loss allowance in trade receivables, refer note 11.

Loans (₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Loans to related parties	204	555

The Company extended loan to its wholly owned subsidiaries which are engaged in potential ventures.

Also refer note 32 and 47.

NOTES

Investments :

Investments of surplus funds are made only with approval of Board of Directors. This primarily include investments in equity instruments of an unlisted entity and mutual funds. The Company does not expect significant credit risks arising from these investments.

Cash and cash equivalents and 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.

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	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj Sri C.R.Anandakrishnan Sri E.K.Sakthivel
Relatives of Key Management Personnel	Smt D.Geetha (Daughter of Sri.KPD Sigamani) Sri T.N.Arun (Son of Sri P.Nataraj)
Enterprises owned by Key Management Personnel/Directors or their relatives	M/s K.P.R. Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s KPR Info Solutions Private Limited
Subsidiary Companies	M/s Quantum Knits Private Limited M/s K.P.R. Sugar Mill Limited M/s Jahnvi Motor Private Limited M/s Galaxy Knits Limited M/s KPR Exports PLC, Ethiopia M/s KPR Mill Pte. Ltd, Singapore M/s KPR Sugar and Apparels Limited

NOTES

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 31.03.2022
Transactions during the year					
Purchase of Goods	- -	- -	- -	11 (173)	11 (173)
Purchase of Asset	- -	- -	- -	- (195)	- (195)
Revenue from Operations	- -	- -	- -	19,658 (13,276)	19,658 (13,276)
Sale of Asset	- -	- -	- -	3 (31)	3 (31)
Processing and Fabrication Income	- -	- -	- -	- (6)	- (6)
Processing and Fabrication Expenses	- -	- -	- -	37 -	37 -
Interest Receipts	- -	- -	- -	6 (15)	6 (15)
Lease Rent Paid	- -	1 (1)	- -	3,000 (3,000)	3,001 (3,001)
Lease Rent Received	- -		- -	3 -	3 -
Remuneration / Salary	- -	1,758 (1,756)	13 (6)	- -	1,771 (1,762)
Investments	- -	- -	- -	38,924 (11,176)	38,924 (11,176)
Loan, net	- -	- -	- -	- (203)	- (203)
Balances outstanding as at the balance sheet date					
Investments	- -	- -	- -	57,762 (18,564)	57,762 (18,564)
Investment in wholly owned subsidiary pending allotment	- -	- -	- -	7 (1,875)	7 (1,875)
Loans	- -	- -	- -	204 (555)	204 (555)
Advance Receivable	- -	- -	- -	1,373 (210)	1,373 (210)
Security deposit	- -	- -	- -	- (2,500)	- (2,500)
Trade Receivable	- -	- -	- -	- (453)	- (453)
Interest accrued	- -	- -	- -	6 (18)	6 (18)
Trade Payable	- -	915 (925)	- -	- (93)	915 (1,018)
Advance payment from customers	- -	- -	- -	4,653 (3,173)	4,653 (3,173)

(Previous year figures are shown in brackets)

NOTES

39.3 Details of transactions with related parties

(₹ in Lakhs)

a. Purchase of Goods

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	-	11
M/s KPR Exports PLC, Ethiopia	-	46
M/s Quantum Knits Pvt Limited	11	32
M/s KPR Mill Pte. Ltd, Singapore	-	84
Total	**11**	**173**

b. Purchase of Asset

(₹ in Lakhs)

Name	2021 - 22	2020-21
M/s Jahnvi Motor Private Limited	-	5
M/s K.P.R. Sugar Mill Limited	-	2
M/s KPR Exports Plc, Ethiopia	-	188
Total	-	**195**

c. Revenue from Operations

(₹ in Lakhs)

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	20,005	12,601
M/s KPR Exports PLC, Ethiopia	-	23
M/s KPR Mill Pte. Ltd, Singapore	(350)	530
M/s Quantum Knits Pvt Limited	-	122
M/s KPR Sugar and Apparels Limited	3	-
Total	**19,658**	**13,276**

d. Sale of Asset

(₹ in Lakhs)

Name	2021-22	2020-21
M/s.K.P.R. Sugar Mill Limited	-	31
M/s KPR Sugar and Apparels Limited	3	-
Total	**3**	**31**

e. Processing and Fabrication Income

(₹ in Lakhs)

Name	2021-22	2020-21
M/s Quantum Knits Pvt Limited	**-**	6
Total	**-**	6

f. Processing and Fabrication expenses

(₹ in Lakhs)

Name	2021-22	2020-21
M/s KPR Sugar and Apparels Limited	37	-
Total	**37**	-

NOTES

g. Interest Receipts (₹ in Lakhs)

Name	2021 - 22	2020 - 21
M/s KPR Mill Pte. Ltd, Singapore	6	15
Total	**6**	**15**

h. Lease Rent Paid (₹ in Lakhs)

Name	2021 - 22	2020 - 21
Sri K.P.Ramasamy	0.19	0.19
Sri KPD Sigamani	0.18	0.18
Sri P.Nataraj	0.18	0.18
K.P.R. Sugar Mill Limited	3,000.00	3,000.00
Total	**3,000.55**	**3000.55**

i. Lease Rent Received (₹ in Lakhs)

Name	2021 - 22	2020 - 21
M/s.K.P.R. Sugar Mill Limited	1	-
M/s Quantum Knits Pvt Limited	1	-
M/s KPR Sugar and Apparels Limited	1	-
Total	**3**	-

j. Remuneration / Salary (₹ in Lakhs)

Name	2021 - 22	2020 - 21
Sri K.P.Ramasamy	572	572
Sri KPD Sigamani	572	572
Sri P.Nataraj	572	572
Sri C.R.Anandakrishnan	24	22
Sri E.K.Sakthivel	18	18
Smt D.Geetha	6	6
Sri T.N.Arun	7	-
Total	**1,771**	**1,762**

Note: Amount attributable to post employment benefits have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

k. Investments (including investment pending allotment) (₹ in Lakhs)

Name	2021 - 22	2020 - 21
M/s KPR Sugar and Apparels Limited	38,924	11,176
Total	**38,924**	**11,176**

l. Loan (net) (₹ in Lakhs)

Name	2021 - 22	2020 - 21
M/s KPR Exports PLC, Ethiopia (also refer note 47)	-	118
M/s KPR Mill Pte.Ltd, Singapore	-	85
Total	-	**203**

NOTES

Balances outstanding as at the balance sheet date:

m. Investments

(₹ in Lakhs)

Name	2021-22	2020-21
Equity Shares		
M/s.K.P.R. Sugar Mill Limited	1,675	1,675
M/s.Jahnvi Motor Private Limited	276	276
M/s.Quantum Knits Private Limited	10	10
M/s.Galaxy Knits Limited	5	5
M/s.KPR Exports PLC, Ethiopia (also refer note 47)	-	424
M/s KPR Mill Pte. Ltd, Singapore	21	21
M/s KPR Sugar and Apparels Limited	100	100
Preference Share		
M/s.K.P.R. Sugar Mill Limited	5,675	5,675
M/s.KPR Sugar and Apparels Limited	50,000	10,378
Total	**57,762**	**18,564**

n. Investment in wholly owned subsidiary pending allotment

(₹ in Lakhs)

Name	2021-22	2020-21
M/s KPR Exports PLC, Ethiopia (also refer note 47)	-	1,170
M/s KPR Mill Pte. Ltd, Singapore	7	7
M/s.KPR Sugar and Apparels Limited	-	698
Total	**7**	**1,875**

o. Loans

(₹ in Lakhs)

Name	31.03.2022	31.03.2021
M/s KPR Exports PLC, Ethiopia (also refer note 47)	-	118
M/s KPR Mill Pte. Ltd, Singapore	204	437
M/s.KPR Sugar and Apparels Limited	-	-
Total	**204**	**555**

Note: Disclosure under Section 186 (4) of the Companies Act, 2013: The recipients utilise the loan for principal business activities.

p. Advance Receivable

(₹ in Lakhs)

Name	31.03.2022	31.03.2021
M/s.K.P.R. Sugar Mill Limited	-	175
M/s KPR Sugar and Apparels Limited	1,373	35
Total	**1,373**	**210**

q. Security deposit

(₹ in Lakhs)

Name	31.03.2022	31.03.2021
M/s.K.P.R. Sugar Mill Limited	-	2,500
Total	**-**	**2,500**

NOTES

r. Trade Receivable (₹ in Lakhs)

Name	31.03.2022	31.03.2021
M/s.KPR Exports PLC, Ethiopia (also refer note 47)	-	87
M/s KPR Mill Pte. Ltd, Singapore	-	366
Total	**-**	**453**

s. Interest accrued (₹ in Lakhs)

Name	31.03.2022	31.03.2021
M/s KPR Mill Pte Limited	6	18
Total	**6**	**18**

t. Trade Payable (₹ in Lakhs)

Name	31.03.2022	31.03.2021
Sri K.P.Ramasamy	315	321
Sri KPD Sigamani	295	312
Sri P.Nataraj	303	290
Sri C.R.Anandakrishnan	2	2
M/s Jahnvi Motor Private Limited	-	9
M/s KPR Mill Pte Limited, Singapore	-	84
Total	**915**	**1,018**

u. Advance payment from Customers (₹ in Lakhs)

Name	31.03.2022	31.03.2021
M/s.Quantum Knits Private Limited	2,056	1,973
M/s.K.P.R. Sugar Mill Limited	2,598	1,200
Total	**4,653**	**3,173**

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.

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 Earnings Per Share (EPS)

Particulars	31.03.2022	31.03.2021
Profit for the year attributable to equity shareholders (₹ in Lakhs)	73,080	43,262
Weighted average number of equity shares (Refer Note a)	34,40,50,000	34,40,50,000
Face Value Per Share (₹)	1.00	1.00
Earnings Per Share (₹) - Basic and Diluted	21.24	12.57

NOTES

Notes:

a. The calculation of weighted average number of equity shares for the purpose of basic and diluted earnings per share is as follows:

Particulars	31.03.2022	31.03.2021
Opening balance	34,40,50,000	34,40,50,000
Effect of Shares bought back during the year	-	-
Weighted average number of equity shares	34,40,50,000	34,40,50,000

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 09.09.2021, one equity share of ₹ 5/- each fully paid up was sub-divided into five equity shares of ₹ 1/- each fully paid up, with effect from the record date, i.e., 27.09.2021. Consequently, the basic and diluted earnings per share have been adjusted retrospectively for the year ended 31.03.2021 as presented in the Standalone Financial Statements of the Company on the basis of the new number of equity shares in accordance with the provisions of applicable Ind AS.

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.

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	31.03.2022	31.03.2021
India	2,42,442	1,81,428
Overseas	1,52,427	1,06,694
Total	**3,94,869**	**2,88,122**

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 2021-22 and 2020-21.

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 ₹ 3,092 lakhs (Pr.Yr: ₹ 3,094 Lakhs) for the year ended 31.03.2022 towards expenses relating to short-term leases. The total cash outflow for leases is ₹3,092 lakhs (Pr.Yr: ₹ 3,094Lakhs) for the year ended 31.03.2022, including cash outflow of short-term leases.

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Minimum lease payments not later than one year	2,016	2,016
Later than one year but not later than five years	-	-
More than five years	-	-

NOTES

42.2 As Lessor:

The Company has given certain non-factory building on cancellable operating leases and has earned rental income of ₹ 2,947 lakhs (Pr.Yr: ₹ 2,826 Lakhs) for the year ended 31.03.2022. Since the aforesaid leases are short-term in nature, there are no lease payments receivable after one year as at 31.03.2022. The expected amount of minimum lease payments to be received within one year is ₹ 2,947 lakhs (Pr.Yr: ₹ 2,826 Lakhs).

43 Disclosure of Employee Benefits

43.1 Defined Contribution Plans

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Provident Fund	2,934	2,100
Employee State Insurance	794	690

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:

Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined (asset) / liability and its components.

A	**Change in present value of obligation**		
	PV of obligation as at the beginning of the year	902	848
	Current Service Cost	38	54
	Interest Cost	1	62
	Benefits paid	(16)	(62)
	Balance at the end of the year	**925**	**902**
B	**Reconciliation of fair value of plan assets:**		
	Balance at the beginning of the year	900	848
	Interest income	2	36
	Actuarial gains / (losses) on plan assets	-	-
	Benefits paid	-	-
	Contributions paid into the plan	24	16
	Fair value of plan asset as at the end of the year	**925**	**900**
	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	925	902
	Fair value of Plan Asset as at end of the year	925	900
	Funded Status [Surplus/(Deficit)]	**-**	**(2)**

NOTES

D	**Expense recognized in the statement of profit and loss**		
	Current Service Cost	38	54
	Interest Cost	1	62
	Expected return on Plan Assets	(2)	(36)
	Actuarial (gains) / losses on obligations and plan assets		-
		37	**80**
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)	7.00%	7.21%
	Rate of increase in compensation levels (per annum)	7.00%	7.50%
	Rate of return on plan assets (per annum)	7.21%	7.21%
	Attrition rate (per annum)	4.00%	4.00%
	Expected average remaining working lives of employees (years)	27.09	27.09
	Demographic Assumptions - Based on Indian Assured Lives Mortality (2012-14)		

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

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).

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 31.03.2022. The Company is expected to contribute ₹ 34 lakhs (Pr.Yr: ₹ 195 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	17.50 years
1 year	34	32
1-2 years	37	35
2-3 years	36	34
3-4 years	40	37
4-5 years	43	40
5 years and beyond	3,032	2,834

NOTES

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Lakhs)

Particulars	31.03.2022		31.03.2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(118)	144	(111)	135
Salary growth (1% movement)	139	(116)	130	(109)
Attrition rate (1% movement)	(13)	15	(12)	14

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	2021-22		2020-21	
	Units	Amount	Units	Amount
Nippon India Mutual Fund	1,90,692	9,931	2,22,493	11,197
LIC Mutual Fund	2,44,837	9,368	3,28,037	12,147
IDBI Mutual Fund	3,56,579	8,104	-	-
	7,92,108	**27,403**	**5,50,530**	**23,344**

45 Disclosure as per Schedule V of Regulation 34 of the listing regulations - Investments

(₹ in Lakhs)

Name of the Company	31.03.2022	31.03.2021
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 47)	-	1,594
M/s KPR Mill Pte Limited, Singapore	28	28
M/s KPR Sugar and Apparels Limited	50,100	11,176
	57,769	**20,439**

46 Disclosure as per Schedule V of Regulation 34 of the listing regulations - Loans

(₹ in Lakhs)

Name of the Company	As at 31.03.2022	Maximum outstanding during the year 2021-22	As at 31.03.2021	Maximum outstanding during the year 2020-21
M/s KPR Exports PLC, Ethiopia (also refer note 47)	-	118	118	306
M/s KPR Mill Pte Limited, Singapore	204	437	437	437
	204	**555**	**555**	**743**

NOTES

47 Impairment assessment of KPR Exports PLC, Ethiopia

During the year ended 31.03.2022, the Company has performed an impairment assessment of investments made (including investments pending allotment), loans given, and trade receivables due from KPR Exports PLC, Ethiopia, triggered due to changes in business environment as a result of ongoing civil unrest in Ethiopia and has recognized a provision for impairment towards carrying value of investments (including investments pending allotment), loans and trade receivables of INR 1,798 lakhs as at 31.03.2022. Such provision has been presented as part of 'Other expenses' in the statement of profit and loss for the year ended 31.03.2022. Also refer note 32 to the standalone financial statements.

48 Events after reporting period :

The Board of Directors has recommended a final dividend of 15% (₹ 0.15 per share of the face value of ₹ 1/- each) for the year 2021-22 subject to the approval of the shareholders in Annual General Meeting.

49 Other statutory information

a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

d) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

e) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f) The Company has no transactions with struck off companies during the year.

g) The Company has not been declared as wilful defaulters by any bank or financial institution or government or any government authority.

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

50 Ratios as per the Schedule III requirements :

a) Current Ratio = Total current assets divided by Total current liabilities

Particulars	31.03.2022	31.03.2021
Total current assets - ₹ in Lakhs	1,86,941	1,43,800
Total current liabilities - ₹ in Lakhs	68,270	52,601
Ratio	**2.74**	**2.73**
% Change from previous year	**0.16%**	

NOTES

b) Debt Equity Ratio = Total debt divided by Total equity wherein total debt refers to sum of current and non-current borrowings

Particulars	31.03.2022	31.03.2021
Total debt - ₹ in Lakhs	41,785	31,730
Total equity - ₹ in Lakhs	2,63,218	1,90,654
Ratio	**0.16**	**0.17**
% Change from previous year	**- 4.61%**	

c) Debt Service Coverage Ratio = Earnings available for debt service divided by the Total interest and principal repayments

Particulars	31.03.2022	31.03.2021
Profit after tax - ₹ in Lakhs	73,080	43,262
Add: Non cash operating expenses and finance cost		
- Depreciation and amortizations - ₹ in Lakhs	7,565	9,792
- Finance cost - ₹ in Lakhs	1,339	1,961
Earnings available for debt service - ₹in Lakhs	**81,984**	**55,015**
Interest cost on borrowings (term loan) - ₹ in Lakhs	40	180
Principal repayments - ₹ in Lakhs	1,151	3,644
Total interest and principal repayments - ₹ in Lakhs	**1,191**	**3,824**
Ratio	**68.84**	**14.39**
% Change from previous year	**378.73%**	

Reason for change more than 25%: The ratio has increased from 14.38 for the year ended 31.03.2021 to 68.84 for the year ended 31.03.2022 on account of overall increase in business operations and repayment of terms loans.

d) Return on Equity Ratio = Profit after tax divided by Average total equity

Particulars	31.03.2022	31.03.2021
Profit after tax - ₹in Lakhs	73,080	43,262
Average total equity (Refer note below) - ₹ in Lakhs	2,26,936	1,70,571
Ratio	**32.20%**	**25.36%**
% Change from previous year	**26.97%**	

Note: Average total equity = (Total equity as at the beginning of respective year + Total equity as at the end of respective year) divided by 2

Reason for change more than 25%: The ratio has increased from 25.36% for the year ended 31.03.2021 to 32.20% for the year ended 31.03.2022 on account of overall increase in business operations.

e) Inventory turnover ratio = Sales divided by Average inventory

Particulars	31.03.2022	31.03.2021
Sales (refer note 1 below) - ₹ in Lakhs	4,07,367	2,95,364
Average inventory (refer note 2 below) - ₹ in Lakhs	77,138	67,314
Ratio	**5.28**	**4.39**
% Change from previous year	**20.36%**	

Note 1: Sales representes revenue from operations.

Note 2: Average inventory = (Total inventory as at the beginning of respective year + Total inventory as at the end of respective year) divided by 2

NOTES

f) Trade receivables turnover ratio = Sales divided by Average trade receivables

Particulars	31.03.2022	31.03.2021
Sales - ₹ in Lakhs (Refer note 1 below)	3,97,790	2,90,103
Average trade receivables - ₹ in Lakhs (Refer note 2 below)	32,672	30,604
Ratio	**12.18**	**9.48**
% Change from previous year	**28.44%**	

Note 1: Sales for the purpose of the table above represents revenue from operations excluding export incentives.

Note 2: Average trade receivables = (Total trade receivables as at the beginning of respective year + Total trade receivables as at the end of respective year) divided by 2

Reason for change more than 25%: The ratio has increased from 9.48 for the year ended 31.03.2021 to 12.18 for the year ended 31.03.2022 on account of overall increase in business operations and improvement in efficiency of collections from customers.

g) Trade payables turnover ratio = Purchases divided by Average trade payables

Particulars	31.03.2022	31.03.2021
Purchases (refer note 1 below) - ₹ in Lakhs	2,34,727	1,76,326
Average trade payables (refer note 2 below)- ₹ in Lakhs	10,792	9,876
Ratio	**21.75**	**17.85**
% Change from previous year	**21.82%**	

Note 1: Purchases represents Purchases forming part of cost of materials consumed.

Note 2: Average trade payables = (Total trade payables as at the beginning of respective year + Total trade payables as at the end of respective year) divided by 2.

h) Net capital turnover ratio = Revenue from operations divided by Working capital wherein Working capital = current assets - current liabilities

Particulars	31.03.2022	31.03.2021
Revenue from operations - ₹ in Lakhs	4,07,367	2,95,364
Working capital - ₹ in Lakhs	1,18,671	91,199
Ratio	**3.43**	**3.24**
% Change from previous year	**5.99%**	

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	31.03.2022	31.03.2021
Net profit after tax - ₹ in Lakhs	73,080	43,262
Revenue from operations - ₹ in Lakhs	4,07,367	2,95,364
Ratio	**17.94%**	**14.65%**
% Change from previous year	**22.48%**	

NOTES

j) Return on capital employed= Earnings before interest and taxes (EBIT) divided by Capital employed

Particulars	31.03.2022	31.03.2021
Earnings before interest and taxes (refer note 1 below) - ₹ in Lakhs	99,288	60,443
Capital employed (refer note 2 below) - ₹ in Lakhs	3,09,371	2,26,678
Ratio	**32.09%**	**26.66%**
% Change from previous year	**20.36%**	

Note 1: EBIT= Profit before taxes + Finance costs

Note 2: Capital employed = Total equity + Total debt (current borrowings and non-current borrowings) + Deferred tax liabilities

k) Return on investment ('ROI')

i) ROI on mutual fund = Income generated from invested funds divided by average invested funds in mutual funds

Particulars	31.03.2022	31.03.2021
Income generated from invested funds - ₹in Lakhs	1,359	359
Invested funds in mutual funds (refer note below) - ₹in Lakhs	25,374	12,023
Ratio	**5.36%**	**2.99%**
% Change from previous year	**79.37%**	

Note: Invested funds in mutual funds = (Investment in mutual fund as at the beginning of respective year + Investment in mutual fund as at the end of respective year) divided by 2

Reason for change more than 25%: The Company invests temporary funds in mutual funds. During the year, the overall increase in income from such invested funds is on account of increase in investments and resultant gain on such investments.

ii) ROI on treasury funds = Income generated from invested funds divided by average invested funds in treasury funds

Particulars	31.03.2022	31.03.2021
Income generated from treasury funds - ₹ in Lakhs	233	314
Invested funds in treasury funds (refer note below) - ₹ in Lakhs	4,629	7,473
Ratio	**5.03%**	**4.20%**
% Change from previous year	**19.79%**	

Note: Invested funds in treasury funds = (Investment in margin money deposit, term deposit with Non-Banking Finance Companies and in deposits with original maturity of less than three months as at the beginning of respective year + Investment in margin money deposit, term deposit with Non-Banking Finance Companies and in deposits with original maturity of less than three months as at the end of respective year) divided by 2.

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

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

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 27, 2022

Coimbatore
April 27, 2022

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of K.P.R. Mill Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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 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 9 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.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed 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 Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group 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 whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 2,15,923 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of Rs.95,440 lakhs and net cash flows (before consolidation adjustments) amounting to Rs. 9,520 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

2A As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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

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

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Holding Company as on 1 April 2022 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 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

b) Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d)(i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 50 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 50 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 49 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

Further, based on the consideration of the reports of other auditors, the dividend declared or paid during the year by the subsidiary companies incorporated in India is in accordance with section 123 of the Act.

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

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

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

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 22214150AHXFJO4387

Place: Coimbatore
Date: April 27, 2022

ANNEXURE TO THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements of K.P.R. Mill Limited for the year ended March 31, 2022

(Referred to in our report of even date)

In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 22214150AHXFJO4387

Place: Coimbatore
Date: April 27, 2022

Annexure B 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, 2022

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, 2022, 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, 2022, 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

Place : Coimbatore
Date : April 27, 2022

K Sudhakar
Partner
Membership No. 214150
ICAI UDIN: 22214150AHXFJO4387

CONSOLIDATED BALANCE SHEET

(₹in Lakhs)

Particulars	Note	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	1,93,884	1,25,391
(b) Capital work-in-progress	4	11,532	2,862
(c) Goodwill	41	70	70
(d) Intangible assets	4	80	95
(e) Financial assets			
(i) Investments	5	150	150
(ii) Other financial assets	6	2,470	1,600
(f) Deferred Tax Asset (net)	7	1,007	1,368
(g) Other non - current assets	8	30,220	19,527
Total non - current assets		**2,39,413**	**1,51,063**
(2) Current assets			
(a) Inventories	9	1,28,880	91,326
(b) Financial assets			
(i) Investments	10	30,921	23,344
(ii) Trade receivables	11	48,024	32,098
(iii) Cash and cash equivalents	12	12,131	6,795
(iv) Other bank balances	13	658	931
(v) Other financial assets	14	4,532	4,451
(c) Other current assets	15	22,243	16,498
Total current assets		**2,47,389**	**1,75,443**
Total assets		**4,86,802**	**3,26,506**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	3,441	3,441
(b) Other equity	17	3,15,244	2,31,576
Total equity		**3,18,685**	**2,35,017**
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	62,607	17,908
(b) Deferred tax liabilities (net)	19	4,377	4,303
(c) Other non-current liabilities	20	3,188	466
Total non-current liabilities		**70,172**	**22,677**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables	21	55,914	47,832
(A)Total outstanding dues of micro and small enterprises			
(B)Total outstanding dues of creditors other than micro and	22 (A)	1,576	909
small enterprises	22 (B)	26,631	9,964
(iii) Other financial liabilities			
(b) Other current liabilities	23	56	85
(c) Current tax liabilities (net)	24	9,628	7,584
Total current liabilities	25	4,140	2,438
Total liabilities		**97,945**	**68,812**
Total equity and liabilities		**1,68,117**	**91,489**
		4,86,802	**3,26,506**

Significant accounting policies — 3

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

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

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

K.P.Ramasamy
Chairman
DIN: 00003736

KPD Sigamani
Managing Director
DIN: 00003744

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

K Sudhakar
Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
April 27, 2022

Coimbatore
April 27, 2022

CONSOLIDATED STATEMENT OF PROFIT & LOSS

(₹in Lakhs)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
I. Revenue from operations	26	**4,82,248**	**3,52,742**
II. Other income	27	8,722	3,884
III. Total Income (I+II)		**4,90,970**	**3,56,626**
IV. Expenses			
Cost of materials consumed	28	2,94,065	1,73,210
Purchase of stock-in-trade		4,117	2,960
Changes in inventories of finished goods, stock -in- trade and work- in-progress	29	(29,608)	20,123
Employee benefits expense	30	44,545	39,368
Finance costs	31	2,329	3,284
Depreciation and amortisation expense	4	14,112	14,670
Other expenses	32	47,258	34,125
V. Total expenses		**3,76,818**	**2,87,740**
VI. Profit before tax (III-V)		**1,14,152**	**68,886**
VII.Tax expenses			
Current tax			
- Pertaining to current year		29,706	17,427
- Pertaining to prior year		(53)	259
Deferred tax		315	(326)
Income tax expense		**29,968**	**17,360**
VIII. Profit for the year (VI-VII)		**84,184**	**51,526**
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)		**84,184**	**51,526**
Earnings per equity share (EPS)			
Basic & diluted EPS (in ₹) of face value ₹ 1/- each	40	**24.47**	**14.98**

Significant accounting policies 3

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

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

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

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Partner
Membership No. : 214150

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
April 27, 2022

Coimbatore
April 27, 2022

CONSOLIDATED CASH FLOW STATEMENT

(₹in Lakhs)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		**84,184**	**51,526**
Adjustments for:			
Income tax expenses recognised in the statement of profit and loss		29,968	17,360
Depreciation and amortisation		14,112	14,670
Net gain on sale of property, plant and equipment		(301)	(26)
Finance costs		2,329	3,284
Interest income		(318)	(428)
Net (gain)/ loss on sale of current investments		(1,477)	(359)
Rental income from operating leases		(56)	(61)
Recovery of bad debts		(45)	-
Impairment loss on financial assets (Bad debts written off)		229	295
Operating Profit before working capital changes		**1,28,625**	**86,261**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(37,554)	(19,753)
Trade receivables		(16,110)	8,531
Other current assets		(5,744)	5,609
Other non-current financial assets		(870)	646
Other non-current assets		(10,218)	284
Other financial assets		6	(28)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		17,334	(979)
Other current liabilities		2,044	(999)
Other financial liabilities		(16)	1,961
Other non-current liabilities		(1)	(5)
Cash generated from operations		**77,496**	**81,528**
Net income tax (paid)		(28,073)	(15,636)
Net cash generated from operating activities	**(A)**	**49,423**	**65,892**
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipments, including capital advances (net of capital subsidy)		(89,237)	(28,501)
Purchase of current investments (net)		(6,100)	(22,284)
(Increase) /decrease in margin deposit accounts		273	(690)
Proceeds from sale of property, plant and equipment		571	225
Investment in term deposits (having original maturity of more than 3 months)		-	(4,000)
Purchase / (proceeds from) sale of non-current investment		-	60
Interest received		231	294
Rental income received from operating leases		56	61
Net cash flow from/ (used in) investing activities	**(B)**	**(94,206)**	**(54,834)**

CONSOLIDATED CASH FLOW STATEMENT

(₹in Lakhs)

Particulars	Note	Year Ended	
		31.03.2022	31.03.2021
CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment of)/ proceeds from long-term borrowings (net)		**44,654**	**(2,790)**
Proceeds from/(Repayment of) working capital borrowings (net)		8,082	(10,279)
Finance costs paid		(2,101)	(3,279)
Dividends paid		(516)	(3,096)
Net cash flow from (used in) from financing activities	**(C)**	**50,119**	**(19,444)**
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	5,336	(8,386)
Add: Opening cash and cash equivalents		6,795	15,181
Closing cash and cash equivalents (Refer note 12)		**12,131**	**6,795**
Closing cash and cash equivalents comprises			
(a) Cash on hand		58	109
(b) Balance with Banks:			
i) In Current accounts		5,289	4,388
ii) In EEFC accounts		6,784	2,298
		12,131	**6,795**

Significant accounting policies 3

The notes from 1 to 51 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
ICAI Firm Registration Number : 101248W/W-100022

K.P.Ramasamy
Chairman
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 27, 2022

Coimbatore
April 27, 2022

CHANGES IN EQUITY

a. Equity share capital **Notes** **(₹in Lakhs)**

	Notes	(₹in Lakhs)
Balance as at 01.04.2020 Changes in Equity Share Capital during 2020-21	16	3,441 -
Balance as at 31.03.2021		**3,441**
Changes in Equity Share Capital during 2021-22		-
Balance as at 31.03.2022		**3,441**

b. Other Equity **(₹in Lakhs)**

Particulars	Reserves and Surplus					Other compreh-ensive income	Total Other Equity
	Securities Premium	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at 01.04.2020	**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 on face value of ₹ 5/-)	-	-	-	-	(2,580)	-	(2,580)
Final Dividend relating to 2019-20 paid (₹ 0.75 per share on face value of ₹ 5/-)	-	-	-	-	(516)	-	(516)
Balance as at 31.03.2021	**19,096**	**293**	**1,827**	**24,845**	**1,85,515**	-	**2,31,576**
Profit for the year	-	-	-	-	84,184	-	84,184
Final dividend relating to 2020-21 paid (₹ 0.75 per share on face value of ₹ 5/-)	-	-	-	-	(516)	-	(516)
Balance as at 31.03.2022	**19,096**	**293**	**1,827**	**24,845**	**2,69,183**	-	**3,15,244**

Significant accounting policies 3

The notes from 1 to 51 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

K.P.Ramasamy
Chairman
DIN : 00003736

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

KPD Sigamani
Managing Director
DIN : 00003744

P.Kandaswamy
Company Secretary

PL Murugappan
Chief Financial Officer

Coimbatore
April 27, 2022

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

K Sudhakar
Partner
Membership No. : 214150

Coimbatore
April 27, 2022

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 31.03.2022 are authorised by the Board on 27.04.2022.

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.

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

ACCOUNTING POLICIES

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 7 - recognition and measurement of deferred tax assets

Note 3(M) and 44 - 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) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues. (also refer note 7)

(ii) Impairment of non-financial assets

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

(iii) Useful lives of depreciable assets

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

(iv) Inventories:

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

(v) Defined benefit obligation (DBO):

The actuarial valuation of the DBO is based on a number of critical underlying management's assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (also refer note 45)

(vi) Recognition and measurement of provisions and contingencies:

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

(vii) Impairment of financial assets - Refer note 3

F MEASUREMENT OF FAIR VALUES

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

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

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

ACCOUNTING POLICIES

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 is 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 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 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:

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.

ACCOUNTING POLICIES

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 and equipments	~ 10-20 Years
Windmill	~ 12 Years
Electricals	~ 14 Years
Furnitures and fixtures	~ 10 Years
Computers and 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. 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.

ACCOUNTING POLICIES

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.

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

ACCOUNTING POLICIES

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 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).

ACCOUNTING POLICIES

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. 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 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 counterparty for these contracts is generally a bank.

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

I) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants and subsidies 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

ACCOUNTING POLICIES

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 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.

ACCOUNTING POLICIES

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;

- 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.

ACCOUNTING POLICIES

ii) Deferred tax

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

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

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

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 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.

ACCOUNTING POLICIES

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 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

ACCOUNTING POLICIES

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.

3A Recent pronouncements

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, made amendments to the Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment (PPE) – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss (SOPL) and considered as part of cost of PPE.

- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.

- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent - FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.

- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.

- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

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

4. Property Plant and equipment, Intangible assets and Capital Work-in-Progress (₹in Lakhs)

Particulars	Leased Asset - Land	Freehold Land	Factory Building	Non-factory Building	Plant and Equipment	Windmill	Electricals	Furniture and Fixture	Computers and accessories	Vehicles	Total	Capital work-in progress	Intangible assets (Computer software)
Gross carrying amount													
As at 01.04.2020	**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
Additions		5,567	15,886	1,263	58,699		445	491	229	305	82,885	21,699	10
Disposals / adjustments					(520)		(1)	(60)	(4)	(54)	(639)	(2,862)	-
As at 31.03.2022	**550**	**15,367**	**54,547**	**20,361**	**1,69,705**	**12,845**	**10,611**	**4,219**	**1,079**	**1,994**	**2,91,278**	**21,699**	**270**
Accumulated Depreciation and amortisation													
As at 01.04.2020	**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
Depreciation and amortisation expense	6		1,431	345	9,690	1,104	830	348	118	215	14,087	-	25
Disposals / adjustments					(269)			(42)	(3)	(20)	(334)	-	-
As at 31.03.2022	**16**	**-**	**8,156**	**2,023**	**68,168**	**10,660**	**4,369**	**2,315**	**754**	**933**	**97,394**	**-**	**190**
Net carrying amount													
As at 31.03.2021	**540**	**9,800**	**31,936**	**17,420**	**52,779**	**3,289**	**6,628**	**1,779**	**215**	**1,005**	**1,25,391**	**2,862**	**95**
As at 31.03.2022	**534**	**15,367**	**46,391**	**18,338**	**1,01,537**	**2,185**	**6,242**	**1,904**	**325**	**1,061**	**1,93,884**	**21,699**	**80**

Notes:

1. Property, Plant and Equipment include non-factory building given on lease with a gross carrying amount of ₹ 18,143 Lakhs as at 31.03.2022 (Pr.Yr. ₹ 16,880 Lakhs) and a net carrying amount of ₹ 16,378 Lakhs as at 31.03.2022 (Pr.Yr. ₹ 15,422 lakhs).

2. Refer note 18 and 21 for assets given as securities for borrowings.

3. As per Ind - AS 20,"Accounting for Government Grants and Disclosure of Government Assistance", the company has opted to present the grant related to assets as deduction from the carrying value of such specfic assets.For financial year 2021-22 such amount deducted from Property,Plant and Equipment is ₹ 34 lakhs (Pr.Yr. ₹ 545 Lakhs)

4.1 Title deeds of Immovable Properties not held in name of the Parent Company:

(a)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Relevant line item in the balance sheet	Property, plant and equipment	Property, plant and equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	67	67
(iv) Title deeds held in the name of	K.P.R. Spinning Mill Private Limited	K.P.R. Spinning Mill Private Limited
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Spinning Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.	The title deeds are in the name of K.P.R. Spinning Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.
(viii) Whether disputed	No	No

(b)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Relevant line item in the balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	64	64
(iv) Title deeds held in the name of	K.P.R. Mill Private Limited	K.P.R. Mill Private Limited
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.	The title deeds are in the name of K.P.R. Mill Private Limited, erstwhile Company that was merged with the Company under section 391 to 394 of the Companies Act, 1956 in terms of the approval of Honourable High Court(s) of judicature.
(viii) Whether disputed	No	No

(c)

Particulars	As at 31.03.2022	As at 31.03.2021
(i) Relevant line item in the balance sheet	Property, Plant and Equipment	Property, Plant and Equipment
(ii) Description of item of property	Freehold Land	Freehold Land
(iii) Gross carrying value (₹ in Lakhs)	10	10
(iv) Title deeds held in the name of	K.P.R. Knits	K.P.R. Knits
(v) Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter /director	No	No
(vi) Property held since which date	01.04.2005	01.04.2005
(vii) Reason for not being held in the name of the Company	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.	The title deeds are in the name of K.P.R. Knits, erstwhile Company that was acquired through out-right purchase.
(viii) Whether disputed	No	No

4.2 Capital work-in-progress (CWIP) ageing schedule:

As at 31.03.2022

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More Than 3 years**	**Total**
Projects in progress	21,699	-	-	-	**21,699**
Projects temporarily suspended	-	-	-	-	-

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

As at 31.03.2021

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More Than 3 years**	**Total**
Projects in progress	2,862	-	-	-	**2,862**
Projects temporarily suspended	-	-	-	-	**-**

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
5	**FINANCIAL ASSETS**		
	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. 1,50,000) Equity shares of ₹100 each of Somanur Water Scheme Pvt Ltd.	150	150
	Aggregate value of unquoted investments	**150**	**150**
	Information about the Group's fair value measurement is included in note 38		
6	**OTHER FINANCIAL ASSETS**		
	Security deposits	2,470	1,600
		2,470	**1,600**
7	**DEFERRED TAX ASSET (net)**		
	MAT Credit Entitlement	3,612	3,731
	Less: Deferred Tax Liability	2,605	2,363
	Net deferred tax assets	**1,007**	**1,368**
	For movement in deferred tax assets (refer note 34)		
8	**OTHER NON - CURRENT ASSETS**		
	(i) Capital advances	19,880	19,405
	(ii) Advances other than capital advances		
	Advance tax	39	1
	(iii) Others		
	Refund due from income tax	134	121
	(iv) Balances with government authorities	10,167	-
		30,220	**19,527**
9	**INVENTORIES**		
	Raw materials	54,812	48,291
	Work-in-progress *	4,931	3,450
	Finished goods (includes goods in transit of ₹ 4,237 lakhs (Pr.yr. ₹ 2,664 lakhs))	61,306	33,570
	Stock-in-trade	1,302	911
	Stores, spares, packing and others	6,529	5,104
		1,28,880	**91,326**

* Includes Cotton ₹ 3,605 Lakhs (Pr. Yr. ₹ 2,375 Lakhs), Fabric ₹ 30 Lakhs (Pr. Yr. ₹ 28 Lakhs), Sugar ₹ 233 Lakhs (Pr. Yr. Nil) and Garments ₹ 1,063 Lakhs (Pr. Yr. ₹ 1,047 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.

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
	FINANCIAL ASSETS		
10	**CURRENT INVESTMENTS**		
	Investments in Mutual Funds (Quoted)		
	Investments in mutual funds (Quoted) at fair value through Profit and Loss		
	Nippon India, LIC & IDBI mutual fund (also refer note 46)	30,921	23,344
	Aggregate value of quoted investments	**30,921**	**23,344**

The Group's exposure to credit risk and price risk related to investments has been disclosed in note 38.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
11	**TRADE RECEIVABLES**		
	Trade Receivables considered good - Unsecured	48,024	32,098
	Trade Receivables which have significant increase in credit risk	-	-
	Trade Receivables - credit impaired	23	43
		48,047	32,141
	Less: Loss allowance	(23)	(43)
	Net trade receivables	**48,024**	**32,098**
	Movement of loss allowance in trade receivables		
	Opening balance	43	43
	Written off	(20)	-
	Closing balance	**23**	**43**

Trade Receivables ageing schedule:

As at 31.03.2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables - considered good	47,660	128	13	223	-	48,024
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	23	23
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	47,660	**128**	**13**	**223**	**23**	**48,047**

As at 31.03.2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i) Undisputed Trade receivables - considered good	31,719	15	269	-	95	32,098
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	43	43
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	31,719	**15**	**269**	**-**	**138**	**32,141**

NOTES

(i) For receivables secured against borrowings, refer note 18 and note 21

(ii)The Group'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

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
12	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	58	109
	Balance with banks		
	i) In current accounts	5,289	4,388
	ii) In EEFC accounts	6,784	2,298
		12,131	**6,795**
13	**OTHER BANK BALANCES**		
	i) Balance with banks held as margin money deposits	655	926
	ii) Unpaid dividend accounts	3	5
		658	**931**
14	**OTHER FINANCIAL ASSETS**		
	Interest accrued on bank deposits and other deposits	346	259
	Technology upgradation fund subsidy receivable	97	96
	Term Deposit with Non-Banking Finance Companies	4,000	4,000
	Other advances	89	96
		4,532	**4,451**
	Information about the Group's exposure to credit risk and market risk are disclosed in note 38		
15	**OTHER CURRENT ASSETS**		
	Advance to suppliers	9,528	9,864
	Balances with government authorities	4,125	3,215
	Export incentive receivable	7,854	2,741
	Others (primarily prepaid expenses)	736	678
		22,243	**16,498**
16	**EQUITY SHARE CAPITAL**		
	a) Authorised		
	45,00,00,000 (Pr.Yr. 9,00,00,000) Equity Shares of ₹ 1 (₹ 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		
	34,40,50,000 (Pr.Yr. 6,88,10,000) Equity Shares of ₹ 1 (₹ 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 ₹ 1 per share. The holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board declared and paid an interim dividend of Nil (Nil per share of the face value of ₹ 1/-each) for the year 2021-22 (Pr.Yr. ₹ 3.75) (Face Value of ₹ 5/-each).

The Board has recommended a final dividend of 15% (₹ 0.15/- per share) of the face value of ₹ 1/- each) for the year 2021-22 (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.

NOTES

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 31.03.2022		As at 31.03.2021	
Particulars	**Number of Shares**	**(₹ in Lakhs)**	**Number of Shares ***	**(₹ in Lakhs)**
At the beginning of the year	34,40,50,000	3,441	34,40,50,000	3,441
Changes during the year	-	-	-	-
Outstanding at the end of the year	34,40,50,000	3,441	34,40,50,000	3,441

* Also refer note 16.3

16.3 Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 09.09.2021, one equity share of ₹ 5/- each fully paid up was sub-divided into five equity shares of ₹ 1/- each fully paid up, with effect from the record date, i.e., 27.09.2021. Consequently, the basic and diluted earnings per share have been adjusted retrospectively for the year ended 31.03.2021 as presented in the Consolidated Financials of the Company on the basis of the new number of equity shares in accordance with the provisions of applicable Ind AS.

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number of Shares	**%**	**Number of Shares ***	**%**
Sri K.P.Ramasamy	7,16,21,810	20.82	1,48,71,362	21.61
Sri KPD Sigamani	7,43,56,810	21.61	1,48,71,362	21.61
Sri P.Nataraj	7,43,56,810	21.61	1,48,71,362	21.61
L&T Mutual Fund Trustee Limited	1,69,99,064	4.94	42,41,855	6.16

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

* Also refer note 16.3 on sub-division of one equity share of ₹ 5/- each fully paid up into five equity shares of `₹ 1/- each fully paid up.

16.5 For the period of five years immediately preceding the date at which the Balance Sheet is prepared:

(i) The Company has not issued any shares without payment being received in cash also refer note 16.3.

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

(iii) The aggregate number of equity shares bought back by the Company is 65,55,784 (Pr.Yr. 65,55,784) of face value ₹ 5/- each, fully paid up. Also refer note 16.3.

16.6 Shareholding of promoters (each class)

Promoter Name	As at 31.03.2022			As at 31.03.2021		
	Number of Shares	**%**	**% change during the year**	**Number of Shares***	**%**	**% change during the year**
Equity shares:						
Sri K.P.Ramasamy @	7,16,21,810	20.82	(0.79)	1,48,71,362	21.61	-
Sri KPD Sigamani	7,43,56,810	21.61	-	1,48,71,362	21.61	-
Sri P.Nataraj	7,43,56,810	21.61	-	1,48,71,362	21.61	-

*Also refer note 16.3 on sub - division of one equity share of ₹ 5/- each fully paid up into five equity shares of ₹ 1/- each fully paid up.
@ During the year, Sri K.P.Ramasamy gifted 27,35,000 shares to his immediate relatives. The total promoter and promoter group holding remains unchanged.

16.7 After obtaining the approval from the Board of Directors on 07.02.2022, the Buyback of 22,36,000 Equity Shares of ₹ 1/-each (representing 0.65% of the total number of paid up equity shares of the Company) from the Shareholders of the Company on proportionate basis by way of tender offer route at a price of ₹ 805/- per share for an aggregate amount of ₹ 17,999.80 lakhs (9.44% of the paid up capital and free reserves) was initiated in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ('SEBI Buy-back Regulations'). The same was completed on 26.04.2022.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
17	**OTHER EQUITY**		
	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	1,827
	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
	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	1,85,515	1,37,085
	Add: Profit for the year	84,184	51,526
	Less:		
	Final dividend paid (₹0.75 per share)	516	516
	Interim dividend paid (₹3.75 per share)	-	2,580
	Closing balance (E)	**2,69,183**	**1,85,515**
	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)	**3,15,244**	**2,31,576**

NON - CURRENT LIABILITIES
FINANCIAL LIABILITIES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
18	**BORROWINGS**		
	Term Loan - Measured at amortised cost Secured		
	From banks (Secured)	70,653	21,960
	From others (Secured)	38	-
	Less : Amount included under Borrowings (refer note 21)	(8,806)	(4,729)
		61,885	17,231
	From others (unsecured) - Interest Free Sales Tax Loan - NPV	722	677
		62,607	**17,908**

Information about the Group's exposure to interest rate and liquidity risks is included in note 38

NOTES

18.1 Term Loans from banks are secured by pari-passu first charge on fixed assets and second charge on current assets of the Group.

18.2 i) The Company has availed a term loan from Bank of Baroda in the earlier years in respect of which balance as at 31.03.2022 was Nil Lakhs (Pr.Yr. ₹ 991 lakhs). As per the terms of the arrangement, 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 the earlier years in respect of which balance as at 31.03.2022 was Nil (Pr.Yr. ₹32 lakhs). As per the terms of the arrangement, 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 the earlier years in respect of which balance as at 31.03.2022 was Nil (Pr.Yr. ₹129 lakhs). As per the terms of the arrangement, 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 a term loan from Daimler Financial Services India Pvt Ltd in respect of which balance as at 31.03.2022 was ₹38 lakhs (Pr.Yr. Nil). The loan is repayable in 36 quarterly instalments commencing from December 2021. This term loan is secured by Vehicle purchased out of the loan.

v) K.P.R Sugar Mill Limited has availed a term loan from ICICI Bank Limited in the earlier years in respect of which balance as at 31.03.2022 was Nil (Pr.Yr. ₹307 lakhs). As per the terms of the arrangement, 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) K.P.R Sugar Mill Limited has availed a term loan from Bank of Baroda in respect of which balance as at 31.03.2022 was ₹ 5,528 Lakhs (Pr.Yr. ₹7,001 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.

vii) K.P.R Sugar Mill Limited has availed a term loan from ICICI Bank in respect of which balance as at 31.03.2022 was ₹2,000 Lakhs (Pr.Yr. ₹4,000 lakhs). The loan is repayable in 10 quarterly instalments commencing from December 2020. This term loan is secured by second charge on fixed asset.

viii)KPR Sugar and Apparels Limited has availed a term loan from ICICI Bank Limited in respect of which balance as at 31.03.2022 was ₹17,500 Lakhs (Pr.Yr. ₹7500 Lakhs). The loan is repayable in 16 quarterly installments commencing from April 2022. This term loan is secured by exclusive charge by equitable mortgage and hypothecation of fixed asset of Ethanol division.

ix) KPR Sugar and Apparels Limited has availed a term loan from ICICI Bank Limited in respect of which balance as at 31.03.2022 was ₹13,234 Lakhs (Pr.Yr. ₹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 Garment Division. First pari passu charge by equitable mortgage and Hypothecation of immovable fixed assets of Garment Division.

x) KPR Sugar and Apparels Limited has availed a term loan from Bank of Baroda Limited in respect of which balance as at 31.03.2022 was ₹32,391 Lakhs (Pr.Yr. Nil). 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 or Sugar Division. First pari passu charge by equitable mortgage and Hypothecation of immovable fixed assets of Sugar Division.

18.3 Interest rate relating to term loans from banks is in the range of 6.50% to 8.75% (Pr.Yr. 7.90% to 11.47%).

18.4 The Group has not defaulted in the repayment of principal and interest during the year.

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
19	**DEFERRED TAX LIABILITIES (net)**		
	Deferred tax liabilities (refer note 34)	4,377	4,303
	Net deferred tax liabilities	-	-
	For movement in deferred tax liabilities (refer note 34)	**4,377**	**4,303**
20	**OTHER NON - CURRENT LIABILITIES**	3,035	267
	Payables on purchase of Property, plant and equipment	150	195
	Deferred revenue arising from government grants	3	4
	Security deposit from dealers - FASO	**3,188**	**466**
	CURRENT LIABILITIES		
	FINANCIAL LIABILITIES		
21	**BORROWINGS**		
	Loans repayable on demand from banks - Secured		
	Loans for working capital	4,959	11,771
	Packing credit	40,937	30,579
	Unsecured:		
	Loans repayable on demand from others - Secured	1,212	753
	Current maturities of long term loans (refer note 18)	8,806	4,729
		55,914	**47,832**

Information about the group's exposure to 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 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 5.65% to 10.10% per annum (Pr.Yr. 7.85% to 11.08%). Interest rates relating to USD packing credit are in the range of Nil per annum (Pr.Yr. Nil) and interest rates relating to INR packing credit are in the range of 2.40% to 3.80% per annum (Pr.Yr. 1.50% to 5.35%)

21.2 Reconciliation of cashflows from financing activities

(₹in Lakhs)

Cash and cash equivalents	12,131	6,795
Non-current borrowings	(62,607)	(17,908)
Current borrowings	(55,914)	(47,832)
Net debt	**(1,06,390)**	**(58,945)**

	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	Non-current borrowings including current maturities	Current borrowings	Total
Net debt as at 01.04.2021	**6,795**	**(17,908)**	**(47,832)**	**(58,945)**
Net cash flows	5,336	(44,699)	(8,082)	(47,445)
Foreign exchange adjustments	-	-	-	-
Other non-cash movement	-	-	-	-
Net debt as at 31.03.2022	**12,131**	**(62,607)**	**(55,914)**	**(1,06,390)**
Net debt as at 01.04.2020	**15,181**	**(25,382)**	**(53,382)**	**(63,583)**
Net cash flows	(8,386)	7,474	5,550	4,638
Foreign exchange adjustments	-	-	-	-
Other non-cash movement	-	-	-	-
Net debt as at 31.03.2021	**6,795**	**(17,908)**	**(47,832)**	**(58,945)**

NOTES

(₹ in Lakhs)

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
21.3	Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by Company.		
21.4	Quarterly returns or statements of current assets filed by the Group for the sanctioned borrowings with banks or financial institutions are not materially different with that of books of accounts.		
22	**TRADE PAYABLES**		
	A. Total outstanding dues of Micro and small enterprises	1,576	909
	B. Total outstanding dues of creditors other than Micro and small enterprises	26,631	9,964
		28,207	**10,873**

Trade payables ageing schedule:
As at 31.03.2022

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
i) MSME	1,576	-	-	-	**1,576**
ii) Others	26,631	-	-	-	**26,631**
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	28,207	-	-	-	**28,207**

As at 31.03.2021

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
i) MSME	909	-	-	-	**909**
ii) Others	9,964	-	-	-	**9,964**
iii) Disputed dues-MSME	-	-	-	-	-
iv) Disputed dues-Others	-	-	-	-	-
	10,873	-	-	-	**10,873**

(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 Group'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

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
23	**OTHER FINANCIAL LIABILITIES**		
	Unclaimed dividend	3	5
	Interest accrued	9	22
	Others	44	58
		56	**85**

Information about the Group's exposure to currency, interest rate and liquidity risks is included in note 38

S.No	Particulars	As at 31.03.2022	As at 31.03.2021
24	**OTHER CURRENT LIABILITIES**		
	Advance payment from customers - Contract liabilities (refer note below)	1,666	900
	Statutory dues payables	1,789	533
	Employee Benefits payable	6,173	6,151
		9,628	**7,584**

Note:
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year amounts to ₹ 900 lakhs. (Pr.Yr ₹ 661 lakhs)

NOTES

(₹in Lakhs)

S.No	Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
25	**CURRENT TAX LIABILITIES (net)**		
	Provision for tax (net of advance tax)	4,140	2,438
		4,140	**2,438**
26	**REVENUE FROM OPERATIONS**		
	Sale of products	4,61,610	3,37,272
	Sale of services	5,868	5,169
	Other operating revenues	14,770	10,301
	Revenue from operations	**4,82,248**	**3,52,742**
	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	1,69,299	1,24,560
	Yarn	1,81,859	1,22,198
	Fabric	28,209	29,240
	Sugar	39,643	30,573
	Co-Gen Power	3,537	3,379
	Ethanol	21,006	14,011
	Automobile	5,552	3,901
	Cotton Waste	11,408	8,432
	Accessories and Others	2,176	1,646
		4,62,689	**3,37,940**
	Less: Discount Allowed	1,079	668
		4,61,610	**3,37,272**
26.2	**Sale of Services**		
	Processing and fabrication income	5,370	4,718
	Automobile service income	498	451
		5,868	**5,169**
26.3	**Other Operating Revenues**		
	Export incentives	10,799	7,502
	Others (Primarily scrap sales)	3,971	2,799
		14,770	**10,301**
27	**OTHER INCOME**		
	Interest income on		
	Cash and bank balances	252	319
	Others	66	109
	Gain on sale of investments (Net)	1,477	359
	Investment promotion subsidy	3,478	-
	Net gain on sale of property, plant and equipment	301	26
	Miscellaneous income	98	205
	Recovery of bad debts	45	-
	Rental Income (Refer note 44)	3,005	2,866
		8,722	**3,884**
28	**COST OF MATERIALS CONSUMED**		
	a) Inventory of materials at the beginning 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**

NOTES

(₹in Lakhs)

S.No	Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
	b) Add: Purchases		
	Cotton	1,65,804	1,25,162
	Dyes and chemicals	8,806	6,825
	Yarn, fabric, polyester and garments	42,174	31,374
	Trims, packing and others	17,947	13,423
	Sugar cane and coal	65,855	34,970
		3,00,586	**2,11,754**
	c) Less : Inventory of materials at the end of the year		
	Cotton	44,591	40,441
	Dyes and chemicals	557	478
	Yarn, fabric and polyester	9,664	7,372
		54,812	48,291
	Cost of materials consumed (a + b - c)	**2,94,065**	**1,73,210**
29	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK- IN- TRADE AND WORK-IN-PROGRESS**		
	a) Inventories at the beginning 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**
	b) Inventories at the end of the year		
	Finished goods	61,306	33,570
	Work-in-progress	4,931	3,450
	Stock-in-trade	1,302	911
		67,539	37,931
	Net Decrease / (Increase)	**(29,608)**	**20,123**
30	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	34,942	31,893
	Contribution to provident and other funds	3,141	2,263
	Staff welfare expenses	6,462	5,212
		44,545	**39,368**
31	**FINANCE COSTS**		
	Interest expense on financial liabilities measured at amortised cost		
	Term loans	782	963
	Working capital loans	863	1,323
	Interest on shortfall in payment of income tax	241	244
	Net (gain) / loss on foreign currency transactions & translation	-	214
	Interest on interest free sales tax loan	45	45
	Others	398	495
		2,329	**3,284**
32	**OTHER EXPENSES**		
	Power and fuel	17,500	12,467
	Consumption of stores and packing materials	7,098	5,054

NOTES

(₹in Lakhs)

S.No	Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
	Repairs and Maintenance		
	Building	1,052	616
	Machinery	8,933	5,630
	Others	851	901
	Insurance	712	525
	Legal and professional charges	292	240
	Rent (Refer note 44)	192	367
	Rates and taxes	266	212
	Payment to auditor (Refer note 33)	28	30
	Travelling and conveyance	922	615
	Expenditure on Corporate Social Responsibility (CSR) (Refer note 37)	1,196	993
	Donations	43	14
	Foreign exchange loss (net)	4	15
	Impairment loss on financial assets	229	295
	Impairment Loss on Investment	(67)	-
	General expenses	749	568
	Freight and forwarding	3,345	2,946
	Sales commission	3,419	2,305
	Other selling expenses	494	332
	Total	**47,258**	**34,125**

33 Payment to Auditors (including payment to subsidiaries' auditors) (₹in Lakhs)

Particulars	2021-22	2020-21
Statutory audit fees	27	29
Reimbursement of expenses	1	1
Total	28	30

34 Income tax (₹in Lakhs)

S.No	Particulars	2021-22	2020-21
34.1	**Income tax recognised in the statement of profit and loss**		
	Current Tax		
	Current Income Tax charge	29,706	17,427
	Adjustment in respect of Current Income Tax of Prior Years	(53)	259
		29,653	**17,686**
	Deferred Tax		
	Origination and reversal of temporary differences	315	(326)
	Reduction in tax rate	-	-
	MAT Credit Entitlement	-	-
	Total	**29,968**	**17,360**

There are no items of income tax recognised in other comprehensive income.

NOTES

34.2 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	
	2021-22	2020-21	2021-22	2020-21
Profit Before Tax			1,14,152	68,886
Tax using the Group's domestic tax rate	26.56%	26.82%	30,317	18,478
Effect of deductions under Chapter VI-A of the Income Tax Act, 1961	-1.26%	-2.36%	(1,439)	(1,625)
Effect of non-deductible expenses and others	1.00%	0.36%	1,143	248
	26.30%	24.83%	30,021	17,101
Adjustments recognised in the current year in relation to the current tax of prior years	-0.05%	0.38%	(53)	259
MAT Credit Entitlement	0.00%	0.00%	-	-
Income tax recognised in the statement of profit and loss	26.25%	25.20%	29,968	17,360

Note:

The Group recognizes MAT credit availed in earlier years as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group reviews the MAT credit entitlement asset at each reporting date and writes down the asset to the extent it is no longer probable that it will pay normal tax during the specified period.

Pursuant to the amendment in Income Tax Act, 1961 effective 20.09.2019, which provides for an option to domestic companies to pay income tax at reduced rates, the Company exercised the option permitted under section 115BAA of the Income Tax Act,1961.

34.3 Movement In Deferred Tax Liabilities :

(₹in Lakhs)

Particulars	Balance as at 01.04.2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as at 31.03.2021	Recognised in P&L during 2021-22	Recognised in OCI during 2021-22	Balance as at 31.03.2022
Property, Plant and Equipment	4,736	(434)	-	4,303	74	-	4,377
Total	**4,736**	**(434)**	**-**	**4,303**	**74**	**-**	**4,377**

34.4 Movement In Deferred Tax Assets :

(₹in Lakhs)

Particulars	Balance as at 01.04.2020	Recognised in P&L during 2020-21	Recognised in OCI during 2020-21	Balance as at 31.03.2021	Recognised in P&L during 2021-22	Recognised in OCI during 2021-22	Balance as at 31.03.2022
Property, Plant and Equipment	2,310	53	-	2,363	242	-	2,605
MAT Credit Entitlement	(3,786)	55	-	(3,731)	119	-	(3,612)
Total	**(1,476)**	**108**	-	**(1,368)**	**361**	-	**(1,007)**

NOTES

35 Contingent Liabilities and Commitments (to the extent not provided for)

I. Contingent Liabilities

(₹in Lakhs)

Particulars	31.03.2022	31.03.2021
(a) Claims against the Group not acknowledged as debts #		
(i) Income Tax demands	1,143	1,142
(b) Bank guarantees in favour of parties		
(i) Tamil Nadu Generation and Distribution Corporation	164	164
(ii) Tamil Nadu Pollution Control Board	5	5
(iii) Tata Power Trading Company Limited	100	100
(iv) New Tirupur Area Water Development Corporation Limited	58	58
(v) Indian Oil Corporation	218	122
(vi) Bharat Petroleum Corportion Limited	9	54
(vii) Hindustan petroleum Corporation Limited	140	46
(viii) Central Government Samarath Scheme	2	2
(c) Letter of Credit Facility in favour of Suppliers		
(i) Foreign Letter of Credit	6,919	669
(ii) Inland Letter of Credit	103	-
(d) Discounted sales invoices	**9,316**	**6,812**

(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	31.03.2022	31.03.2021
(a) Capital Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for.	13,866	62,726
(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 ₹3,533 Lakhs (Pr.Yr. ₹696 Lakhs)	21,200	4.177

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 Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

NOTES

(₹in Lakhs)

S.No	Particulars	31.03.2022	31.03.2021
1	The Principal amount remaining unpaid to any supplier at the end of each accounting year	1,576	909
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 Group during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹1,082 Lakhs (Pr.Yr. ₹888 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	
	31.03.2022	31.03.2021
Promotion of Education	1,081	888
Donation to Chief Minister's Relief Fund - Covid-19	109	102
Women Empowerment	6	-
Rural Development Projects	-	3
Total	**1,196**	**993**

Details of corporate social responsibility expenditure:

(₹in Lakhs)

Particulars	For the year Ended	
	31.03.2022	31.03.2021
(i) shortfall at the end of the year	-	-
(ii) total of previous years shortfall	-	-
(iii) reason for shortfall	NA	NA
(iv) details of related party transactions	NA	NA
(v) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

NOTES

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

31.03.2022 **(₹in Lakhs)**

Particulars	Carrying amount			Total carrying amount	Fair value hierarchy
	Mandatorily at FVTPL - Others	Other financial assets -amortised cost	Other financial liabilities		
Financial assets measured at fair value					
Non-current Investments	150	-	-	150	Level 2
Current Investments	30,921	-	-	30,921	Level 1
Financial assets not measured at fair value					
Trade receivables	-	48,024	-	48,024	-
Cash and cash equivalents	-	12,131	-	12,131	-
Other bank balances	-	658	-	658	-
Other financial assets	-	4,532	-	4,532	-
Financial liabilities not measured at fair value					
Borrowings	-	-	1,18,521	1,18,521	-
Trade payables	-	-	28,207	28,207	-
Other financial liabilities	-	-	56	56	-

31.03.2021 **(₹in Lakhs)**

Particulars	Carrying amount			Total carrying amount	Fair value hierarchy
	Mandatorily at FVTPL - Others	Other financial assets -amortised cost	Other financial liabilities		
Financial assets measured at fair value					
Non-current Investments	150	-	-	150	Level 2
Current Investments	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	-	-	65,740	65,740	-
Trade payables	-	-	10,873	10,873	-
Other financial liabilities	-	-	85	85	-

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 18 and 21 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, 2022 was as follows **(₹in Lakhs)**

Particulars	31.03.2022	31.03.2021
Debt *	1,18,521	65,740
Less : Cash and Bank Balances *	12,789	7,726
Net Debt	1,05,732	58,014
Total equity	3,18,685	2,35,017
Net Debt to Equity Ratio	33.18%	24.69%

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

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 31.03.2022

Currency	Cross Currency	Amount (₹in Lakhs)	Buy / Sell
USD	INR	1,22,906 (43,476)	Sell Sell
USD	INR	5,268 -	Buy
EURO	INR	7,438 (3,770)	Sell Sell
GBP	INR	6,705 (3,572)	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.

(₹in Lakhs)

	USD	Euro	GBP	JPY	CHF	Total
As at 31.03.2022						
Trade receivables	2,890	1,620	1,807	-	-	6,317
Cash and cash equivalents	-	-	-	-	-	-
Trade payables	(2,135)	-	(24)	(279)	(453)	(2,891)
	755	**1,620**	**1,783**	**(279)**	**(453)**	**3,426**

(₹in Lakhs)

	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)
Borrowings	-	-	-	-	-	-
	8,061	**691**	**1,818**	**-**	**(70)**	**10,500**

Note: Trade receivables and Trade payables includes firm commitments.

Sensitivity Analysis :

Sensitivity analysis is carried out for un-hedged foreign exchange risk as at 31.03.2022. 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, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
USD	(8)	(81)	8	81
Euro	(16)	(7)	16	7
GBP	(18)	(18)	18	18
JPY	3	-	(3)	-
CHF	5	1	(5)	(1)
	(34)	**(105)**	**34**	**105**

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	31.03.2022	31.03.2021
Non-current borrowings	62,607	17,908
Current borrowings	55,914	47,832
Total	**1,18,521**	**65,740**

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at 31.03.2022. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately ₹1,185 lakhs (Pr.Yr: ₹657 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 31.03.2022, the investments in mutual funds amounts to ₹30,921 lakhs (Pr.Yr. ₹23,344 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 ₹309 lakhs (Pr.Yr. ₹233 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	**31.03.2022**	**31.03.2021**
Trade receivables	**48,024**	**32,098**

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.

NOTES

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 11.

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 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	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj Sri C.R.Anandakrishnan Sri E.K.Sakthivel
Relatives of Key Management Personnel	Smt D.Geetha (Daughter of Sri.KPD Sigamani) Sri T.N.Arun (Son of Sri P.Nataraj)
Enterprises owned by Key Management Personnel/Directors or their relatives	M/s K.P.R. Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s KPR Info Solutions Private Limited

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	Total as on 31.03.2022
Transactions during the year				
Lease Rent Paid	- -	1 (1)	- -	1 (1)
Remuneration / Salary	- -	1,758 (1,756)	13 (6)	1,771 (1,762)
Balance outstanding as at the balance sheet date				
Trade Payable	- -	915 (925)	- -	915 (925)

(Previous year figures are shown in brackets)

39.3 Details of transactions with related parties

a. Lease Rent Paid (₹in Lakhs)

Name	2021 - 22	2020-21
Sri K.P.Ramasamy	0.19	0.19
Sri KPD Sigamani	0.18	0.18
Sri P.Nataraj	0.18	0.18
Total	**0.55**	**0.55**

b. Remuneration / Salary (₹in Lakhs)

Name	2021 - 22	2020-21
Sri K.P.Ramasamy	572	572
Sri KPD Sigamani	572	572
Sri P.Nataraj	572	572
Sri C.R.Anandakrishnan	24	22
Sri E.K.Sakthivel	18	18
Smt D.Geetha	6	6
Sri T.N.Arun	7	-
Total	**1,771**	**1,762**

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)

Name	2021 - 22	2020-21
Sri K.P.Ramasamy	315	321
Sri KPD Sigamani	295	312
Sri P.Nataraj	303	290
Sri C.R.Anandakrishnan	2	2
Total	**915**	**925**

NOTES

39.4 Transactions eliminated in consolidation procedures (intra-group transactions) and consequently not forming part of consolidated financial statements

(i) Transactions between the Parent Company and other Group entities:

a. Purchase of Goods **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	-	11
M/s KPR Exports PLC, Ethiopia	-	46
M/s Quantum Knits Pvt Limited	11	32
M/s KPR Mill Pte. Ltd, Singapore	-	84
Total	**11**	**173**

b. Purchase of Asset **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s Jahnvi Motor Private Limited	-	5
M/s K.P.R. Sugar Mill Limited	-	2
M/s KPR Exports PLC, Ethiopia	-	188
Total	-	**195**

c. Revenue from Operations **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	20,005	12,601
M/s KPR Exports PLC, Ethiopia	-	23
M/s KPR Mill Pte. Ltd, Singapore	(350)	530
M/s Quantum Knits Pvt Limited	-	122
M/s KPR Sugar and Apparels Limited	3	-
Total	**19,658**	**13,276**

d. Sale of Asset **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	-	31
M/s KPR Sugar and Apparels Limited	3	-
Total	**3**	**31**

e. Processing and Fabrication Income **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s Quantum Knits Pvt Limited	-	6
Total	-	**6**

NOTES

f. Processing and Fabrication expenses **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s KPR Sugar and Apparels Limited	37	-
Total	**37**	**-**

g. Interest Receipts **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s KPR Mill Pte. Ltd, Singapore	6	15
Total	**6**	**15**

h. Lease Rent Paid **(₹in Lakhs)**

Name	2021 - 22	2020-21
K.P.R. Sugar Mill Limited	3,000	3,000
Total	**3,000**	**3,000**

i. Lease Rent Received **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	1	-
M/s Quantum Knits Pvt Limited	1	-
M/s KPR Sugar and Apparels Limited	1	-
Total	**3**	-

j. Investments (including investment pending allotment) **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s KPR Sugar and Apparels Limited	38,924	11,176
Total	**38,924**	**11,176**

k. Loan (net) **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s KPR Exports PLC, Ethiopia	-	118
M/s KPR Mill Pte.Ltd, Singapore	-	85
Total	**-**	**203**

(II) Transactions between the other Group entities:

In the books of M/s.K.P.R.Sugar Mill Limited

I. Revenue from Operations **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s KPR Sugar and Apparels Limited	825	-
Total	**825**	-

NOTES

In the books of M/s KPR Sugar and Apparels Limited

m. Purchase of goods

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	825	-
Total	**825**	-

39.5 Balances eliminated in consolidation procedures (intra-group transactions) and consequently not forming part of consolidated financial statements

(I) In the books of the Parent Company

n. Investments

(₹in Lakhs)

Name	2021 - 22	2020-21
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	0	424
M/s KPR Mill Pte. Ltd, Singapore	21	21
M/s KPR Sugar and Apparels Limited	100	100
Preference Share		
M/s.K.P.R. Sugar Mill Limited	5,675	5,675
M/s.KPR Sugar and Apparels Limited	50,000	10,378
Total	**57,762**	**18,564**

o. Investment in wholly owned subsidiary pending allotment **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s KPR Exports PLC, Ethiopia	-	1,170
M/s KPR Mill Pte. Ltd, Singapore	7	7
M/s.KPR Sugar and Apparels Limited	-	698
Total	**7**	**1,875**

p. Loans **(₹in Lakhs)**

Name	2021 - 22	2020-21
M/s KPR Exports PLC, Ethiopia	-	118
M/s KPR Mill Pte. Ltd, Singapore	204	437
Total	**204**	**555**

NOTES

Note: Disclosure under Section 186 (4) of the Companies Act, 2013:
The recipients utilise the loan for principal business activities.

q. Advance Receivable

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	-	175
M/s KPR Sugar and Apparels Limited	1,373	35
Total	**1,373**	**210**

r. Security deposit

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	-	2,500
Total	**-**	**2,500**

s. Trade Receivable

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s.KPR Exports PLC, Ethiopia	-	87
M/s KPR Mill Pte. Ltd, Singapore	-	366
Total		**453**

t. Interest accrued

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s KPR Mill Pte Limited	6	18
Total	**6**	**18**

u. Trade Payable

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s Jahnvi Motor Private Limited	-	9
M/s KPR Mill Pte Limited, Singapore	-	84
Total	-	**93**

v. Advance payment from Customers

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s.Quantum Knits Private Limited	2,056	1,973
M/s.K.P.R. Sugar Mill Limited	2,598	1,200
Total	**4,653**	**3,173**

NOTES

(II) In the books of M/s.K.P.R.Sugar Mill Limited

w. Advance Receivable

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s.Quantum Knits Private Limited	75	-
Total	**75**	-

x. Trade Receivable

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s KPR Sugar and Apparels Limited	1,006	-
Total	**1,006**	-

(III) In the books of M/s.Quantum Knits Private Limited

y. Advance Payable

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	75	-
Total	**75**	-

(IV) In the books of M/s KPR Sugar and Apparels Limited

z. Trade Payable

(₹in Lakhs)

Name	2021 - 22	2020-21
M/s.K.P.R. Sugar Mill Limited	1,006	-
Total	**1,006**	-

Note: During the year ended 31.03.2022, the Parent company has performed an impairment assessment of investments made (including investments pending allotment), loans given, and trade receivables due from KPR Exports PLC, Ethiopia, triggered due to changes in business environment as a result of ongoing civil unrest in Ethiopia and has recognized a provision for impairment towards carrying value of investments (including investments pending allotment), loans and trade receivables of ₹1,798 lakhs as at 31.03.2022. For the purpose of these consolidated financial statements, the aforesaid intra group balances have been eliminated and consequently do not form part of these consolidated financial statements.

39.6 Terms and conditions of transactions with related parties

Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

39.7 Transfer pricing

The Group has transactions with related parties. For the financial year ended 31.03.2021, 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 31.03.2022, 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.

NOTES

40 Earnings Per Share (EPS)

Particulars	2021-22	2020-21
Profit for the year attributable to the equity shareholders (₹ in Lakhs)	84,184	51,526
Weighted average number of equity shares (Refer Note a)	34,40,50,000	34,40,50,000
Face Value Per Share (₹)	1	1
Earnings Per Share - Basic & Diluted (₹)	24.47	14.98

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	2021-22	2020-21
Opening balance	34,40,50,000	34,40,50,000
Effect of Shares bought back during the year	-	-
Weighted average number of equity shares	**34,40,50,000**	**34,40,50,000**

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 09.09.2021, one equity share of ₹5/- each fully paid up was sub-divided into five equity shares of ₹1/- each fully paid up, with effect from the record date, i.e., 27.09.2021. Consequently, the basic, diluted earnings per share have been adjusted retrospectively for the year ended 31.03.2021 as presented in the Consolidated Financial Statements of the Company on the basis of the new number of equity shares in accordance with the provisions of applicable Ind AS.

b. The Company does not have any potential equity shares. Accordingly basic and diluted earnings per share would remain the same.

41 Goodwill on Consolidation

(₹in Lakhs)

Particulars	2021-22	2020-21
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**

42 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 reportable segments viz., Textile, Sugar and Others based on 'Management Approach' as defined in Ind-AS 108. These segments offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the reportable segments, the respective Company's Board of Directors reviews internal management reports on atleast a quarterly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the respective Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES

42.1

(₹in Lakhs)

Particulars	For the year ended 31.03.2022			
	Textile	Sugar	Others	Total
External Revenue	4,11,323 (2,98,356)	64,515 (49,612)	6,410 (4,774)	4,82,248 (3,52,742)
Inter-segment revenue	- -	- -	- -	- -
Total	4,11,323 (2,98,356)	64,515 (49,612)	6,410 (4,774)	4,82,248 (3,52,742)
Segment results before other income, finance costs and tax	97,769 (61,397)	9,657 (6,484)	337 (405)	1,07,763 (68,286)
Unallocable expenses (net)				- -
Operating income				1,07,763 (68,286)
Less: Finance costs				2,329 (3,284)
Add: Other income (net)				8,718 (3,884)
Profit before tax				1,14,152 (68,886)
Less: Tax expense				29,968 (17,360)
Profit for the year				84,184 (51,526)

Note: Figures in bracket relates to previous year

NOTES

42.2 (₹in Lakhs)

Particulars	For the year ended 31.03.2022			
	Textile	Sugar	Others	Total
Segment Assets	3,24,593 (2,45,248)	1,57,557 (77,096)	3,422 (2,621)	4,85,572 (3,24,965)
Unallocable Assets				1,230 (1,541)
Total Assets				4,86,802 (3,26,506)
Segment Liabilities	80,847 (56,417)	83,050 (33,813)	1,754 (1,176)	1,65,651 (91,406)
Unallocable Liabilities				2,466 (83)
Total Liabilities				1,68,117 (91,489)
Capital Employed (Segment asset - Segment Liabilities)				3,18,685 (2,35,017)
Other information Capital expenditure	12,570 (3,820)	70,711 (5,142)	149 (7)	83,430 (8,969)
Depreciation and amortisation	9,096 (10,370)	4,943 (4,188)	73 (112)	14,112 (14,670)

Note: Figures in bracket relate to the previous year

43 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	2021-22	2020-21
India	2,95,811	2,22,382
Overseas	1,71,667	1,20,059
Total	**4,67,478**	**3,42,441**

Non-current assets* by geographic location of assets **(₹in Lakhs)**

Particulars	2021-22	2020-21
India	2,38,256	1,48,453
Overseas	-	1,092
Total	**2,38,256**	**1,49,545**

*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 2021-22 and 2020-21.

NOTES

44 Operating Lease Disclosure

44.1 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 ₹ 192 lakhs (Pr.Yr:₹ 367 lakhs) for the year ended 31.03.2022 towards expenses relating to short-term leases. The total cash outflow for leases is ₹ 192 lakhs (Pr.Yr:₹ 367 lakhs) for the year ended 31.03.2022, including cash outflow of short-term leases.

(₹in Lakhs)

Particulars	31.03.2022	31.03.2021
Minimum lease payments not later than one year	101	212
Later than one year but not later than five years	80	623
More than five years	-	1,002

44.2 As Lessor:

The Group has given certain non-factory building on cancellable operating leases and has earned rental income of ₹ 3,005 lakhs (Pr.Yr: ₹ 2,866 lakhs) for the year ended 31.03.2022. Since the aforesaid leases are short-term in nature, there are no lease payments receivable after one year as at 31.03.2022. The expected amount of minimum lease payments to be received within one year is ₹ 3,005 lakhs (Pr.Yr: ₹ 2,866 lakhs)

45 Disclosure of Employee Benefits

45.1 Defined Contribution Plans

(₹in Lakhs)

Particulars	2021-22	2020-21
Provident Fund	2,994	2,140
Employee State Insurance	802	694

45.2 Defined Benefit Plan - Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined (asset) / liability and its components.

(₹in Lakhs)

A	**Changes in present value of Obligation**		
	PV of obligation as at the beginning of the year	1029	975
	Current Service Cost	174	58
	Interest Cost	59	62
	Benefits paid	(148)	(66)
	Balance at the end of the year	**1114**	**1029**

NOTES

B	**Reconciliation of fair value of plan assets:**		
	Balance at the beginning of the year	1027	975
	Interest income	63	36
	Actuarial (gains) / losses recognised in other comprehensive income		
	Benefits paid	-	-
	Contributions by the employer	24	16
	FV of Plan Asset as at end of the year	**1114**	**1027**
	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	1114	1029
	Fair value of plan asset as at end of the year	1114	1027
	Funded Status [Surplus/(Deficit)]	-	(2)
D	**Expense recognized in the Consolidated Statement of Profit and Loss**		
	Current Service Cost	174	58
	Interest Cost	59	62
	Expected return on Plan Assets	(63)	(36)
		170	**84**
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)	7.00%	7.21%
	Rate of increase in compensation levels (per annum)	7.00%	7.50%
	Rate of return on plan assets (per annum)	7.21%	7.21%
	Attrition rate (per annum)	4.00%	4.00%
	Expected average remaining working lives of employees (years)	27.09	27.09

Demographic Assumptions - Based on Indian Assured Lives Mortality (2012-14)

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market.

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 31.03.2022. The Company is expected to contribute ₹107 lakhs (Pr.Yr: ₹195 Lakhs) to defined benefit plan obligations funds for the year ending 31.03.2022.

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Weighted average duration of the defined benefit obligation	17.50 years	17.50 years
Disclosure related to indication of effect of the defined benefit plan on the entity's undiscounted future cash flows		
Payout in the next		
1 year	35	32
1-2 years	37	35
2-3 years	36	34
3-4 years	39	37
4-5 years	43	40
5 years and beyond	3,032	2,834

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31.03.2022		31.03.2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(118)	144	(111)	135
Salary growth (1% movement)	139	(116)	130	(109)
Attrition rate (1% movement)	(13)	15	(12)	14

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.

46 Details of quoted current investments

Particulars	31.03.2022		31.03.2021	
	Units	Amount	Units	Amount
Nippon India Mutual Fund	2,58,268	13,449	2,22,493	11,197
LIC Mutual Fund	2,44,837	9,368	3,28,037	12,147
IDBI Mutual Fund	3,56,579	8,104	-	-
Total	**8,59,683**	**30,921**	**5,50,530**	**23,344**

NOTES

47 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

2021-22

(₹in Lakhs)

Particulars	Quantum Knits Private Limited	K.P.R.Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	KPR Sugar and Apparels Limited	KPR Exports PLC	KPR Mill Pte. 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	1.4827	55.7800
Share Capital *	10	583	5	193	5,100	424	21
Other equity	2,018	59,653	(1)	1,437	44,206	(275)	(189)
Total Assets	2,110	81,553	4	3,422	1,28,634	149	51
Total Liabilities	82	21,317	-	1,792	79,328	-	219
Revenue from operations	10	88,652	-	6,411	195	41	132
Profit / (Loss) Before Tax	(1)	16,026	-	258	(794)	(829)	(41)
Tax expense / (credit)	(3)	5,029	-	73	-	-	-
Profit / (loss) after tax	2	10,997	-	185	(794)	(829)	(41)
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 and ₹ 7 lakhs relating to KPR Mill Pte. Limited

2020-21

(₹in Lakhs)

Particulars	Quantum Knits Private Limited	K.P.R.Sugar Mill Limited	Galaxy Knits Limited	Jahnvi Motor Private Limited	KPR Sugar and Apparels Limited	KPR Exports PLC	KPR Mill Pte. 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

NOTES

48 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries

2021-22

(₹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	69.93%	2,63,218	88.47%	73,080	-	-	86.81%	73,080
Subsidiaries - Indian								
1. M/s Quantum Knits Private Limited	0.54%	2,028	0.00%	2	-	-	0.00%	2
2. M/s K.P.R.Sugar Mill Limited	16.00%	60,236	13.31%	10,997	-	-	13.06%	10,997
3. M/s Jahnvi Motor Private Limited	0.43%	1,630	0.22%	185	-	-	0.22%	185
4. M/s Galaxy Knits Limited	0.00%	4	-	-	-	-	0.00%	-
5. KPR Sugar and Apparels Limited	13.10%	49,306	(0.01)	(794)	-	-	-0.94%	(794)
Subsidiaries - Foreign								
M/s KPR Exports Plc, Ethiopia	0.04%	149	-1.00%	(829)	-	-	-0.98%	(829)
M/s KPR Mill Pte Limited, Singapore	-0.04%	(168)	-0.05%	(41)	-	-	-0.05%	(41)
Less : Eliminations		(57,718)		1,584			2.17%	1,584
	100%	**3,18,685**	**100%**	**84,184**	-	-	**100%**	**84,184**

2020-21

(₹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**

49 Events after reporting period :

The Board of Directors has recommended a final dividend of 15% (₹ 0.15 per share of the face value of ₹1/- each) for the year 2021-22 subject to the approval of the shareholders in Annual General Meeting.

NOTES

50 Other statutory information

a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

c) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

d) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

e) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

f) The Group has no transactions with struck off companies during the year.

g) The Group has not been declared as wilful defaulters by any bank or financial institution or government or any government authority.

h) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

51 Ratios as per the Schedule III requirements :

a) Current Ratio = Total current assets divided by Total current liabilities

Particulars	31.03.2022	31.03.2021
Total current assets - ₹ in Lakhs	2,47,389	1,75,443
Total current liabilities - ₹ in Lakhs	97,945	68,812
Ratio	**2.53**	**2.55**
% Change from previous year	**-0.93%**	

b) Debt Equity Ratio = Total debt divided by Total equity wherein total debt refers to sum of current and non-current borrowings

Particulars	31.03.2022	31.03.2021
Total Debt - ₹ in Lakhs	1,18,521	65,740
Total Equity - ₹ in Lakhs	3,18,685	2,35,017
Ratio	**0.37**	**0.28**
% Change from previous year	**32.95%**	

Reason for change more than 25%: The ratio has increased from 0.28 for the year ended 31.03.2021 to 0.37 for the year ended 31.03.2022 on account of overall increase in business volumes and increase in borrowings.

NOTES

c) Debt Service Coverage Ratio = Earnings available for debt service divided by the Total interest and principal repayments

Particulars	31.03.2022	31.03.2021
Profit after tax - ₹ in Lakhs	84,184	51,526
Add: Non cash operating expenses and finance cost		
- Depreciation and amortizations - ₹ in Lakhs	14,112	14,670
- Finance cost - ₹ in Lakhs	2,329	3,284
Earnings available for debt service - ₹ in Lakhs	**1,00,625**	**69,480**
Interest cost on borrowings (term loans) - ₹ in Lakhs	782	963
Principal repayments - ₹ in Lakhs	4,933	9,783
Total interest and principal repayments - ₹ in Lakhs	**5,715**	**10,746**
Ratio	**14.73**	**4.79**
% Change from previous year	**207.21%**	

Reason for change more than 25%: The ratio has increased from 4.79 for the year ended 31.03.2021 to 14.73 for the year ended 31.03.2022 on account of overall increase in business operations and repayment of term loans.

d) Return on Equity Ratio = Profit after tax divided by Average total equity

Particulars	31.03.2022	31.03.2021
Profit after tax - ₹ in Lakhs	84,184	51,526
Average total equity (Refer note below) - ₹ in Lakhs	2,76,851	2,10,802
Ratio	**30%**	**24%**
% Change from previous year	**24.40%**	

Note: Average total equity = (Total equity as at the beginning of respective year + Total equity as at the end of respective year) divided by 2

e) Inventory turnover ratio = Sales divided by Average inventory

Particulars	31.03.2022	31.03.2021
Sales (refer note 1 below) - ₹ in Lakhs	4,82,248	3,52,742
Average inventory (refer note 2 below) - ₹ in Lakhs	1,10,103	81,450
Ratio	**4.38**	**4.33**
% Change from previous year	**1.14%**	

Note 1: Sales represents revenue from operations.

Note 2: Average inventory = (Total inventory as at the beginning of respective year + Total inventory as at the end of respective year) divided by 2

f) Trade receivables turnover ratio = Sales divided by Average trade receivables

Particulars	31.03.2022	31.03.2021
Sales - ₹ in Lakhs (Refer note 1 below)	4,71,449	3,45,240
Average trade receivables - ₹ in Lakhs (Refer note 2 below)	40,061	36,511
Ratio	**11.77**	**9.46**
% Change from previous year	**24.46%**	

Note 1: Sales for the purpose of the table above represents revenue from operations excluding export incentives.

Note 2: Average trade receivables = (Total trade receivables as at the beginning of respective year + Total trade receivables as at the end of respective year) divided by 2

NOTES

g) Trade payables turnover ratio = Purchases divided by Average trade payables

Particulars	31.03.2022	31.03.2021
Purchases (refer note 1 below) - ₹ in Lakhs	3,00,586	2,11,754
Average trade payables (refer note 2 below)- ₹ in Lakhs	19,540	12,034
Ratio	**15.38**	**17.60**
% Change from previous year	**-12.58%**	

Note 1: Purchases represents purchases forming part of cost of materials consumed.

Note 2: Average trade payables = (Total trade payables as at the beginning of respective year + Total trade payables as at the end of respective year) divided by 2.

h) Net capital turnover ratio = Revenue from operations divided by Working capital wherein Working capital = current assets - current liabilities

Particulars	31.03.2022	31.03.2021
Revenue from operations - ₹ in Lakhs	4,82,248	3,52,742
Working capital - ₹ in Lakhs	1,49,444	1,06,631
Ratio	**3.23**	**3.31**
% Change from previous year	**-2.45%**	

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	31.03.2022	31.03.2021
Net profit after tax - ₹ in Lakhs	84,184	51,526
Revenue from operations - ₹ in Lakhs	4,82,248	3,52,742
Ratio	**17%**	**15%**
% Change from previous year	**19.51%**	

j) Return on capital employed= Earnings before interest and taxes (EBIT) divided by Capital employed

Particulars	31.03.2022	31.03.2021
Earnings before interest and taxes (refer note 1 below) - ₹ in Lakhs	1,16,481	72,170
Capital employed (refer note 2 below) - ₹ in Lakhs	4,41,583	3,05,060
Ratio	**26%**	**24%**
% Change from previous year	**11.50%**	

Note 1: EBIT= Profit before taxes + Finance costs

Note 2: Capital employed = Total equity + Total debt (current borrowings and non-current borrowings) + Deferred tax liabilities

NOTES

k) Return on investment ('ROI')

i) ROI on mutual fund = Income generated from invested funds divided by average invested funds in mutual funds

Particulars	31.03.2022	31.03.2021
Income generated from invested funds - ₹ in Lakhs	1,477	359
Invested funds in mutual funds (refer note below) - ₹ in Lakhs	27,133	12,023
Ratio	**5%**	**3%**
% Change from previous year	**82.30%**	

Note: Invested funds in mutual funds = (Investment in mutual fund as at the beginning of respective year + Investment in mutual fund as at the end of respective year) divided by 2

Reason for change more than 25%: The Company invests temporary funds in Mutual funds. During the year, the overall increase in income from such invested funds on account of increased average investments and due to fluctuations in capital markets.

ii) ROI on treasury funds = Income generated from invested funds divided by average invested funds in treasury funds

Particulars	31.03.2022	31.03.2021
Income generated from treasury funds - ₹ in Lakhs	252	319
Invested funds in treasury funds (refer note below) - ₹ in Lakhs	4,791	7,580
Ratio	**5%**	**4%**
% Change from previous year	**25.00%**	

Note: Invested funds in treasury funds = (Investment in margin money deposit, term deposit with Non-Banking Finance Companies and in deposits with original maturity of less than three months as at the beginning of respective year + Investment in margin money deposit, term deposit with Non-Banking Finance Companies and in deposits with original maturity of less than three months as at the end of respective year) divided by 2.

Reason for change more than 25%: The Company invests temporary funds in Mutual funds. During the year, the overall increase in income from such invested funds on account of increased average investments and due to fluctuations in capital markets.

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

For and on behalf of the Board of Directors of

K.P.R. Mill Limited

CIN : L17111TZ2003PLC010518

As per our report of even date attached

For **B S R & CO. LLP**

Chartered Accountants

Firm's Registration Number : 101248W/W-100022

K.P.Ramasamy
Chairman
DIN : 00003736

K Sudhakar
Partner
Membership No. : 214150

KPD Sigamani
Managing Director
DIN : 00003744

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

PL Murugappan
Chief Financial Officer

P.Kandaswamy
Company Secretary

Coimbatore
April 27, 2022

Coimbatore
April 27, 2022


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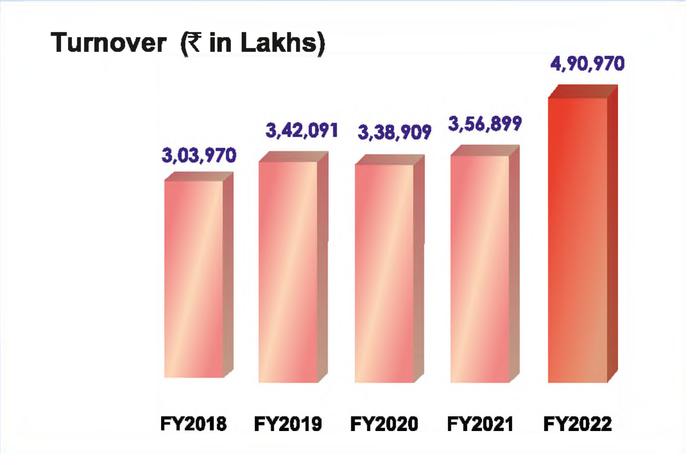
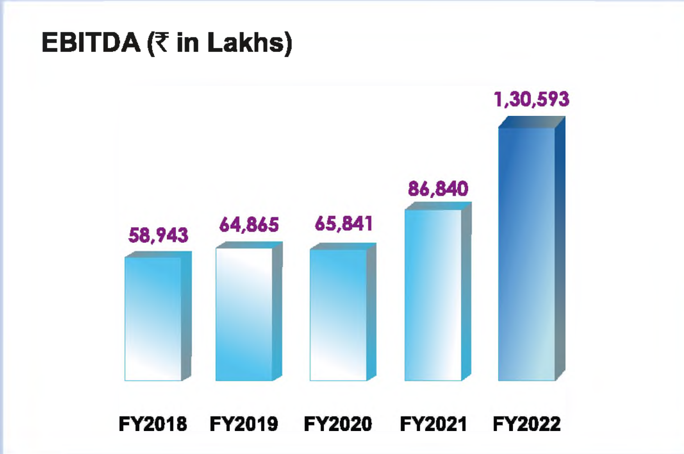
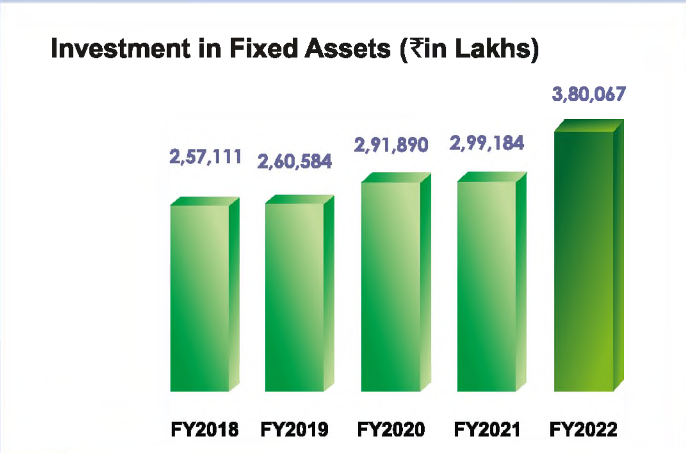
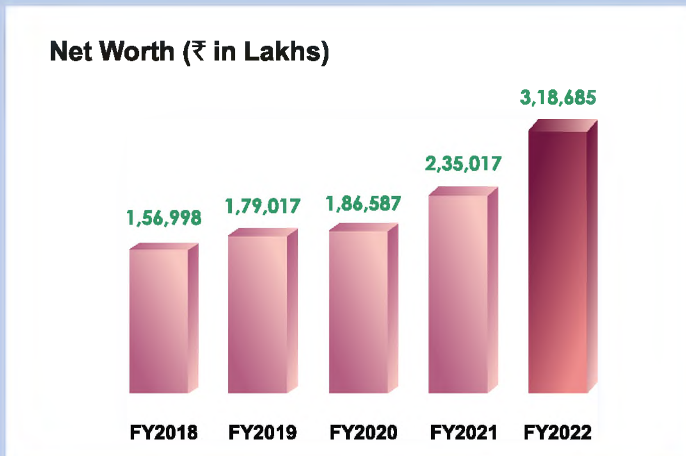
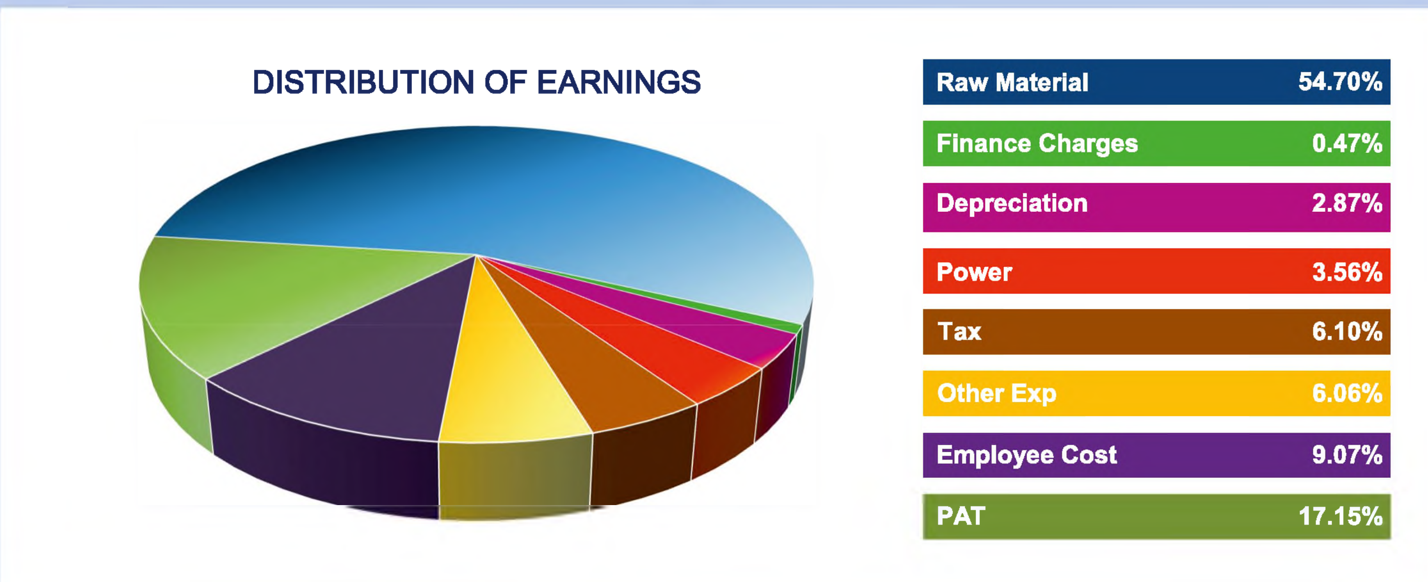

Turnover (₹ in Lakhs)
3,03,970
3,42,091
3,38,909
3,56,899
4,90,970
FY2018
FY2019
FY2020
FY2021
FY2022


EBITDA (₹ in Lakhs)
58,943
64,865
65,841
86,840
1,30,593
FY2018
FY2019
FY2020
FY2021
FY2022


Investment in Fixed Assets (₹in Lakhs)
2,57,111
2,60,584
2,91,890
2,99,184
3,80,067
FY2018
FY2019
FY2020
FY2021
FY2022


Net Worth (₹ in Lakhs)
1,56,998
1,79,017
1,86,587
2,35,017
3,18,685
FY2018
FY2019
FY2020
FY2021
FY2022


DISTRIBUTION OF EARNINGS
Raw Material 54.70%
Finance Charges 0.47%
Depreciation 2.87%
Power 3.56%
Tax 6.10%
Other Exp 6.06%
Employee Cost 9.07%
PAT 17.15%

Corporate Office:

K.P.R. MILL LIMITED

1st Floor, Srivari Shrimat, 1045, Avinashi Road,

Coimbatore - 641 018

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CIN : L17111TZ2003PLC010518

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