



# BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office. 252, Mettupalayam Road, Coimbatore - 641043

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e-mail: [shares@bannarimills.com](mailto:shares@bannarimills.com) CIN: L17111TZ1989PLC002476

## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of the Bannari Amman Spinning Mills Limited (the Company) will be held on Monday, the 25<sup>th</sup> September, 2023 at 10.15 AM (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the business set out in the agenda given below:

You are requested to make it convenient to attend the meeting.

### AGENDA

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company, both Standalone and Consolidated, for the financial year ended 31<sup>st</sup> March, 2023, together with the reports of the Board of Directors' and the Auditors thereon;
2. To appoint a Director in the place of Sri S V Arumugam, (DIN 00002458) who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

3. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**RESOLVED** that pursuant to Sections 196, 197, 198, 199 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the approval of shareholders be and is hereby accorded for the re- appointment of Sri S V Arumugam, (DIN 00002458) as Managing Director of the Company for a further period of 3 (Three) years w.e.f 27.6.2023 and that Sri S V Arumugam, Managing Director (DIN 00002458) be paid the following remuneration as recommended by the Nomination and Remuneration Committee:

**REMUNERATION: 10% (Ten Percent) of the Net Profits of the Company** computed under the relevant provisions of the Companies Act, 2013, as overall remuneration:

**A. SALARY:** Rs.5,00,000/- (Rupees Five Lakhs only) per month

**B. PERQUISITES:** An amount not exceeding annual Salary

**C. OTHER PERQUISITES:**

- I. Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.
- II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- III. Encashment of leave as per rules of the Company.

**D. COMMISSION:** Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each financial Year

**MINIMUM REMUNERATION:**

In the absence or inadequacy of profits in any financial year, Sri S V Arumugam, Managing Director

(DIN 00002458) shall be paid the following remuneration subject to the conditions prescribed under Section II of the Part II of Schedule V of the Companies Act, 2013:

- A. BASIC SALARY :** Rs.5,00,000/- (Rupees Five Lakhs only) per month;
- B. PERQUISITES :** An amount not exceeding annual Basic Salary
- C. OTHER PERQUISITES** (not included in the above remuneration):
  - I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.
  - II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

**FURTHER RESOLVED** that approval of shareholders by special resolution in terms of Section 196(3) of the Companies Act, 2013, be and is here by accorded for the Re-appointment of Sri S V Arumugam (DIN 00002458) as Managing Director, who has already attained the age of 70 years.

**4. To consider and if thought fit, to pass with or without modification(s), the following as Special Resolution:**

**RESOLVED** that Sri C Sivasamy, (DIN 00002921), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 28.6.2023 to hold office up to the date of the ensuing 33<sup>rd</sup> Annual General Meeting, be and is hereby appointed as Director of the company and that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Sri C Sivasamy, (DIN 00002921), who fulfills the criteria required for appointment as Independent Director, be and is hereby appointed as an Independent Director to hold office for a term of five consecutive years, i.e., from the date of the ensuing 33<sup>rd</sup> Annual General Meeting and he is not liable to retire by rotation.

**5. To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:**

**RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee, the remuneration of Rs.1,00,000 (Rupees One Lakh only) (besides reimbursement of out of pocket expenses incurred by him for the purpose of Audit) payable to Sri M Nagarajan, Cost Auditor (Firm Registration No.102133), as approved by the Board of Directors for conducting the audit of the Cost Records of the Company for the Financial Year ending 31<sup>st</sup> March, 2024 be and is hereby ratified and confirmed.

**By order of the Board**

**S V ARUMUGAM  
CHAIRMAN & MANAGING DIRECTOR  
DIN 00002458**

Coimbatore  
28<sup>th</sup> June, 2023

## **STATEMENT OF MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 3 :**

The term of office of Sri S V Arumugam, Managing Director (DIN 00002458) of the Company expired on 26.6.2023. Considering the duties and responsibilities entrusted to him and the commendable performance achieved by the Company during his tenure of office, the Board of Directors have at their meeting held on 30.5.2023, subject to approval of members of the company re-appointed Sri S V Arumugam as Managing Director and also fixed the remuneration payable to him, for a further period of 3 years with effect from 27.6.2023. Considering that he is associated with the Textile Industry for nearly four decades . Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry.

Sri S V Arumugam is also the Managing Director (DIN 00002458) of Young Brand Apparel Private Limited, a subsidiary of the company.

The aforesaid re-appointment and payment of remuneration were recommended by the Nomination and Remuneration Committee at its meeting held on 19.4.2023.

Further information about the appointee as required to be furnished under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed.

A copy of memorandum setting the terms and conditions of Re-appointment of Managing Director is available at the Registered Office of the Company during business hours for inspection of members.

Approval of shareholders by Special Resolution is required for Re-appointment of Sri S V Arumugam as Managing Director, (DIN 00002458) pursuant to Section 196 (3) of the Companies Act, 2013, who has already attained the age of 70 years. The Board recommended his appointment for approval of shareholders in compliance of Section 196 (3) of the Companies Act, 2013, considering his guidance and experience which would be important for the growth of the Company.

Further the Board of Directors have recommended for payment of minimum remuneration in case of loss or inadequacy of profits during his tenure. The required information under Schedule V is attached to this statement.

The Board of Directors recommend the Special Resolution set out in this item of the notice for approval of members.

**Information pursuant to Clause (iv) of Section II of Schedule V is as follows:**

S. No.	Name of the Appointee - Sri S V Arumugam									
I	<b>General Information</b>									
	1) Nature of industry	Textile Manufacturing								
	2) Date or expected date of commencement of commercial production	Not applicable, existing Company								
	3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable								
	4) Financial performance based on given indicators	Financial Year 2022-23 (Rs. in Lakhs) Gross Revenue : 1,09,885.44 Profit after Tax : (3,482.97) Rate of Dividend : Nil Earnings Per share : Rs. (5.37)								
	5) Foreign investments or collaborators, if any	The Company has not made any foreign investments or collaborators								
II	<b>Information about the appointee:</b>									
	1) Background details	Sri S V Arumugam, holds B.Sc., degree and is a qualified CA. He is associated with the Textile Industry for nearly four decades. Sri S V Arumugam occupies the position of Managing Director (DIN 00002458) in the Company since 2005. Under his stewardship, the Company has grown from strength to strength and has achieved the status of one of the most reputed companies in the Textile Industry.								
	2) Past remuneration	<table border="0"> <thead> <tr> <th>Year</th> <th>in Rs.</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>60,39,600/-</td> </tr> <tr> <td>2021-22</td> <td>6,62,00,600/-</td> </tr> <tr> <td>2020-21</td> <td>55,39,600/-</td> </tr> </tbody> </table>	Year	in Rs.	2022-23	60,39,600/-	2021-22	6,62,00,600/-	2020-21	55,39,600/-
Year	in Rs.									
2022-23	60,39,600/-									
2021-22	6,62,00,600/-									
2020-21	55,39,600/-									
	3) Recognition or awards	Past Chairman of Southern India Mills Association and Confederation of Indian Textile Industry and Vice Chairman of Indian Wind Power Association.								
	4) Job profile and his suitability	He is the Managing Director of the Company and devotes whole time attention to the management of the day to day affairs of the Company subject to superintendence and guidance of Board of Directors.								
	5) Remuneration proposed	<p><b>REMUNERATION: 10% (Ten Percent) of the Net Profits of the Company</b> computed under the relevant provisions of the Companies Act, 2013, as overall remuneration:</p> <p><b>a. SALARY:</b> Rs.5,00,000/- (Rupees Five Lakhs only) per month</p> <p><b>b. PERQUISITES:</b> An amount not exceeding annual Salary</p>								

		<p><b>c. OTHER PERQUISITES :</b></p> <ol style="list-style-type: none"> <li>I. Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.</li> <li>II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.</li> <li>III. Encashment of leave as per rules of the Company.</li> </ol> <p><b>d. COMMISSION:</b> Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each financial Year.</p> <p><b>MINIMUM REMUNERATION:</b></p> <ol style="list-style-type: none"> <li><b>a. BASIC SALARY :</b> Rs.5,00,000/- (Rupees Five Lakhs only) per month;</li> <li><b>b. PERQUISITES :</b> An amount not exceeding annual Basic Salary ;</li> <li><b>c. OTHER PERQUISITES</b> (not included in the above remuneration): <ol style="list-style-type: none"> <li>I. Contribution to Provident Fund @ 12% on basic salary and to the extent the same is not taxable under the relevant provisions of Income Tax Act, 1961.</li> <li>II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.</li> </ol> </li> </ol>
	6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized business.
	7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director
<b>III</b>	<b>Other information:</b>	
	1) Reasons of loss or inadequate profits	Reduced demand for Textile & Clothing products in overseas markets due to economic slowdown leading to their increased supply in domestic markets thereby putting severe pressure on prices, on the commodities in which the company operates, in turn led to negative margins.
	2) Steps taken or proposed to be taken for improvement	Change in product mix, increased focus on special products are some of the steps taken for improvement.
	3) Expected increase in productivity and profits in measurable terms	It is expected that steps as per (2) above coupled with improvement in market conditions will lead to positive impact on our financials in the forthcoming years.

**Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment / re-appointment:**

**ITEM NO. 2 & 3 :**

Name	Sri S V Arumugam
Age	74 Years
Qualification	B.Sc., ACA
Experience	He has nearly 5 decades of experience in Industry. He has vast experience and expertise in Textile Industry Management particularly in the fields of Project Operational and Financial Managements for more than four decades
Terms and conditions of appointment or re-appointment	The proposed resolution is for the reappoint of him in the Vacancy caused by his retirement by rotation.
Last drawn remuneration	Rs. 60.40 Lakhs for the Financial Year 2022-23.
Date of first appointment on the Board	27.6.2005
No. of shares held	6,88,869 Equity shares of Rs. 5/- each
Relationship with Directors, Managers and KMP	NIL
No. of Board Meetings attended during 2022-2023	5 out of 5 meetings held
Other Directorship	Bannari Amman Flour Mill Private Limited Sakthi Murugan Transports Private Limited Anamallais Agencies Private Limited Anamallais Automobiles Private Limited Anamallais Motors Private Limited Bannari Amman Properties Private Limited Bannari Amman Retails Private Limited Bannari Amman Infinite Trendz Private Limited Murugan Enterprise Private Limited Senthil Infrastructure Private Limited Young Brand Apparel Private Limited Young Brand Global Private Limited State Industries Promotion Corporation of Tamilnadu Limited
Member of Committee	Stakeholders Relationship Committee - Member
Chairman/Member of the Committees of the Boards of other Companies	State Industries Promotion Corporation of Tamilnadu Limited Audit Committee - Member
Listed entities from which resigned in the past three years	Nil

Except Sri S V Arumugam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the proposed resolution.

#### **ITEM NO. 4**

Sri C Sivasamy (DIN 00002921) was appointed by the Board of Directors as an Additional Director in the capacity as Independent of the Company with effect from 28.6.2023 in compliance of section 149 of the Companies Act, 2013. Sri C Sivasamy will hold his office upto the date of ensuing 33<sup>rd</sup> Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and is eligible and seeks appointment as an Independent Director in terms of section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 for a term of five consecutive years from the date of the ensuing 33<sup>rd</sup> Annual General Meeting.

The company has received from him the consent to act as Independent Director and a Declaration stating that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other related provisions.

The aforesaid appointment was recommended by the Nomination and Remuneration Committee at its Meeting held on 27.6.2023.

In the opinion of the Board, Sri C Sivasamy (DIN 00002921) fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the company and is independent to the management. He does not hold by himself or any other person on a beneficial basis, any shares in the company. Copy of the draft letter for appointment of Sri C Sivasamy (DIN 00002921) as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company during the normal business hours on any working day. The company has received a notice under section 160 of the Companies Act, 2013 from a member proposing his candidature for being appointed as an Independent Director of the Company.

The Board considers that his association shall be beneficial to the company and it is desirable to avail services of Sri C Sivasamy as an Independent Director. Further information about the appointee as required to be furnished Under the SEBI LODR is annexed.

Considering his vast experience, the Board of Directors recommend the Special Resolutions set out in this item of the notice for approval of members.

**Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment / re-appointment:**

**ITEM NO. 4 :**

Name	Sri C Sivasamy
Age	66 Years
Qualification	Diploma in Mechanical Engineering
Experience, Skills and capabilities	He has more than 42 years of experience in the field of Automobiles and General administration.
Terms and conditions of appointment or re-appointment	First term of Appointment for 5 years.
Last drawn remuneration	Not Applicable
Date of first appointment on the Board	28.06.2023
No. of shares held	NIL
Relationship with Directors, Managers and KMP	NIL
No. of Board Meetings attended during 2022-2023	Not Applicable
Other Directorship	Annamallai Infrastructures Private Limited Bannari Amman Food Products Private Limited Shiva Mills Limited Shiva Cargo Movers Private Limited Anamallais Cars Private Limited Annamallai Retreading Company Private Limited Bannari Amman Automobiles Private Limited Shiva Automobiles Private Limited Vedanayagam Enterprises Private Limited
Member of Committee	NIL
Chairman/Member of the Committees of the Boards of other Companies	Shiva Mills Limited Audit Committee - Member Stakeholders Relationship Committee - Member
Listed entities from which resigned in the past three years	NIL



Except Sri C Sivasamy, (DIN 00002921) being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested.

**ITEM NO. 5**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Sri M Nagarajan, Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2024.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March 2024, as set out in the resolution.

The Board of Directors recommend the Ordinary Resolution as set out in this item of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No 5.

By Order of the Board

Coimbatore  
28<sup>th</sup> June, 2023

**S V ARUMUGAM**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN 00002458**

## Notes:

1. Ministry of Corporate Affairs Circular Ref. Nos: 20/2020 dated May 5, 2020, 2/2022 dated May 5, 2022 and SEBI Circular No: SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, permitted the holding of Annual General Meeting through VC/OAVM without the physical presence of the members at the common Venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Annual General Meeting of the members of the Company is being held through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
3. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to sharpcs1@gmail.com with copies marked to the Company at shares@bannarimills.com and to its RTA at coimbatore@linkintime.co.in.
4. Members are requested to submit the questions in advance on the e-mail address shares@bannarimills.com.
5. As per MCA General Circular No. 20/2020 dated May 5, 2020 and 2/2022 dated May 5, 2022 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, dispatching of physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith), such statements shall be sent only by e-mail to the members and hence sending of Annual Report by physical mode has been dispensed with.
6. The members attending the meeting through VC/OAVM shall be reckoned for the purpose of Quorum as stipulated under Section 103 of the Companies Act, 2013.
7. All the resolutions will be passed through the facility of e-voting system only.
8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details in respect of items 3 to 5 of the Agenda forms part of this document.
9. The register of members and the share Transfer books of the company will remain closed from 19.9.2023 to 25.9.2023 (both days are inclusive)
10. Pursuant to the Finance Act 2020, dividend income will be taxable in the hands of members w.e.f. 1st April 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with Registrars & Share Transfer Agents, Link Intime India Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and whose dividend is likely to exceed Rs.5,000/- and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before the end of the business hours of 18.9.2023. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a highest rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an e-mail to <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. The above declarations and documents need to be submitted by the members on or before the end of business hours of 18.9.2023.

11. Previous year figures are given in brackets for the purpose of comparison.
12. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection through electronic mode only.
13. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically.
14. The voting through electronic means will commence on 22<sup>nd</sup> September 2023 at 10.00 A.M and will end on 24<sup>th</sup> September 2023 at 5.00 P.M. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the e-voting system shall be disabled for voting thereafter. The persons those who are holding shares as on the cut-off date of 18<sup>th</sup> September, 2023 are only eligible to cast their e-voting.
15. Registration of email ID and Bank Account details:  
In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.  
In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate the following instructions to be followed:
  - i) Shareholders holding shares in physical mode are requested to communicate their change of postal address (enclose copy of Aadhar Card), e-mail address if any, self-attested copy of PAN Card and bank account details (enclose cancelled Cheque leaf) quoting their folio nos. to the Registrar and Share Transfer Agents M/s. Link Intime India Private Limited, Surya, 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.
  - ii) In the case of Shares held in Demat mode:  
The shareholder may please contact the Depository Participant ("DP") and register the e-mail address and bank account details in the demat account as per the process followed and advised by the DP.
16. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2022-23 will also be available on the Company's website [www.bannarimills.com](http://www.bannarimills.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
17. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

18. The Company has appointed Sri R Dhanasekaran, Practicing Company Secretary, to act as the Scrutinizer for conducting the voting process in a fair and transparent manner.
19. Instructions for e-voting and joining the Annual General Meeting are as follows:

### **Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

### **Login method for Individual shareholders holding securities in demat mode is given below:**

#### **I. Individual Shareholders holding securities in demat mode with NSDL**

1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

#### **2. Individual Shareholders holding securities in demat mode with CDSL**

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System My-easi Tab and then use your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.

4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -
  - A. **User ID** : Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Characters DP ID followed by 8 Digits Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - B. **PAN** : Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. **DOB/DOI** : Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
  - D. **Bank Account Number** : Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
    - \*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
    - \*Shareholders holding shares in **NSDL form**, shall provide 'D' above
    - ❖ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
    - ❖ Click "confirm" (Your password is now generated).
3. Click on 'Login' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.

3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

#### **Guidelines for Institutional shareholders :**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

#### **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders :**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000.

#### **Helpdesk for Individual Shareholders holding securities in demat mode :**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

#### **Individual Shareholders holding securities in Physical mode has forgotten the password :**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID (Login ID) or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- ❖ Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- ❖ Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

## **Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

### **InstaVote Support Desk**

**Link Intime India Private Limited**

## **PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET :**

1. Open the internet browser and launch the URL : <https://instameet.linkintime.co.in>

- ▶ Select the "**Company**" and '**Event Date**' and register with your following details: -
  - A. Demat Account No. or Folio No :** Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company.
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.:** Enter your mobile number.
  - D. Email ID:** Enter your email id, as recorded with your DP/Company.
- ▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

## **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet :**

1. Shareholders who would like to speak during the meeting must register by sending their request mentioning the name, demat account number/folio number and PAN at [shares@bannarimills.com](mailto:shares@bannarimills.com) from 19.9.2023 at 10.00 AM to 22.9.2023 at 5.00 PM with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

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

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No./ Folio No. and OTP (received on the registered mobile number/ registered email id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

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

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders / members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

Since, the AGM is held through VC/OAVM, the Route Map of the Venue is not annexed with this notice.

**By order of the Board**

Coimbatore  
28<sup>th</sup> June, 2023

**S V ARUMUGAM**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN 00002458**



# BANNARI AMMAN SPINNING MILLS LIMITED



**33<sup>rd</sup>**  
**ANNUAL**  
**REPORT**  
*2023*

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**BOARD OF DIRECTORS**

Sri S V Arumugam	-	Chairman & Managing Director
Dr K R Thillainathan	-	Director
Sri S Palaniswami	-	Director
Sri K Sadhasivam	-	Director
Smt S Sihamani	-	Director
Sri C Sivasamy	-	Director

**COMPANY SECRETARY**

Sri N Krishnaraj

**CHIEF FINANCIAL OFFICER**

Sri S Seshadri

**STATUTORY AUDITORS**

M/s. P.N. Raghavendra Rao & Co  
Chartered Accountants  
Coimbatore - 641 009

**INTERNAL AUDITORS**

M/s B M & Associates  
Chartered Accountants  
Coimbatore - 641 044

**COST AUDITOR**

Sri M Nagarajan  
Cost Auditor  
Coimbatore - 641 018

**REGISTERED OFFICE**

252, Mettupalayam Road  
Coimbatore - 641 043 Tamilnadu  
Ph No : 0422 - 2435555  
www.bannarimills.com  
CIN : L17111TZ1989PLC002476

**BANKERS**

The Karur Vysya Bank Limited  
Union Bank of India  
ICICI Bank Limited  
Punjab National Bank  
Indian Overseas Bank  
Bank of Maharashtra  
Indian Bank  
Bank of Bahrain and Kuwait B.S.C.  
DCB Bank Ltd.

**SHARE TRANSFER AGENT**

Link Intime India Private Limited  
35, Surya Mayflower Avenue  
Behind Senthil Nagar  
Sowripalayam Road  
Coimbatore - 641028  
Ph : 0422 - 2314792  
E-mail : coimbatore@linkintime.co.in



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 33<sup>rd</sup> Annual Report together with audited accounts of the Company for the year ended 31<sup>st</sup> March, 2023.

## FINANCIAL RESULTS:

(Rs. in Lakhs)

	2022-23	2021-22
Profit before Depreciation	(2128.58)	10425.68
Less: Depreciation	2920.84	2817.61
Less : Taxes	(1566.45)	2738.33
Add/(Less) : Other Comprehensive Income	66.93	(44.87)
Profit after Tax	(3416.03)	4824.87
Dividend Paid	389.05	-
Surplus brought forward from last year	8686.68	3861.81
Amount available for appropriation	<b>4881.59</b>	<b>8686.68</b>

## DIVIDEND

Your Directors have not recommended any dividend for the year 2022-23.

## REVIEW OF OPERATIONS

During the cotton season October'2021 to September'22 the cotton prices witnessed a continuously increasing trend which touched about Rs.1,05,000 per candy in April/May'2022 as a result of which yarn & fabric prices were also increased frequently which affected the Garment value chain significantly and created uncertainty in the market in FY 2021-22 and first quarter of FY 2022-23. In the meanwhile, Geo political tensions caused by Russia-Ukraine war, tensions between China and Taiwan, Higher inflation which slowed developed economies such as USA, Europe and Japan had adverse effect on the textile industry as exports came down drastically. Though the cotton prices cooled down from the second quarter onwards, due to poor demand for yarn and fabric, there was heavy pressure on the prices resulting in goods produced from high priced cotton getting sold at lower values. Hence the performance of the Company was severely affected during the year leading to a loss of Rs.3416.03 lakhs.

**The unit wise performance of the company is furnished below:**

### Spinning Units

During the year under review, the Spinning mills produced 24047.71 tonnes (31280.87 tonnes) and sold 22464.67 tonnes (24514.68 tonnes) of Yarn.



The sales include 280.09 tonnes (5661.40 tonnes) by way of export. The total yarn sales amounted to Rs.59,127.54 lakhs (Rs.73304.79 lakhs) of which export sales amounted to Rs.1034.13 lakhs (Rs.17290.08 lakhs) constituting 1.75% (23.59%) of the total yarn sales. The reduction in export sales is due to weak demand during the year on account of factors mentioned in the previous paragraph.

The Spinning division produced 8818.71 tonnes (9811.24 tonnes) of saleable waste cotton and sold 9084.04 tonnes (9631.36 tonnes) and the total waste cotton sales of this division amounted to Rs.8377.18 lakhs (Rs.5907.01 lakhs).

### **Weaving Unit**

The Weaving Unit specializes in manufacturing wider-width cotton grey woven fabric. During the year under review, 145.44 lakh metres (136.15 lakh metres) of fabric were produced and 102.46 lakh metres (115.23 lakh metres) of fabric were sold.

The sales include 23.92 lakh metres (34.58 lakh metres) by way of export. The total fabric sales amounted to Rs.10324.50 lakhs (Rs.13282.61 lakhs) of which export sales amounted to Rs.3297.44 lakhs (Rs.4058.45 lakhs).

### **Home Textile Unit**

During the year under review, the Home Textile Unit produced 38.28 lakh pieces (16.23 lakh Pieces) of made ups and sold 36.68 lakh pieces (15.82 lakh pieces) and made fabric sales of 3.70 lakh metres (10.21 lakh metres)

The total sales of this unit amounted to Rs.5279.22 lakhs (Rs.5629.68 lakhs) which includes fabric sales amounting to Rs.128.78 lakhs (Rs.1496.77 lakhs).

### **Knitting Unit**

During the year under review, 3284.30 tonnes (5351.33 tonnes) of Knitted fabric were produced and 3190.96 tonnes (5370.21 tonnes) were sold. The total sales of this unit amounted to Rs.10838.58 lakhs (Rs.17003.85 lakhs) of which export sales amounted to Rs.626.89 lakhs (Rs.6354.81 lakhs).

### **Processing Unit**

During the year under review, 1890.01 tonnes (2169.16 tonnes) of fabric were processed on job work basis and 1240.20 tonnes (1329.72 tonnes) of fabric were produced and 1600.42 tonnes (1174.95 tonnes) of fabric were sold. The total fabric sales of this division amounted to Rs.6807.03 lakhs (Rs.6561.92 lakhs).

### **Apparel Unit**

During the year under review, 67.63 lakhs (34.94 lakhs) pieces of Garments were produced on both own and job work basis. The total income of this division amounted to Rs.4354.87 lakhs (Rs.605.31 Lakhs).



## Wind Mills

The Company has 4 windmills of 1250 KW each totaling 5 MW in Radhapuram Taluk, Tirunelveli District, Tamilnadu, 23 windmills, each of 800 KW capacity totaling 18.40 MW capacity in Dharapuram Taluk, Tirupur District and Palani Taluk, Dindigul District, Tamilnadu. The total installed capacity of Windmills is 23.40 MW and the whole of the wind power generated is captively consumed by the Spinning Units and Weaving Unit.

The windmills produced 337.51 Lakh units of power as against 351.45 Lakh units produced in the last year.

## PROSPECTS FOR THE FINANCIAL YEAR 2023-24

As mentioned earlier, though the prices of cotton have come down by more than 30% from its peak levels, the demand scenario is still weak as export orders are quite low due to recession like situation in developed economies. The bright spot is however domestic demand which is robust and gives some comfort. Overall the prospects for the current year depends on improvement in demand scenario as well as prices and hence difficult to estimate at this point of time.

## EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the Financial position of the Company, subsequent to the end of the Financial Year.

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of one-time settlement with any Bank or Financial Institution.

## PUBLIC DEPOSITS

The Company has no public deposits outstanding at the beginning of the year and, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

## CORPORATE GOVERNANCE

In line with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given as part of this Annual Report, on Corporate Governance, Management Discussion and Analysis alongwith a certificate from a Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## ANNUAL RETURN

Pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013, Annual Return for Financial Year ended on 31st March, 2023, is posted on the website of the Company viz., [www.bannarimills.com](http://www.bannarimills.com)

## DIRECTORS

Sri S V Arumugam, (DIN 00002458) will retire by rotation at the ensuing Annual General Meeting, he is eligible for re-appointment and seeks re-appointment. Sri S V Arumugam has been re-appointed as Managing Director of the Company with effect from 27.6.2023 subject to the approval of Shareholders of the company at the board meeting held on 30.5.2023. Necessary resolutions for the approval of the shareholders of the company is proposed at the ensuing Annual General Meeting.

Sri K N V Ramani, one of the Independent Directors of our company had passed away on 30.3.2023. The Board wishes to place on record his valuable contributions made to the company during his tenure of office since the year 2005. His valuable guidance and advices, in general and in Legal Matters in particular over the period, have immensely contributed to success of the company.

The company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

## KEY MANAGERIAL PERSONNEL

The Company has the following persons as its Key Managerial Personnel:

Name of the persons	Designation
Sri S V Arumugam DIN 00002458	Managing Director
Sri S Seshadri	Chief Financial Officer
Sri N Krishnaraj ACS No. 20472	Company Secretary

## AUDIT COMMITTEE

The Audit Committee comprises of

1. Sri K N V Ramani - Chairman (Non- Executive Independent Director) deceased on 30.3.2023
2. Sri S Palaniswami - Member (Non- Executive Independent Director) – appointed as Chairman of the Audit Committee with effect from 19.4.2023
3. Sri K Sadhasivam - Member (Non- Executive Independent Director) and
4. Dr K R Thillainathan - Member (Non- Executive Independent Director) – appointed with effect from 19.4.2023

The Board has implemented the suggestions made by the Audit Committee from time to time.



## **EVALUATION OF BOARD OF DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the evaluation of Independent Directors is done by the entire Board of Directors including performance and fulfilment of independence criteria specified in the regulation and their independence from the Management. Independent Directors at their meeting without participation, of non-Independent Directors and management considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

Further, the Board has carried out an annual evaluation of performance of Board and of individual Directors as well as the Committees of Directors. The evaluation has been conducted internally in the manner prescribed by Nomination and Remuneration Committee.

## **BOARD MEETINGS**

During the year under review, 5 (Five) Board Meetings were conducted. The details of the same have been given in the Corporate Governance Report under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of this Report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Corporate Guarantee furnished by the Company for an amount of Rs.135.61 Crores for the credit facilities both term loan and working capital facilities, sanctioned by HDFC Bank Limited to Young Brand Apparel Private Limited, a Subsidiary Company, has been waived by the bank with effect from 20.1.2023. Investments and loans of the Company in the shares of other companies is provided under the notes to Balance Sheet appearing in this Annual Report.

## **ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics. The policy has been posted in the website of the Company: [www.bannarimills.com](http://www.bannarimills.com).

## **POLICY ON NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors have framed a policy setting out the framework for payment of Remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The policy is explained as part of the Corporate Governance Report. The Committee ensures that

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and





- c. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year in the ordinary course of business and the prices were at arm's length basis. Hence, the provisions of Section 188 (1) of the Companies Act, 2013 are not attracted. Further no materially significant related party transactions were entered by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Approval of Audit Committee was obtained for transactions of repetitive nature on annual basis. All related party transactions are placed before the Audit Committee for approval and Board of Directors for their review. The policy on Related Party Transactions and Policy for Determination of Material Subsidiary are available in the website [www.bannarimills.com](http://www.bannarimills.com).

Disclosure of these Transactions in form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 as set out below:

### Form AOC - 2

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

The Company has borrowed Rs. 17.00 Crores as Inter Corporate Deposits from Murugan Enterprise Private Limited, one of the Promoter and holding company of the company. There were no transactions made with any person or entity belonging to promoter/promoter group which holds 10% or more shareholding in the Company.

### SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status and the Company's operation in future.

### DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134 (5) of the Companies Act, 2013 your Directors confirm that:

- a) Your Directors have followed in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;



- b) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss, of the Company for that period;
- c) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Your Directors have prepared the annual accounts on a going concern basis;
- e) Your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Your Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS**

The present Auditors of the Company M/s P N Raghavendra Rao & Co., Chartered Accountants, (Firm Registration No: 003328S) Coimbatore, were appointed for a term of 5 years, pursuant to the resolution passed by the members at the Annual General Meeting held on 26<sup>th</sup> September, 2022 and hold office upto the conclusion of the Annual General Meeting to be held in the year 2027. The Company has received a communication from them confirming their eligibility to continue as Auditors of the company.

The Auditor's Report does not contain any qualifications, reservation or adverse remarks, requiring any comments by the Board of Directors.

### **DETAILS OF FRAUDS REPORTED BY AUDITORS**

There were no frauds reported by the Statutory Auditors under provisions of Section 143 (12) of the Companies Act, 2013 and rules made thereunder.

### **SECRETARIAL AUDIT**

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr R Dhanasekaran, Practicing Company Secretary to undertake the Secretarial Audit of the Company in respect of the Financial Year 2022-23. The Secretarial Audit report of the Company and its material unlisted subsidiary Viz., Young Brand Apparel Private Limited are annexed herewith as **Annexure - I**.

### **COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

### **COST AUDITOR**

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of Audit Committee, has appointed Sri M Nagarajan, Cost Accountant, Coimbatore as Cost Auditor to conduct Cost Audit of the Company for the financial year 2023 – 2024. The Company has maintained such accounts and cost records as required under Section 148 (1) of the Companies Act, 2013.



## JOINT VENTURE, ASSOCIATE AND SUBSIDIARIES

The Company has following two subsidiaries as on 31.3.2023:

- i. Young Brand Apparel Private Limited (also Joint Venture Company)
- ii. Bannari Amman Infinite Trendz Private Limited (Formerly Bannari Amman Trendz Private Limited)

In accordance with the Section 129 (3) of the Companies Act, 2013, the consolidated Financial Statements of the Company have been prepared which forms part of the Annual Report. A separate statement containing the salient features of the Financial Statements of Subsidiaries in Form AOC-1 annexed herewith as **ANNEXURE – II**.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and to the Chairman and Managing Director of the Company.

The Company has Independent Internal Auditor and an Internal Audit Department, which monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, corrective actions are taken in the respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## STATEMENT ON RISK MANAGEMENT POLICY

Pursuant to section 134(3)(n) of the Companies Act, 2013, the Committee has developed a Risk Management Policy and implemented the same. At present the Company has not identified any element of risk which may be of threat to the existence of the Company.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII, recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has fully spent the amount stipulated under the requirements of the Act. The Company has constituted Corporate Social Responsibility Committee consisting of the following Directors:

- |                      |   |                               |
|----------------------|---|-------------------------------|
| 1. Sri S V Arumugam  | - | Chairman - Managing Director  |
| 2. Sri S Palaniswami | - | Member - Independent Director |
| 3. Sri K Sadhasivam  | - | Member - Independent Director |

The CSR activities and its related particulars is enclosed as **Annexure III**



### STATUTORY DISCLOSURES

- I. **Conservation of Energy and others**- The particulars required to be included in terms of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March, 2023, relating to Conservation of Energy, etc., is enclosed as **Annexure IV**.
- II. **Remuneration of Directors and other details**- The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2023 is provided in **Annexure V**.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review the human relations continued to be very cordial. The Company wishes to acknowledge the contribution of the employees at all levels of the Organisation.

The Company has an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and an Internal Complaints Committee (ICC) has been constituted to redress complaints of sexual harassment as provided therein. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- |                                                                     |   |     |
|---------------------------------------------------------------------|---|-----|
| a. No. of complaints filed during the financial year 2022-23        | - | Nil |
| b. No. of complaints disposed off during the financial year 2022-23 | - | Nil |
| c. No. of complaints pending as on end of financial year 2022-23    | - | Nil |

### ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the timely assistance and help extended by the Bankers for having provided the required bank facilities. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the excellent performance of your company.

Coimbatore  
30<sup>th</sup> May, 2023

By Order of the Board  
**S V ARUMUGAM**  
Chairman & Managing Director  
DIN 0002458

**ANNEXURE - I****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023)**

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

To

The Members  
Bannari Amman Spinning Mills Limited  
(CIN: L17111TZ1989PLC002476)  
252, Mettupalayam Road,  
Coimbatore - 641043.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bannari Amman Spinning Mills 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bannari Amman Spinning Mills Limited ("the Company") for the financial year ended on 31<sup>st</sup> March 2023) ('Audit Period') according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;
- 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- vi. The following other laws specifically applicable to the company:
  - a. Textile Committee Act, 1963
  - b. Textiles (Development and Regulation) order, 2001
  - c. Textiles (Consumer Protection) Regulation, 1985

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**I report that**, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc., mentioned above.

**I further report that**, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads / company secretary / CFO taken on record by the Board of



Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable financial / general laws like, direct and indirect tax laws, labour laws, and environmental laws.

**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. However, a vacancy has arisen in the board due to the demise of a director on 30<sup>th</sup> March, 2023 and the company, as on 31<sup>st</sup> March, 2023, has time limit to comply with the regulation 17 (1) (c) of SEBI (LODR), 2015. Except the above change there were no changes in the composition of the Board of Directors that took place during the period under review.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**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:

The company has not taken any events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Coimbatore

Date : 30.05.2023

**R Dhanasekaran**  
**Company Secretary in Practice**  
**FCS 7070 / CP 7745**  
**Peer Review No.: 811/2020**  
**ICSI UDIN : F007070E000418360**



**ANNEXURE - I**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023)**

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

To

The Members  
YOUNG BRAND APPAREL PRIVATE LIMITED  
(CIN: U18101TN2006PTC081600)  
Kattuputhur Village, Ozhaiyur Post,  
Uthiramerur Taluk, Kanchipuram - 603107.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. YOUNG BRAND APPAREL PRIVATE 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. YOUNG BRAND APPAREL PRIVATE LIMITED ("the Company") for the financial year ended on 31st March 2023 ('Audit Period') according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; (not applicable during the year under review)
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (not applicable during the year under review)





- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable during the year under review)
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (not applicable during the year under review)
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the year under review)
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the company during the year under review)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the year under review)
  - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the company during the year under review)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the year under review); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable to the Company during the year under review);
- vi. The following other laws specifically applicable to the company:
  - a. Textile Committee Act, 1963
  - b. Textiles (Development and Regulation) order, 2001
  - c. Textiles (Consumer Protection) Regulation, 1985

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above and the company has obtained an order of the Regional Director Ministry of Corporate Affairs, Southern Region, Chennai, compounding the offence of not holding the Annual General Meeting of the company within the due date, for the financial year 2016-17.



I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads / company secretary / CFO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable financial / general laws like, direct and indirect tax laws, labour laws, and environmental laws.

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. The changes in the composition of the board of directors, appointment of a Joint Managing Director and resignation of an Independent Director, that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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:

The company has not taken any events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Coimbatore

Date : 24.05.2023

**R Dhanasekaran**  
**Company Secretary in Practice**  
**FCS 7070 / CP 7745**  
**Peer Review No.: 811/2020**  
**ICSI UDIN: FOO7070E000375867**



**ANNEXURE - II**

**Form AOC-1**

**(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint Ventures**

**Part A Subsidiaries**

(Amount in Rs.)

<b>Name of the subsidiary</b>	<b>Young Brand Apparel Private Limited</b>	<b>Bannari Amman Infinite Trendz Private Limited</b>
1 The date since when subsidiary was acquired	7.7.2017	21.2.2019
2 Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3 Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4 Share capital	65,16,06,060	1,00,000
5 Reserves and surplus	30,38,18,233	(5,36,49,290)
6 Total assets	193,89,18,037	4,43,42,160
7 Total Liabilities	98,34,93,745	9,78,91,450
8 Investments	60,00,000	-
9 Turnover	325,91,36,578	-
10 Profit before taxation	18,64,23,333	(1,60,07,658)
11 Provision for taxation	4,36,93,616	50,14,371
12 Profit after taxation	14,27,29,717	(2,10,22,030)
13 Proposed Dividend	-	-
14 Extent of shareholding (in percentage)	51.33%	100.00%

**Notes:**

1. Subsidiaries which are yet to commence operations : Nil
2. Subsidiaries which have been sold during the year : Nil

**Part B Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013, related to Associate Companies and Joint Ventures**

(Amount in Rs.)

<b>Name of the Joint Ventures</b>	<b>Young Brand Apparel Private Limited</b>
1 Latest audited Balance Sheet Date	31.03.2023
2 Shares of Associate / Joint Ventures held by the Company on the year end No. of Shares	3,34,49,112
Amount of Investment in Associates / Joint Venture	26,05,99,656
Extend of Holding %	51.33%
3. Description of how there is significant influence	Subsidiary
4. Reason why the Associate / Joint Venture is not consolidated	Consolidated
5. Net worth attributable to shareholding as per latest audited Balance Sheet	49,04,19,290
6. Profit / Loss for the year	
i. Considered in Consolidation	7,40,36,419
ii. Not Considered in Consolidation	7,01,99,737

- Names of associates or Joint Ventures which are yet to commence operations : Nil
- Names of associates or Joint Ventures which have been liquidated or sold during the year : Nil

For **P N RAGHAVENDRARAO & CO.**  
Chartered Accountants

**P R VITEL**  
Partner  
Membership No: 018111  
Coimbatore  
30<sup>th</sup> May 2023

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**K. SADASHIVAM**  
Director  
DIN 00610037

**S. SESHADRI**  
Chief Financial Officer



### ANNEXURE III

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

#### 1. Brief outline on CSR Policy of the Company:

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.

Promoting Education and Rural development projects (vide Items 2 & 10 of Schedule VII)

- ❖ Actively participating in integrated rural community development
- ❖ Focus on adopting villages and holistic development of the same
- ❖ Education along with Health & Sanitation will be the prime concern areas
- ❖ Promote quality of services delivered be it basic education, basic health, early childhood care and education by supplementing the efforts of Government and suitably identifying the critical gaps and addressing it squarely.
- ❖ Continuously engaging with the community in terms of social development.
- ❖ Contributing to Prime Minister's National Relief Fund or any other Fund set up by the Central Government for development and relief approved by the CSR Committee and covered in the CSR Rules as amended from time to time.

#### 2. Constitution of CSR Committee

S.No	Name of the 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.	Sri S V Arumugam	Chairman & Managing Director	6	6
2.	Sri S Palaniswami	Independent Director	6	6
3.	Sri K Sadhasivam	Independent Director	6	6

#### 3. Provide the weblink(s) where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company:

##### CSR Policy :

<https://bannarimills.com/upload/310520231028056.%20Policy%20on%20CSR.pdf>

##### CSR Committee :

<https://bannarimills.com/upload/01062023014849Committees%20of%20Board%20of%20Directors.pdf>

##### CSR Reports :

<http://bannarimills.com/upload/17082023101221Annx%20-%20III%20CSR%20Report%20new%20format.pdf>

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – Not applicable.



<b>5.</b>	a) Average net profit of the company as per section 135(5)	Rs. 26,04,55,000
	b) Two percent of average net profit of the company as per section 135(5)	Rs. 52,09,100
	c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	—
	d) Amount required to be set off for the financial year, if any	Rs. 2,56,059
	e) Total CSR obligation for the financial year (b + c - d).	Rs. 49,53,041

<b>6.</b>	a) Amount spent on CSR Projects:	
	i) On going Project	Nil
	ii) Other than On going Project	Rs. 50,81,050
	b) Amount spent in Administrative Overheads.	Nil
	c) Amount spent on Impact Assessment, if applicable.	Nil
	d) Total amount spent for the Financial Year ( (a)+(b)+ (c) ).	Rs. 50,81,050

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR 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
50,81,050/-	Nil	-	-	Nil	-



## (f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
i)	Two percent of average net profit of the company as per section 135(5)	52,09,100/-
ii)	Total amount spent for the Financial Year	50,81,050/-
iii)	Excess amount spent for the financial year ((ii)-(i))	1,28,050/-
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years ((iii)-(iv))	1,28,050/-

7. **Details of Unspent CSR amount for the preceding three financial years:** Nil
8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No (If Yes, enter the number of Capital assets created / acquired) Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year : NIL
9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).** – Fully Spent

Date: 30.5.2023  
Place: Coimbatore

**S V ARUMUGAM**  
Chairman & Managing Director  
and Chairman of the CSR Committee



**ANNEXURE IV**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information under section 134(3)(m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2023 is given here below, and forms part of the Director's Report.

**A. CONSERVATION OF ENERGY**

- i) The steps taken or impact on conservation of energy;

Various measures are under consideration for conservation of energy in the production units. During the year, the Company engaged an external agency to undertake study and suggest measures for conservation of energy in the Spinning divisions. The report of the agency has been considered by the Company and plans to implement the same in phased manner. The benefits accruing from the study shall be furnished in the ensuing years.

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

During the year under review the company utilized wind power of 337.51 Lakh units by way of captive consumption. The Company has also invested in Solar Power Generating Company for supply Power to the Company's manufacturing units and during the year 149.63 lakh units of solar power generated from the facility has been consumed by the Company thereby contributing to green energy empowerment. Apart from this, the Company is purchasing solar and wind power from private players and during the year 24.15 lakh units of such power has been purchased and consumed and hence reducing dependence on fossil fuel.

- iii) The capital investment on energy conservation equipments; - Nil

**B. TECHNOLOGY ABSORPTION**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review foreign exchange earnings were Rs.9751.56 Lakhs (Rs.33171.36 Lakhs). Foreign exchange outgo was Rs.808.25 Lakhs (Rs.817.72 Lakhs).

By Order of the Board

**S V ARUMUGAM**

**Chairman & Managing Director**

**DIN 00002458**

Coimbatore  
30<sup>th</sup> May, 2023





## ANNEXURE V

## Disclosure in the Board's Report

Particulars of Remuneration of Directors and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

- i) The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial year 2022-23.

Director's Name	Ratio
Sri S V Arumugam, Managing Director	57.51:1

- ii) The Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager if any in the Financial year 2022-23 compared to 2021 -22

Director's Name/CS/CFO	% increase in remuneration
Sri S V Arumugam, Managing Director	(90.93)
Sri N Krishnaraj, Company Secretary	0.29
Sri S Seshadri, Chief Financial Officer	0.32

In respect of other Directors, the Company is paying only sitting fees. Hence, not considered for the above purposes.

- iii) Percentage increase in the median remuneration of employees in the Financial year 2022 - 23 10.99%
- iv) Number of permanent employees on the rolls of the Company 4302
- v) Average percentile increase already made in the salaries of Employees other than Managerial Personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in the managerial remuneration

The average percentile increase granted to employees other than managerial personnel is (1.11%). The percentile increase granted to managerial personnel is 0.13%.

Since the Managing Director is being paid commission linked to company's profitability in terms of the resolutions passed by the shareholders of the Company under the provision of the Companies Act, 2013 it is not compared with the percentile increase in Salaries of Employees.



The Board of Directors of the Company affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.

- (vi) Particulars of Employees as per Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Table 1: Particulars of Top Ten Employees in terms of remuneration drawn under Rule 5(2):

Name (Age in years)	Designation	Gross Remuneration paid (in Rs.)*	Qualification	Date of Commencement of employment (experience in years)	Previous Employment
Sri S V Arumugam (74)	Managing Director	60,39,600	B.Sc., ACA	16.5.1993 (38)	Shiva Teyarn Limited
Sri J Annaraj (64)	GM - Weaving	26,17,372	DTT	30.3.2005 (36)	Loyal Textile Mills Limited
Sri S Seshadri (61)	Chief Financial Officer	23,17,914	B.Sc., ACA	1.4.2018 (32)	Shiva Teyarn Limited
Sri S Shankarkumar (56)	VP Marketing	23,12,605	B.Tech., MBA	1.11.2013 (34)	Shiva Teyarn Limited
Sri N Krishnaraj (57)	Company Secretary	22,63,018	B.Com., ACS	3.8.2007 (35)	Bannari Amman Sugars Limited
Sri Shekhar Chandra Yadav (45)	Head Marketing	20,48,215	B.Com; PG Dip. (NIFT)	1.02.2015 (19)	Asmara Apparels, Tirupur
Sri A Ganapathy (58)	GM Business Development	20,43,428	B.Tech M.B.A	15.2.2017 (33)	Rohini Textile Industry Pvt Limited
Sri Swaminathan (53)	Head - Manufacturing	19,95,917	DTMFT	10.4.2017 (25)	Premier Spinning & Weaving Mills Pvt Limited
Sri C S Teotia (70)	Director - Cotton	18,00,000	B.Sc; MA PGDM	04.9.2013 (44)	The Cotton Corporation of India Limited
Sri C R Periaswamy (57)	GM-Processing	17,25,632	DTT	31.7.2019 (35)	Networth Clothing Company

**Table 2 : The statement of employee(s) specified under Rule 5(2) (i), (ii), and (iii):**

Name	: S V Arumugam
Age	: 74
Designation	: Managing Director
Nature of Duties	: Managing the day to day affairs of the Company
Remuneration (Rs. in lakhs)	: 60.40
Qualification & Experience (years)	: B.Sc., ACA and nearly four decades of experience in Textile Industry
Date of commencement of employment	: 27.5.2005
Last employment	: Shiva Texyarn Limited

None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

Coimbatore  
30<sup>th</sup> May, 2023

By Order of the Board  
**S V ARUMUGAM**  
**Chairman and Managing Director**  
**DIN 00002458**

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on corporate governance envisages the attainment of high levels of transparency, accountability, fairness and equity in all facets of its operations, procedures, reporting system and in all the interactions with its stakeholders.

Bannari Amman Spinning Mills Limited has adopted a Code of Conduct which lays down standards of values, ethics and business principles of management.

**BOARD OF DIRECTORS**

The Board comprises of 5 Directors viz., 1 Executive Director and 4 Non-Executive Independent Directors including a Woman Director.

S. No.	Name of the Director	Category	Number of Directorships held in other Companies*	Number of Board Committee Membership held in other Companies**	
				Chairman	Member
1.	Sri S V Arumugam	Executive - Promoter	3	-	1
2.	Sri K N V Ramani***	Non-Executive - Independent	3	4	-
3.	Sri S Palaniswami	Non-Executive - Independent	1	1	-
4.	Dr K R Thillainathan	Non-Executive - Independent	-	-	-
5.	Sri K Sadhasivam	Non-Executive - Independent	2	-	-
6.	Smt S Sihamani	Non-Executive - Independent	-	-	-

\*Excluding private companies which are not subsidiary of public limited companies.

\*\* Only Committees formed under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are considered.

\*\*\*Sri K N V Ramani deceased on 30.3.2023



The name of the listed entities where the person is a Director and the category of Directorship as per Schedule V Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

S.No	Name of the Directors	Name of the Listed Entities holding Directorships	Category of Directorships	No. of shares held
1.	Sri S V Arumugam	Bannari Amman Spinning Mills Limited	Chairman & Managing Director	688869
2.	Sri K N V Ramani*	Bannari Amman Spinning Mills Limited	Independent Director	-
		Shiva Texyarn Limited	Independent Director	-
		Shiva Mills Limited	Independent Director	-
		K.P.R Mills Limited	Independent Director	-
3.	Sri S Palaniswami	Bannari Amman Spinning Mills Limited	Independent Director	769
		Shiva Mills Limited	Independent Director	-
4.	Dr K R Thillainathan	Bannari Amman Spinning Mills Limited	Independent Director	-
5.	Sri K Sadhasivam	Bannari Amman Spinning Mills Limited	Independent Director	-
6.	Smt S Sihamani	Bannari Amman Spinning Mills Limited	Independent Director	-

\*Sri K N V Ramani deceased on 30.3.2023

The non-Executive Independent Directors fulfill the conditions laid down for appointment/ re-appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 25 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment/re-appointment has been issued and a copy of the same is posted on the website of the Company viz. [www.bannarimills.com](http://www.bannarimills.com).

**BOARD MEETINGS AND ANNUAL GENERAL MEETING**

During the financial year, 5 Board Meetings were convened by giving due notices to the Directors. The meetings were held on 30.5.2022, 11.8.2022, 26.9.2022, 14.11.2022 and 14.2.2023. The interval between the two Meetings were well within the maximum period prescribed under the Companies Act, 2013 and Regulation 17 (2) of the SEBI (LODR) Regulations, 2015.

The Board is given all the material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting (held on 26.9.2022) are furnished here below:

NAME OF THE DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDED YES / NO
1. Sri S V Arumugam (DIN 00002458)	5	Yes
2. Sri K N V Ramani (DIN 00007931)*	4	Yes
3. Dr K R Thillainathan (DIN 00009400)	5	Yes
4. Sri S Palaniswami (DIN 00007901)	5	Yes
5. Sri K Sadhasivam (DIN 00610037)	5	Yes
6. Smt S Sihamani (DIN 06945399)	3	Yes

\*Sri K N V Ramani deceased on 30.3.2023

**FAMILIARISATION PROGRAMME**

At the time of appointment of Director a formal letter of appointment is issued, which sets out roles, functions, duties and responsibilities expected from them. The Directors have also been explained the relevant regulations. The appointments are also provided with necessary information to understand the Company's operations, products and events relating to the Company. Web Link :

**CHART SETTING OUT THE SKILLS OF THE BOARD OF DIRECTORS**

Board of Directors	Age	Date of appointment	Qualification	Skills
Sri S V Arumugam	74	27.6.2005	B.Sc., ACA	He has nearly four decades of experience in Textile Industry Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.



### CHART SETTING OUT THE SKILLS OF THE BOARD OF DIRECTORS (Contd...)

Board of Directors	Age	Date of appointment	Qualification	Skills
Sri K N V Ramani*	91	25.7.2005	M.A., B.L	<p>He has more than 64 years of Specialization in Companies Act, Taxation, Labour Law etc.,</p> <p>Sound knowledge on Company's business, policies, vision and mission, strengths, weakness, opportunities and threats of the Company's business operations.</p> <p>Corporate Governance/ compliance management/ legal Advisory expertise/ profession skills/ intellectual inputs in relation to Company's business.</p>
Dr K R Thillainathan	69	26.5.2008	MBBS	He has more than 44 years of Experience in Medical profession & General administration
Sri S Palaniswami	79	26.5.2008	B.E	Electrical Engineering. He has more than 44 years of experience in the field of Vertical Transportation Elevators, Escalators and allied products & General administration
Sri K Sadhasivam	76	22.8.2006	B.Sc.,	He has more than 49 years of Experience in Transport Business & General administration
Smt S Sihamani	69	28.9.2015	B.A.	Engaged in Social Welfare activities for the past 18 years & General administration

\*Sri K N V Ramani deceased on 30.3.2023



## CODE OF CONDUCT

The Company has adopted the code of conduct for all Board Members and Senior Management as required under Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is posted on the company's website at [www.bannarimills.com](http://www.bannarimills.com). All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Managing Director is attached to this report.

## AUDIT COMMITTEE

The Audit Committee comprises of:

Sl. No.	Name	Position	No. of Meeting Attended
1.	Sri K N V Ramani *	Chairman - Independent	5
2.	Sri S Palaniswami **	Member - Independent	6
3.	Sri K Sadhasivam	Member - Independent	6
4.	Dr K R Thillainathan ***	Member - Independent	-

\*deceased on 30.3.2023

\*\*appointed as Chairman of the Audit Committee with effect from 19.4.2023

\*\*\* appointed with effect from 19.4.2023

During the financial year, the Audit Committee met 6 times on 28.5.2022, 30.5.2022, 11.8.2022, 26.9.2022, 10.11.2022 and 13.2.2023. The Audit Committee Chairman was present at the last AGM.

The terms of reference of the Audit Committee are as set out in Regulation 18 (3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes the following:

- a) Review of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- d) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - I. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - II. Changes, if any, in accounting policies and practices and reasons for the same;





- III. Major accounting entries involving estimates based on the exercise of judgment by management;
  - IV. Significant adjustments made in the financial statements arising out of audit findings;
  - V. Compliance with listing and other legal requirements relating to financial statements;
  - VI. Disclosure of any related party transactions; and
  - VII. Modified opinions in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - g) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
  - h) Approval or any subsequent modification of transactions of the company with related parties;
  - i) Scrutiny of inter-corporate loans and investments;
  - j) Valuation of undertakings or assets of the company, wherever it is necessary;
  - k) Evaluation of internal financial controls and risk management systems;
  - l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - n) Discussion with Internal Auditors of any significant findings and follow up thereon;
  - o) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - p) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - r) To review the functioning of the Whistle Blower mechanism;



- s) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u) To Review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
- v) The Audit Committee shall mandatorily review the following information:
  - 1) Management discussion and analysis of financial condition and results of operations;
  - 2) Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - 3) Internal audit reports relating to internal control weaknesses; and
  - 4) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - 5) Statement of deviations:
    - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**NOMINATION AND REMUNERATION COMMITTEE (NRC)**

The Committee consists of 3 Directors, all of whom are independent:

Sl. No.	Name	Position	No. of Meeting Attended
1.	Sri K N V Ramani *	Chairman - Independent	6
2.	Sri S Palaniswami **	Member - Independent	8
3.	Sri K Sadhasivam	Member - Independent	8
4.	Dr K R Thillainathan***	Member - Independent	-

\*deceased on 30.3.2023

\*\*appointed as Chairman of the NRC with effect from 19.4.2023

\*\*\* appointed with effect from 19.4.2023

The NRC Chairman was present at the last Annual General Meeting.

The terms of reference specified by Board of Directors to the Nomination and Remuneration Committee are as under:



- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) For appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
- c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- d) Devising a policy on diversity of board of directors;
- e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Recommend to the Board, all remuneration, in whatever form, payable to senior management.

### Remuneration Policy

The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors/Key Managerial Personnel/Senior Managerial Personnel. The policy is accordingly derived from the said Charter. The policy on remuneration is available in the following weblink: [www.bannarimills.com](http://www.bannarimills.com)

### Evaluation criteria

The Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and each Director. The evaluation of the performance of the Board and its committees are evaluated through a questionnaire circulated to all directors and based



upon the response to the questionnaire, the directors do a self-evaluation of their performance. Accordingly, Board reviewed the performance of each of the directors and expressed their satisfaction.

The performance evaluation of the Chairman and the Managing Director was carried out separately by the Independent Directors. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director.

**Remuneration to Managing Director is as follows:**

<b>Name</b>	<b>Designation</b>	<b>Remuneration for the year (Break up) (Rs. Lakhs)</b>
Sri S V Arumugam	Managing Director	60.40

**Remuneration paid to Director:**

All the non-executive Directors are paid with sitting fee of Rs.10,000/-, for the meeting attended by them, as recommended by Nomination and Remuneration Committee and approved at the Board Meeting held on 14.8.2018 for each Board Meeting and Audit Committee Meeting attended by them.

**Meeting of Independent Directors**

During the year under review the Independent Directors met on 13.2.2023 for the following purposes:

- Evaluation of performance of non- Independent Directors and the Board as a whole
- Evaluation of performance of the Chairman and Managing Director of the Company
- Evaluation of quality and flow of information to the Board

All the Independent Directors were present at the meeting.

The evaluation is done based on the criteria laid down in the Nomination and Remuneration Policy of the company, with specific reference to:

- ❖ leadership abilities
- ❖ contribution to clearly defined corporate objectives and plans
- ❖ review of achievement of strategic and operational plans, objectives, budgets
- ❖ regular monitoring of corporate results against projections
- ❖ identify, monitor and mitigate significant corporate risks
- ❖ assess policies, structures and procedures
- ❖ direct, monitor and evaluate KMPs, SMPs



- ❖ review management's succession plan
- ❖ clearly defining roles and monitoring activities of committees
- ❖ Review of corporate's ethical conduct

In the opinion of the board, all the independent directors are independent of the management and they fulfill the conditions specified in Schedule V under Reg.34 of the SEBI LODR .

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee which shall recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII, of the Companies Act, 2013 recommend the amount of expenditure to be incurred on such activities and monitor the CSR policy of the Company. The company has fully spent the amount stipulated under the requirements of the Act. Corporate Social Responsibility Committee consisting of the following Directors with effect from 21.5.2014.

1. Sri S V Arumugam - Managing Director
2. Sri S Palaniswami - Independent Director
3. Sri K Sadhasivam - Independent Director

### MATERIAL SUBSIDIARIES

Name of the material subsidiary	:	Young Brand Apparel Private Limited
Date of Incorporation	:	11.12.2006
Place of Incorporation	:	Tamilnadu, India
Statutory Auditors	:	M/s. P.N. Raghavendra Rao & Co Chartered Accountants Coimbatore - 641 009
Date of Appointment	:	29.09.2022

The company has adopted a Policy for determining material subsidiary and is available in the weblink: [http://bannarimills.com/?page\\_id=753&rtype=Policies](http://bannarimills.com/?page_id=753&rtype=Policies)

### RELATED PARTY TRANSACTIONS

The company has adopted policy on dealing with Related parties. The same is disclosed in the website of the company and is available in the following

weblink: [http://bannarimills.com/?page\\_id=753&rtype=Policies](http://bannarimills.com/?page_id=753&rtype=Policies)

Loans and advances in the nature of loans to firms/companies in which directors are interested:

**Loans and advances in the nature of loans to firms/companies in which directors are interested :**

(Rs. in Lakhs)

Name of the Company	Nature of Loan	Amount
Bannari Amman Infinite Trendz Private Limited	Inter Corporate Deposit	550.00

**RISK MANAGEMENT COMMITTEE**

Requirement for constitution of Risk Management Committee pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is not applicable to the Company.

The Company has adopted Policy on Foreign Exchange Risk Management on 12.11.2015

Disclosures regarding commodity price risk and hedging activities pursuant to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Exposure to commodity risks faced by the company throughout the year

Total exposure of the Company to commodities in INR : NIL

Exposure of the company to various commodities : NIL

Commodity name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—

**WHISTLE BLOWER POLICY AND VIGIL MECHANISM**

The Company has established a whistle blower policy/vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism provides adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The whistle blower policy is posted on the company's website at the link [www.bannarimills.com](http://www.bannarimills.com).



### SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2023

Name of the Director	No. of shares held
Sri K N V Ramani @	Nil
Dr K R Thillainathan	Nil
Sri S Palaniswami	769
Sri K Sadhasivam	Nil
Smt S Sihamani	Nil

@ Sri K N V Ramani deceased on 30.3.2023.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was formed to specifically look into shareholders/investors complaints if any, on transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc., and also the action taken by the Company on those matters.

The Stakeholders Relationship Committee consists of :

1.	Sri S Palaniswami	Chairman
2.	Sri S V Arumugam	Member
3.	Sri K Sadhasivam	Member

Sri N Krishnaraj, Company Secretary is the Compliance Officer.

The company has received 1 number of complaint from the Investor for redressal during the year and was resolved, no complaint was pending at the beginning or end of the year.

### CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Board took the same on record.

### INSIDER TRADING

In compliance with SEBI Regulations in prohibition of insider trading the company has framed a comprehensive Code of Conduct. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the company



**GENERAL BODY MEETINGS**

The last three Annual General Meetings of the Company were held at the Registered office of the Company at 252, Mettupalayam Road, Coimbatore - 641043, thro Video Conference and special resolutions passed there at are as follows:

AGM	Date & Time	Special Resolutions Passed	Voting Pattern
30 <sup>th</sup>	7.12.2020 11.30 A.M	i) Re-Appointment of Smt S Sihamani, (DIN 06945399) as Non-Executive Independent Director, for second term of five consecutive years, from 28.9.2020 to 27.9.2025, pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013	Total Votes polled : 87,51,711 Votes polled for : 87,51,711 Votes against : Nil Votes neutral : Nil Votes Invalid : Nil
		ii) Sub-division of 1 (one) Equity Share of face value of Rs.10/- (ten) each fully paid up into Equity Shares of Rs.5/- (five) each fully paid up, resulting in issuance of 2 (two) Equity Shares of Rs. 5/- (five) each fully paid up, thereby keeping the paid up capital intact.	Total Votes polled : 87,51,711 Votes polled for : 87,51,711 Votes against : Nil Votes neutral : Nil Votes Invalid : Nil
		iii) Reclassification and increase the Authorised Share Capital of the Company from existing Rs.16,50,00,000/- to Rs.50,00,00,000/- and consequent alternation to the Capital Clause of Memorandum of Association of the Company	Total Votes polled: 87,51,711 Votes polled for: 87,51,711 Votes against:Nil Votes neutral:Nil Votes Invalid: Nil
		iv) Adoption of new set of Articles of Association of the Company	Total Votes polled: 87,51,711 Votes polled for: 87,51,711 Votes against:Nil Votes neutral:Nil Votes Invalid: Nil
		v) Further issue of equity shares on Rights Basis upto an amount not exceeding Rs.100/- Crore	Total Votes polled: 87,51,711 Votes polled for: 87,51,711 Votes against:Nil Votes neutral:Nil Votes Invalid: Nil
31 <sup>st</sup>	27.9.2021 11.00 A.M	i) Modification of remuneration payable to Sri SV Arumugam, Managing Director (DIN 00002458)	Total Votes polled : 1,71,76,159 Votes polled for : 1,71,68,869 Votes against : 7,290 Votes neutral : Nil Votes Invalid : Nil
		ii) Continuation of present term of Directorship of Sri K Sadhasivam (DIN 00610037) who attains the age of 75 years	Total Votes polled : 1,75,12,173 Votes polled for : 1,75,04,903 Votes against : 7,270 Votes neutral : Nil Votes Invalid : Nil
32 <sup>nd</sup>	26.9.2022 10.25 A.M	NIL	





Sri R Dhanasekaran, Practicing Company Secretary, Coimbatore was appointed as Scrutinizer to conduct the voting process.

There is no Special Resolution is being proposed for the approval of shareholders through postal ballot in the forthcoming Annual General Meeting.

## **DISCLOSURES**

- ✓ The Company has not entered into any transaction of a material nature with the related parties having potential conflict with the interest of the Company.
- ✓ There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- ✓ The company has a Whistle Blower Policy in place and No personnel has been denied access to the Audit Committee.
- ✓ The Company has complied with all the mandatory requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of Non-mandatory requirements, the company has complied the conditions, except, the suggestion relating to appointment of separate persons to the post of Chairman and Managing Director/CEO and circulation of half Yearly financial results to each household of the shareholder.
- ✓ The Company has not raised funds through preferential allotment or qualified institutions placements, hence no reporting of utilisation of the same is made as specified under Regulation 32 (7A).
- ✓ There were no instances of Board for non-acceptance of any recommendation of any Committee of the Board which is mandatorily required during the Financial Year.
- ✓ The company has obtained a Certificate from Sri R Dhanasekaran, Company Secretary in Practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed to this report as Annexure.

## **MEANS OF COMMUNICATION**

- i) The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in Business Standard (English) and Makkal Kural (Tamil) newspapers. The results and news items relating to the company are displayed in company's website [www.bannarimills.com](http://www.bannarimills.com)
- ii) The Management Discussion and Analysis forms part of this Annual Report.



## SHAREHOLDERS' INFORMATION

### Annual General Meeting

Day and Date	: Monday, 25 <sup>th</sup> September 2023
Time	: 10.15 A.M
Venue	: " Video Conferencing (VC)" "Other Audio Visual Means (OAVM)"

### Financial Year 2022-23

Results Announced	: 30.5.2023
Dividend payment Date	: NA
Announcement of quarterly Results	: i) During first/second week of August and November 2023, February and May 2024 or as stipulated by SEBI from time to time.  ii) The financial results are displayed on the website of the Company <a href="http://www.bannarimills.com">www.bannarimills.com</a> .

Date of Book Closure for the purpose of Annual General Meeting 19.9.2023 to 25.9.2023 (Both days inclusive)



### Share Price Movement

The high and low quotations of the company's shares on the National Stock Exchange of India Limited and BSE Limited together with Nifty and SENSEX from April 2022 to March 2023 were:

MONTH	SHARE PRICE				NSE - NIFTY		BSE - SENSEX	
	NSE (Rs. Ps.)		BSE (Rs. Ps.)		High	Low	High	Low
	High	Low	High	Low				
April 2022	92.50	77.30	92.30	77.65	18144.65	16824.70	60845.10	56009.07
May	80.95	58.05	85.00	58.10	17132.85	15735.75	57184.21	52632.48
June	64.35	48.25	66.90	48.20	16793.85	15183.40	56432.65	50921.22
July	59.30	51.70	60.00	51.65	17172.80	15511.05	57619.27	52094.25
August	61.90	52.05	61.45	51.55	17992.20	17154.80	60411.20	57367.47
September	65.90	47.80	65.55	47.75	18096.15	16747.70	60676.12	56147.23
October	53.25	47.35	53.20	47.40	18022.80	16855.55	60786.70	56683.40
November	54.00	45.00	53.95	45.15	18816.05	17959.20	63303.01	60425.47
December	59.90	46.35	60.25	44.25	18887.60	17774.25	63583.07	59754.10
January 2023	56.70	47.05	56.45	47.30	18251.95	17405.55	61343.96	58699.20
February	50.05	37.00	49.90	37.05	18134.75	17255.20	61682.25	58795.97
March	44.70	34.15	44.30	33.80	17799.95	16828.35	60498.48	57084.91

Based on the closing quotation of Rs.37.50 as at 31.3.2023 at NSE Mumbai, the market capitalization of the company was Rs.243.15 Crore.

### SHARE DETAILS

The Company's Equity Shares are listed on the following Stock Exchanges :

BSE Limited	Stock Code:	National Stock Exchange of India Limited	Stock Code:
Phiroze Jeejeebhoy Towers Dala Street, Mumbai - 400 001	532674	"Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	BASML

The company has paid Annual Listing Fees for the year 2023-2024.



**Outstanding GDRs/ADRs/Warrants or any convertible instruments**

The company has not issued GDRs/ADRs/Warrants or any convertible instruments

**DEMATERIALISATION OF SHARES**

The shares of the company are in compulsory demat segment. The company’s shares are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Members have option to hold their shares in demat for (i.e electronic mode) either through the NSDL or CDSL. ISIN allotted to our company is INE186H01022.

**SHARE TRANSFER AGENT**

Link Intime India Private Limited, Phone : (0422) 2314792, 2315792  
Surya, 35, Mayflower Avenue, Behind Senthil Nagar Fax : (0422) 2314792  
Sowripalayam Road, Coimbatore - 641 028 E-mail : coimbatore@linkintime.co.in

Share Transfer documents, Non-Receipt of share certificates sent for transfer, nomination forms and change of address may directly be sent to the above address.

**SHARE TRANSFER SYSTEM**

The Share Transfers in physical form were discontinued w.e.f 1.4.2019 as per SEBI guidelines. Transmission/Transposition requests, if any, which are in physical form are returned within 30 days from the date of receipt if they are in order. The same are approved by the Share Transfer Committee who usually meets, if needed.

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

In In terms of Regulation 34(3) read with Part F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange, the Company has opened Demat Suspense Account in the name of "Bannari Amman Spinning Mills Limited -Unclaimed Shares Demat Suspense Account". As on date there is no unclaimed share is held in the account.

**DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2023**

CATEGORY	No. of Shares Held	Percentage of Shareholding
Promoter’s Holding	35880124	55.33
Banks/FIs/Mutual Funds	51330	0.08
Private Corporate Bodies	8016221	12.36
Indian Public	20111913	31.64
NRI/OCBs	382283	0.59
<b>Total</b>	<b>64841871</b>	<b>100</b>



**PLANT LOCATIONS:**

<b>Spinning Units</b>	
Nadukandanur Pirivu, Morepatty Post Vadamadurai, Dindigul 624 802, Tamilnadu.	Velvarkottai, Dindigul Trichy National Highway 45, Vedasandur Taluk, Dindigul 624 803, Tamilnadu.
<b>Weaving Unit</b>	<b>Knitting Unit</b>
Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658	Karanampet - Paruvai Road Paruvai Post, Coimbatore - 641 658
<b>Processing Unit</b>	<b>Garment Units</b>
Factory H-11, E-12 & R-44 SIPCOT Industrial Growth Estate Perundurai, Erode 638 052	Palladam Hitech Weaving Park, Sukkampalayam Village, K N Puram (Po), Palladam- 641 662
<b>Windmill Units</b>	
Irukandurai & Dhanakarkulam Villages Radhapuram Taluk, Tirunelveli District, Tamilnadu	Chinnapudur Village Dharapuram Taluk Erode District, Tamilnadu
Melkaraipatti & Kottathurai Villages Palani Taluk Dindigul District Tamilnadu	
<b>Address For Correspondence</b>	
<p>All investor related queries and complaints may be sent to the following address:</p> <p>The Company Secretary, Bannari Amman Spinning Mills Limited, Regd. Office: 252, Mettupalayam Road, Coimbatore - 641 043 E-mail: shares@bannarimills.com</p>	

**CREDIT RATINGS**

Credit ratings obtained by the Company and revisions thereto during the financial year 2022-23 for credit facilities availed by the Company from Banks are as follows:

Rating Agency	Communication No	Nature of facility	Rating	Rating action
CARE Ratings Limited	CARE/CMBO/RL/2022-23/1277 dt: 4.1.2023	Long term Bank facilities	CARE BBB; Stable (Triple B; Outlook : Stable)	Reaffirmed
		Short term Bank facilities	CARE A3 (A Three)	Reaffirmed
		Long term / Short Term / Bank facilities	CARE BBB; Stable / CAREA3 (Triple B ; Outlook: Stable / A Three)	Reaffirmed

**AUDITORS FEES ON CONSOLIDATED BASIS**

The total fees for all services paid by the Company and its subsidiaries on consolidated basis to the Statutory Auditors during the year 2022-23 are as follows and no fee has been paid to their network firm/entity of which the Statutory Auditor is a part:

(Rs. in lakhs)

S. No	Payment of fees towards	Bannari Amman Spinning Mills Limited	Young Brand Apparel Private Limited (Subsidiary company)
1.	Statutory Audit & Limited Review	23.34	13.60
2.	Taxation matters	-	-
3.	Other services	8.40	-

By Order of the Board

Coimbatore  
30<sup>th</sup> May, 2023

**S V ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458



## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY'S BUSINESS

The Company's principal line of business is manufacturing and marketing of Cotton Yarn, Woven and Knitted fabrics, Home Textiles, Knitted Garments and Processing of fabrics. The Company has two spinning units near Dindigul, Tamilnadu with an installed capacity of 145440 spindles, Weaving and Home Textiles units at Karanampettai near Palladam with an installed capacity of 153 looms, Processing unit at SIPCOT, Perundurai with an installed capacity to process 5400 tonnes of fabric per annum, Knitting unit at Karanampettai near Palladam with installed capacity to produce 7200 tonnes of knitted fabric per annum, Garment units at Palladam Hi-tech weaving park and 27 Windmills with an installed capacity of 23.40 MW green power which is entirely used for captive consumption.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry is a vital sector of the Indian economy with a rich history dating back several centuries. The Indian textile industry is diverse encompassing a wide range of textiles including apparel, home textiles, technical textiles and traditional handloom textiles. It is one of the largest employers in the country generating jobs across the entire value chain from cotton farming and spinning to weaving, dyeing, printing and garment manufacturing. India is the world's second largest producer of textiles and garments, sixth largest exporter of textiles spanning yarn, fabric, apparel, home and technical textile products with a share of 4% of the global trade in textiles and apparel. India's textile and apparel exports stood at USD 44.4 billion in FY 22, an increase of 40% over the previous year and expected to reach USD 65 billion by FY 2026.

However at present India's textile and apparel industry is facing a crisis as consumers in the United States, Europe and other big markets have cut spending on clothing following a surge in inflation after the war in Ukraine. While the overall economy is relatively strong and is outperforming major economies, the textile sector is a notable exception and orders suggest the downturn will continue well into 2023 thereby indicating a tough year for the industry.

### OPPORTUNITIES AND THREATS

Notwithstanding the head winds being faced by the Industry presently, the Indian textile industry is in a much stronger position as compared to past period. Growth in domestic market, increased retail penetration, shift from unorganized to organized retail, Government support and initiatives, China vacating space in International trade are some of the factors which offer tremendous opportunity for India to improve its market share significantly in both domestic and export markets.

### OUTLOOK

The government of India has initiated various policies to support textile and apparel sector's growth for the long-term horizon. Government has approved setting up of 7 Mega Integrated Textile Region and



Apparel Parks with a total outlay of INR.4,445 crore in a period of 5 years to attract cutting age technology and boost FDI and local investment in the sector. The PLI scheme for textiles is a part of the comprehensive package of measures by the Government of India to promote textile sector. The Government has recently concluded FTAs with United Arab Emirates and Australis which is expected to give a boost to the trade with the respective countries. In addition, Government is in negotiations with UK, EU to finalise FTA which could further boost our exports to these economies.

At present, the rising demand for textiles and apparel to manufacture premium quality clothing represents one of the key factors influencing the market positively in India. In addition, the easy accessibility and availability of various raw materials, such as cotton, wool, and silk, in India is contributing to the growth of the market. Apart from this, key market players are manufacturing textiles and apparel with sustainable and ethically sourced materials. They are also minimizing the use of various toxic chemicals in the textile processing and dyeing method to reduce water pollution in India.. Moreover, the growing number of e-commerce businesses and distribution channels selling premium quality fabrics and apparel online is offering a favorable market outlook. Furthermore, the increasing demand for durable and long-lasting clothing items due to the rising awareness about the harmful impacts of fast fashion on the environment is bolstering the market growth in India.

Hence the outlook for textile industry looks promising though the current scenario is not encouraging.

### **RISKS AND CONCERNS**

Availability of Cotton, the main raw material for manufacture of Cotton Yarn, is subject to the vagaries of nature and the prices also fluctuate wildly based on supply/demand in the World market and Government policy on export of Cotton. Availability of skilled man power, Inadequate infrastructure, compliance with environmental regulations, fragmented supply chain are among other concerns which will have a bearing on the fortunes of the Industry.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal control procedures and systems commensurate with its size and nature of its business for purchase of raw materials, plant and machinery, components and other items and sale of goods. The checks and controls are reviewed by the Audit Committee for improvement in each of these areas on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements.





## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company has been discussed at length in Director's Report to the Members.

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS FOR THE FINANCIAL YEAR 2021-22 AND 2022-23.

S.No.	Ratios	31.3.2023	31.3.2022
1	Debtors Turnover	6.10	8.42
2	Inventory Turnover	3.39	4.39
3	Interest coverage	0.60	2.26
4	Current Ratio	1.25	1.37
5	Debt Equity Ratio	1.39	0.97
6	Operating Profit margin	(0.60%)	9.19%
7	Net Profit margin	(3.18%)	3.79%

## DETAILS OF ANY CHANGE IN RETURN ON NETWORTH AS COMPARED TO IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

Return on Networth 31.3.2023 - (8.42%)

Return on Networth 31.3.2022 - 10.88%

The RONW has been impacted during FY 23 as the performance of the Company was severely affected due to weak demand for textile products which in turn led to reduced margins.

## MEDIUM TERM AND LONG TERM STRATEGIES

The Company currently manufactures Cotton yarn, Knitted fabric, Grey and bleached woven fabric, made ups, Processed knit fabric and Apparel products for men, women and kids. The medium and long term strategies that will be initiated by the Company are discussed below.

### Cotton Yarn :

The Spinning units production capacity has been increased from about 90 tonnes of cotton yarn per day to about 105 tonnes of cotton yarn per day. Moreover the Company plans to introduce new product mixes for quality sensitive consumers. Efforts are also under way to broaden the customer base.



**Knitted fabric :**

The Knitting unit presently produces about 20 to 25 tonnes of fabric per day. Production is against orders and emphasis will be on producing value added fabric (Lycra).

**Woven fabric :**

Production of fabric is generally against orders. A portion of fabric produced is transferred to Home Textile division for manufacture of value added products. Efforts are underway to identify new markets.

**Home Textiles :**

The main products are bleached fabric and madeups like bed linen products meant mainly for exports. Home textiles is one of the focus areas for the Company. The Company has installed machines to start Terry Towels production on trial basis apart from existing products.

**Garments :**

The Company is focusing on Garments segment which will cater to both domestic & export markets.  
(Disclosure with limits set by competitive position, medium term and long term strategies as approved by Board of Directors)

Coimbatore  
30<sup>th</sup> May, 2023

By Order of the Board  
**S V ARUMUGAM**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN 00002458**



## DECLARATION ON CODE OF CONDUCT

To  
The Members of  
Bannari Amman Spinning Mills Limited

In compliance with the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2023

By Order of the Board

Place : Coimbatore  
Date : 30.5.2023

**S V ARUMUGAM**  
Managing Director  
DIN 00002458

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Bannari Amman Spinning Mills Limited  
(CIN: L17111TZ1989PLC002476)

I have examined the compliance of conditions of Corporate Governance by M/s Bannari Amman Spinning Mills Limited ('the company'), for the year ended on 31st March, 2023 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 during the year ended 31st March, 2023. However, a vacancy has arisen in the board due to the demise of a director on 30th March, 2023 and the company, as on 31st March 2023, has time limit to comply with the regulation 17(1) (c) of SEBI (LODR), 2015.

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

Place : Coimbatore  
Date : 30.5.2023

**R Dhanasekaran**  
Company Secretary in Practice  
FCS 7070 / CP 7745  
ICSI UDIN: F007070E000418514



**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  
BANNARI AMMAN SPINNING MILLS LIMITED  
CIN: L17111TZ1989PLC002476  
Registered office: 252, Mettupalayam Road,  
Coimbatore-641043.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bannari Amman Spinning Mills Limited having CIN:L17111TZ1989PLC002476 and having registered office at 252, Mettupalayam Road, Coimbatore - 641043 (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](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2023 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.

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

Place : Coimbatore  
Date : 30.5.2023

**R Dhanasekaran**  
**Company Secretary in Practice**  
**FCS 7070 / CP 7745**  
**Peer Review No 811/2020**  
**ICSI UDIN: F007070E000418536**



## INDEPENDENT AUDITOR'S REPORT

To The Members of Bannari Amman Spinning Mills Limited  
Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying Standalone Financial Statements of Bannari Amman Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended on that date and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

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

### Inventory of Finished Goods and Stock - in - Process

We draw attention to Note no 50 on Valuation of Inventories in Standalone Financial Statements of the Company read with the Accounting Policy No. 2.3.



The inventory of Finished Goods and Work-in-process are valued at the lower of cost and net realizable value, and cost include weighted average of cost of inputs, conversion costs and appropriate share of overheads incurred in bringing Finished Goods and Work-in-process, to their present location and condition. This inventory comprises of diversified range and quality of yarn and cloth / fabrics, and its valuation depends on the quality of the item as per the specification received from the customers, and its stage of manufacturing, quality and date of purchase of the raw material and other inputs, and efficiency of the manufacturing facility. The Company is running a composite textile mill and fairly estimating the valuation of such stock is highly complex process which involves significant level of subjectivity, judgment and estimation. Considering that the Company is having substantial inventory of Finished Goods and Work-in-process and the valuation thereof involves significant level of subjectivity, judgment and estimation, as detailed above, the same has been considered as Key Audit Matter by us during our audit.

Audit Procedure include, but not limited to the following:

- Obtaining an understanding of the Company's process of valuation of the stock, which is done through the computer software.
- Performing substantive procedures to test the reasonableness of the cost allocation methods and basis for allocation of various conversion costs including the direct and indirect cost.
- Evaluating the process of ascertaining the realizable value of the inventory by comparing the actual sales of the same type of the material and its realisation etc.
- Comparing the inventory valuation process of the Company with the industry practices and norms.

Based on the above procedures performed, the determination of Inventory valuation of Finished Goods and Work-in-process as at the reporting date is considered to be reasonable.

#### **Information Other than the Financial Statements and Auditor's Report thereon**

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.
6. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. 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. Based on the work we have performed on other information, if we conclude that there is a material misstatement, if any, of this other information, we are required to report that fact.

We have nothing to report in this regard.



### Responsibilities of Management and those Charged with Governance for the Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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.
9. In preparing the Standalone Financial Statements, the Board of Directors is 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.
10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

11. 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.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a) 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.
  - b) Obtain an understanding of internal controls 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 system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - e) 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.
13. 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.
14. 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.
15. 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.

#### **Other matters**

16. The Audited Standalone Financial Statements for the year ended March 31, 2022 have been audited by the predecessor auditors who expressed an unmodified opinion on those financial statements vide their Auditor's report dated 30.05.2022. The same has been furnished by the management and has been relied upon by us for the purpose of our audit of financial statements. Our opinion on the statement is not modified in respect of this matter.





### Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the matter to be included in the Auditors' 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 year is in accordance with the provisions of Section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements - Refer note no: 38 to the Standalone financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.



- iv) a) The management has represented that, to the best of its knowledge and belief, 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 whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The management has represented, that, to the best of its knowledge and belief, 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 whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) 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 subclause (i) and (ii) of Rule 11 contain any material mis-statement
- v) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- vi) As per Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

For **P N RAGHAVENDRA RAO & CO.,**  
Chartered Accountants  
Firm Registration Number: 003328S

**P R Vittel**  
(Partner)

Membership Number: 018111  
UDIN: 23018111BGZEXW1819

Place : Coimbatore  
Date : 30<sup>th</sup> May 2023



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of **Bannari Amman Spinning Mills Limited** on the Standalone financial statements for the year ended March 31, 2023

- 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 does not hold any intangible assets and hence reporting under this clause is not applicable.
  - b) The Company has physically verified property, plant and equipment in regular intervals during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.
  - c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the company. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the financial statements, the lease agreements are in the name of the company.
  - d) The Company has not revalued any of its property, plant and equipment (including right of use assets) during the year.
  - e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
  - a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
  - b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been sanctioned, during the year, working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The Quarterly Returns or Statements filed by the company with the banks are in agreement with the books of accounts of the company.
- iii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has made investments in companies, provided Guarantees and has granted unsecured loans or advances in the nature of loans to companies during the year.



- a) The company has provided loan to its subsidiary, the details of which are provided below:
- A) Aggregate Loan granted during the year: Nil  
Balance outstanding as at Balance Sheet date: Rs.550 lakhs
  - B) Guarantees provided during the year : Nil  
Balance outstanding as at balance Sheet date : Nil
  - C) The Company has not provided loans to parties other than subsidiaries of the company during the year.
- b) In our opinion and according to the information and explanations given to us, the investments made and Guarantees provided during the year and their terms and conditions are not prejudicial to the interests of the Company.
- c) In respect of the loans provided by the company, the schedule of repayment of principal has been stipulated and the repayments or receipts are yet to commence as per stipulations.
- d) As per explanations provided to us and based on audit procedures conducted, there is no amount overdue as at the Balance sheet date.
- e) As per explanations provided to us and based on the examination of records, no loan or advance granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- f) 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 to promoters, related parties as defined in Clause (76) of Section 2 of the Companies Act,2013.
- iv. In our opinion and according to the information and the explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties covered under the section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder. Accordingly, reporting under paragraph 3(v) is not applicable to the Company.
- vi. As per the information and explanations given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained by the company.
- vii. 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 is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Goods and Service



Tax, duty of customs, cess and any other material statutory dues, as applicable, except slight delay in respect of remittance of Employee's State Insurance and Provident Fund with the appropriate authorities.

There are no undisputed Statutory dues in respect of Provident Fund, Employee's State Insurance, Income tax, Goods and Service Tax, duty of customs, cess and any other statutory dues, outstanding as at 31.03.2023 for a period of more than 6 months from the date they became payable.

- viii. According to the information and explanations given to us and on the basis of our examination of the books of account, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) According to the information and explanations given to us, the Company has not made any default in repayment of dues to banks, financial institutions and other lenders during the year.
- b) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not been declared as wilful defaulter by the any bank or financial institution or other lender.
- c) According to the information and explanations given to us, the term loans availed during the year have been applied for the purposes for which those were obtained.
- d) According to the information and explanations given to us and based on our overall examination of Standalone Financial Statements of the Company, the funds raised on short term basis by the company during the year have not been utilized for long term purposes.
- e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence, reporting under clause(ix)(e) of the Order is not applicable.
- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries and hence, reporting under clause(ix)(f) of the Order is not applicable
- x. a) The Company has not raised any money by way of Initial Public Offer or further public offer (including Debt instruments) during the year.
- b) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- Accordingly, the reporting under paragraph 3(x) of the Order is not applicable.
- xi. a) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.



- b) According to the information and explanations given to us, no report under Section 143(12) of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government during the year and up to the date of this report.
- c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

Accordingly, the reporting under paragraph 3(xi) of the Order is not applicable.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv. a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.  
b) The Reports of the Internal Auditors of the Company issued till the date of the audit report for the period under audit were considered by us.
- xv. According to the information and explanations given to us, in our opinion during the year, the Company has not entered into any non-cash transactions with the directors or persons connected with the 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, the paragraph 3(xvi) (a) of the Order is not applicable.  
b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of registration (CoR) from Reserve Bank of India as per Reserve Bank of India Act, 1934. Accordingly, the paragraph 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, the paragraph 3(xvi) (c) of the Order is not applicable.  
d) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, the paragraph 3(xvi) (d) of the Order is not applicable.
- xvii. The Company has incurred cash losses in the current financial year amounting to Rs 2065.64 lakhs but has not incurred any cash losses during the immediately preceding financial year.
- xviii. There has been no resignation of the Statutory Auditors during the year and accordingly this clause 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is 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. a) According to the information and explanations given to us and based on our examination of the records, the company has spent the amount required to be spent as stipulated in section 135 of the act and does not have any unspent amount required to be transferred to a fund specified in schedule VII of the Act as per section 135(5) of the Act.
- b) The Company does not have any ongoing projects and there are no unspent amounts pursuant to ongoing projects that are required to be transferred to a special account in compliance of provision of section 135(6) of the Act.
- xxi. According to the information and explanation given to us , there are no qualifications or adverse remarks by the respective Auditors in the Companies (Auditor's Report )Order (CARO) reports of the Subsidiary Companies included in the Consolidated Financial Statements.

For **P N RAGHAVENDRA RAO & CO.,**  
Chartered Accountants  
Firm Registration Number: 003328S

**P R Vittel**  
(Partner)

Membership Number: 018111  
UDIN: 23018111BGZEXW1819

Place : Coimbatore  
Date : 30<sup>th</sup> May 2023



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Bannari Amman Spinning Mills Limited on the Standalone financial statements for the year ended March 31, 2023)**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Bannari Amman Spinning Mills Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone financial Statements of the Company for the year ended on that date.

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

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

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.





5. 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 system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and
  - c) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

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

For **P N RAGHAVENDRA RAO & CO.,**  
Chartered Accountants  
Firm Registration Number: 003328S

**P R Vittel**  
(Partner)

Membership Number: 018111  
UDIN: 23018111BGZEXW1819

Place : Coimbatore  
Date : 30<sup>th</sup> May 2023



**STANDALONE BALANCE SHEET AS AT MARCH 31, 2023**

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a) Property, plant and equipment	3A	54,177.54	52,449.08
b) Capital work-in-progress	3C	547.71	372.18
c) Right-of-use assets	46	791.51	807.19
d) Financial assets			
i) Investments	4	3,232.26	2,811.53
ii) Loans	5	-	627.50
iii) Other financial assets	6	701.79	518.79
e) Other non-current assets	7	642.10	1,577.06
<b>Total non-current assets (A)</b>		<b>60,092.91</b>	<b>59,163.33</b>
<b>2 Current assets</b>			
a) Inventories	8	28,427.96	21,396.19
b) Financial assets			
i) Trade receivables	9	18,274.22	17,621.42
ii) Cash and cash equivalents	10A	459.81	1,074.56
iii) Other Bank balances	10B	192.54	98.78
iv) Loans	11	693.93	39.29
v) Other financial assets	12	917.94	972.72
c) Current tax assets (Net)	13	190.05	28.37
d) Other current assets	14	3,645.73	3,405.22
<b>Total Current assets (B)</b>		<b>52,802.18</b>	<b>44,636.55</b>
<b>3 Assets classified as held for sale (C)</b>	3B	<b>56.72</b>	<b>56.72</b>
<b>Total Assets (A) + (B) + (C)</b>		<b>112,951.81</b>	<b>103,856.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a) Equity share capital	15	3,242.09	3,242.09
b) Other equity	16	37,305.85	41,119.36
<b>Total Equity (D)</b>		<b>40,547.94</b>	<b>44,361.45</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	27,542.39	22,451.59
ii) Lease liabilities	18	92.87	90.85
b) Deferred tax liabilities (net)	44	2,382.89	3,913.40
c) Other non-current liabilities	19	225.23	478.46
<b>Total Non-current liabilities (E)</b>		<b>30,243.38</b>	<b>26,934.30</b>
<b>3 Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	20	28,926.49	20,595.32
ii) Lease liabilities	21	46.60	61.88
iii) Trade payables			
a) Total outstanding dues of Micro and Small Enterprises	22	1,154.97	906.70
b) Total outstanding dues other than Micro and Small Enterprises		9,074.17	7,483.39
iv) Other financial liabilities	23	145.00	101.39
b) Other current liabilities	24	2,676.71	3,182.19
c) Provisions	25	136.55	229.98
<b>Total Current liabilities (F)</b>		<b>42,160.49</b>	<b>32,560.85</b>
<b>Total Equity and Liabilities (D) + (E) + (F)</b>		<b>112,951.81</b>	<b>103,856.60</b>
<b>Significant Accounting Policies</b>	2		
<b>The accompanying notes form an integral part of the Standalone Financial Statements</b>			

As per our report of even date

For and on behalf of the board

For **P. N. Raghavendra Rao & Co**  
Chartered Accountants  
FRN : 003328S

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**K. SADASHIVAM**  
Director  
DIN 00610037

**P R VITTEL**  
Partner  
Membership No: 018111

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**S. SESHADRI**  
Chief Financial Officer

Coimbatore  
30.05.2023



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>INCOME</b>			
I Revenue from Operations	26	1,09,513.71	1,28,542.58
II Other income	27	371.74	425.61
<b>III Total Income (I + II)</b>		<b>1,09,885.45</b>	<b>1,28,968.19</b>
<b>IV Expenses</b>			
a) Cost of materials consumed	28	89,483.52	88,109.70
b) Purchase of stock-in-trade	29	87.06	51.76
c) Changes in inventories of finished goods and work-in-progress	30	(5,236.23)	(1,290.31)
d) Employee benefits expense	31	9,654.37	11,070.38
e) Finance costs	32	4,762.51	4,632.54
f) Depreciation and amortization expense	33	2,920.84	2,817.61
g) Other expenses	34	13,262.80	15,968.44
<b>Total Expenses (IV)</b>		<b>1,14,934.87</b>	<b>1,21,360.12</b>
<b>V Profit/(Loss) before tax (III-IV)</b>		<b>(5,049.42)</b>	<b>7,608.07</b>
<b>VI Tax expense</b>			
a) Current tax - current year		-	1,730.69
b) Deferred tax Expenses / (Income)	44	(1,566.45)	1,007.64
<b>Total Tax Expenses</b>		<b>(1,566.45)</b>	<b>2,738.33</b>
<b>VII Profit/(Loss) for the period (V-VI)</b>		<b>(3,482.97)</b>	<b>4,869.74</b>
<b>VIII Other comprehensive income</b>			
i) Items that will not be reclassified to profit or loss			
a) Remeasurement of Defined benefit plans		102.84	(68.17)
b) Gain/loss on equity instruments designed at FVTOCI		0.04	2.95
ii) Income tax relating to items that will not be reclassified to profit or loss		(35.94)	20.35
<b>IX Total Comprehensive Income/(Loss) for the period (VII+VIII)</b>		<b>(3,416.03)</b>	<b>4,824.87</b>
<b>X Earnings per equity share of Rs. 5/- each:</b>			
1) Basic and Diluted		(5.37)	12.61
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>The accompanying notes form an integral part of the Standalone Financial Statements</b>			

As per our report of even date

For and on behalf of the board

For **P. N. Raghavendra Rao & Co**  
Chartered Accountants  
FRN : 003328S

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**K. SADASHIVAM**  
Director  
DIN 00610037

**P R VITTEL**  
Partner  
Membership No: 018111

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**S. SESHADRI**  
Chief Financial Officer

Coimbatore  
30.05.2023



**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs)

Particulars	No. of shares	Amount
<b>a) Equity share capital</b>		
Balance at the April 1, 2021	31,508,538	1,575.43
Add: Issue of rights shares of Rs.5/- per share during the year	33,333,333	1,666.66
<b>Balance at the March 31, 2022</b>	<b>64,841,871</b>	<b>3,242.09</b>
Balance as at April 1, 2022	64,841,871	3,242.09
Add: Changes during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>64,841,871</b>	<b>3,242.09</b>

**b) Other equity**

(Rs. in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income		Total other equity
	Securities premium account	General reserve	Retained earnings	Remeasurements of the defined benefit liabilities /(asset)	Equity instruments through other comprehensive income	
<b>Balance as at April 1, 2021</b>	<b>7,930.76</b>	<b>16,295.22</b>	<b>3,796.05</b>	<b>62.27</b>	<b>3.49</b>	<b>28,087.79</b>
Profit / (loss) for the year	-	-	4,869.74	-	-	4,869.74
Securities premium on rights issue of equity shares	8,333.33	-	-	-	-	8,333.33
Rights issue expenses	(126.63)	-	-	-	-	(126.63)
Other comprehensive income (net of taxes)	-	-	-	(46.79)	1.92	(44.87)
<b>Balance as at March 31, 2022</b>	<b>16,137.46</b>	<b>16,295.22</b>	<b>8,665.79</b>	<b>15.48</b>	<b>5.41</b>	<b>41,119.36</b>
<b>Balance as at April 1, 2022</b>	<b>16,137.46</b>	<b>16,295.22</b>	<b>8,665.79</b>	<b>15.48</b>	<b>5.41</b>	<b>41,119.36</b>
Profit / (loss) for the year	-	-	(3,482.97)	-	-	(3,482.97)
Dividend paid	-	-	(389.05)	-	-	(389.05)
Rights issue expenses	(8.43)	-	-	-	-	(8.43)
Other comprehensive income (net of taxes)	-	-	-	66.90	0.04	66.94
<b>Balance as at March 31, 2023</b>	<b>16,129.03</b>	<b>16,295.22</b>	<b>4,793.77</b>	<b>82.38</b>	<b>5.45</b>	<b>37,305.85</b>

As per our report of even date

For **P. N. Raghavendra Rao & Co**  
Chartered Accountants  
FRN : 003328S

**P R VITTEL**

Partner  
Membership No: 018111

Coimbatore  
30.05.2023

For and on behalf of the board

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**K. SADASHIVAM**  
Director  
DIN 00610037

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**S. SESHADRI**  
Chief Financial Officer



STANDALONE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit / (loss) after tax		(3,482.97)		4,869.74
<b>Adjustments for:</b>				
Tax expense	(1,566.45)		2,738.33	
Depreciation expense	2,920.84		2,817.61	
(Profit) / loss on sale of property, plant and equipment	77.74		54.49	
(Profit) / loss on sale of investments	(1.34)		0.55	
Finance costs	4,762.51		4,632.54	
Interest income	(64.11)		(109.04)	
Allowance for doubtful trade receivables and bad debts written off	57.17		388.87	
Gain on termination of lease	(5.77)		-	
Net unrealised exchange (gain)	(64.86)		(81.01)	
		<u>6,115.73</u>		<u>10,442.34</u>
Operating profit before working capital changes		2,632.76		15,312.08
<b>Changes in working capital:</b>				
<b>Adjustments for increase / (decrease) in operating assets:</b>				
<b>Financial assets</b>				
Trade receivables	(645.12)		(5,023.33)	
Loans	(27.14)		(58.60)	
Other financial assets	(127.07)		250.83	
<b>Non-financial assets</b>				
Inventories	(7,031.77)		(3,257.40)	
Other non-financial assets	(137.56)		(1,969.20)	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
<b>Financial liabilities</b>				
Trade payables	1,839.06		937.59	
Other financial liabilities	122.68		(48.54)	
<b>Non-financial liabilities</b>				
Provisions	(93.43)		(9.02)	
Other non-financial liabilities	(758.70)		(84.43)	
		<u>(6,859.05)</u>		<u>(9,262.10)</u>
		<u>(4,226.29)</u>		<u>6,049.98</u>
Net income tax paid		(63.64)		(1,317.80)
<b>Net cash flow from operating activities (A)</b>		<b>(4,289.93)</b>		<b>4,732.18</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on property plant and equipment, including capital advances	(4,208.44)		(2,201.27)	
Margin money deposits	(93.76)		(96.63)	
Purchase of investments	(353.78)		(184.27)	
Sale of investments	6.44		17.60	
Proceeds from sale of property, plant and equipment	86.35		68.46	
Interest received	62.96		97.05	
<b>Net cash flow used in investing activities (B)</b>		<b>(4,500.23)</b>		<b>(2,299.06)</b>



**STANDALONE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from rights issue of equity shares (net of expenses)	-		9,873.36	
Proceeds from non-current borrowings	6,588.00		6,467.79	
Repayment of non-current borrowings	(1,497.21)		(4,294.77)	
Increase/(Decrease) in working capital borrowings	8,331.17		(9,355.45)	
Payment of dividend including tax thereon	(389.05)		-	
Repayment of lease liabilities	(79.62)		(86.91)	
Right issue expenses	(8.43)		-	
Finance costs paid	(4,769.45)		(4,840.56)	
<b>Net cash flow used in financing activities ( C )</b>		<b>8,175.41</b>		<b>(2,236.54)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(614.75)</b>		<b>196.58</b>
Add: Cash and cash equivalents at the beginning of the year		1,074.56		877.98
<b>Cash and cash equivalents at the end of the year *</b>		<b>459.81</b>		<b>1,074.56</b>
<b>* Comprises:</b>				
a) Cash on hand	6.48		4.52	
b) Cheques/drafts on hand	2.00		1.88	
c) Balances with banks:				
i) In current accounts	451.33		1,068.16	
ii) In deposit accounts	-		-	
<b>Total</b>		<b>459.81</b>		<b>1,074.56</b>
<b>See accompanying notes to the standalone financial statements</b>				

As per our report of even date

For **P. N. Raghavendra Rao & Co**  
Chartered Accountants  
FRN : 003328S

**P R VITTEL**  
Partner  
Membership No: 018111  
Coimbatore  
30.05.2023

For and on behalf of the board

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**K. SADASHIVAM**  
Director  
DIN 00610037

**S. SESHADRI**  
Chief Financial Officer



Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
1.	<p><b>Corporate information</b></p> <p>Bannari Amman Spinning Mills Limited (the "Company") is an integrated textile company engaged in the manufacture of cotton yarn, knitted &amp; woven fabrics, processing of fabrics, finished garments, home textiles and wind power generation. The Company was incorporated on 10th July 1989 and issued shares to the public in the year 2006. The Standalone Financial Statements were approved for issue by the Board of Directors on May 30, 2023.</p>
2.	<p><b>Significant accounting policies</b></p> <p>This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.</p>
2.1	<p><b>Basis of accounting and preparation of financial statements</b></p> <p><b>i) Compliance with Ind AS</b></p> <p>The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act as amended from time to time. The Company has consistently applied accounting policies to all periods.</p> <p><b>ii) Historical cost convention</b></p> <p>The financial statements have been prepared on a historical cost basis, except for the following:</p> <ul style="list-style-type: none"> <li>a) Certain property, plant and equipment, financial assets and liabilities that are measured at fair value</li> <li>b) Defined benefit plans – plan assets measured at fair value</li> <li>c) Assets held for sale – measured at at the lower of their carrying amount and the fair value less cost to sell.</li> </ul> <p><b>iii) Functional and presentation currency</b></p> <p>The standalone financial statements are presented in Indian rupee (INR), which is the Company’s functional and presentation currency.</p> <p><b>iv) Current/Non-Current Classification:</b></p> <p>The Company has classified all the assets and liabilities as current and non-current based on the normal operating cycle of the Company and other criteria as set out in the Schedule III of</p>



**Notes to the standalone financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
2.2	<p>Companies Act, 2013. 'Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.</p> <p><b>v) Rounding of amounts</b></p> <p>All the financial informations included in the standalone financial statements have been rounded off to the nearest rupees in lakhs as per the requirement of Schedule III to Companies Act, 2013 unless stated otherwise.</p> <p><b>2.2 Use of estimates and judgement</b></p> <p>In the preparation of these Standalone Financial Statements, management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.</p> <p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.</p> <p>The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.</p> <p><b>a) Impairment of investments in subsidiaries :</b></p> <p>The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.</p> <p><b>b) Useful lives of property, plant and equipment :</b></p> <p>The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. Useful life in years : Factory building - 30, Building (non factory) - 60, Plant and machinery (main) - 30, Plant and machinery (others) - 15, Office equipments - 5, Furniture &amp; fittings - 10, Vehicles - 8.</p>





Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p><b>c) Deferred tax assets :</b></p> <p>The carrying amount of deferred tax asset is reviewed at each reporting period and is 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.</p> <p><b>d) Employee benefits :</b></p> <p>The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.</p> <p><b>2.3 Inventories</b></p> <p>Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescence. The cost of inventories shall comprise all costs of purchase , conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, packing materials, stores and spares and consumables are valued at first-in-first-out/ specific identification method. Value of finished goods and work-in-progress are determined on weighted average basis and include appropriate share of overheads.</p> <p>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.</p> <p><b>2.4 Cash and cash equivalents</b></p> <p>Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.</p> <p>Cash and cash equivalent in the Standalone Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity’s cash management , bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.</p>

**Notes to the standalone financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
2.5	<b>Cash flow statement</b>
	<p>Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of tax expenses, 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.</p>
2.6	<b>Taxes on income</b>
	<b>a) Current tax</b>
	<p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit / (loss) before tax' as reported in the Standalone Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantially enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the Company is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.</p> <p>Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.</p>
	<b>b) Deferred tax</b>
	<p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.</p>



Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>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 the benefit of part or all of that deferred tax asset to be utilised.</p> <p>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. When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse.</p> <p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.</p> <p><b>c) Current and deferred tax for the year</b></p> <p>Current and deferred tax are recognised in the Standalone Statement of 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.</p> <p><b>2.7 a) Property, plant and equipment</b></p> <p>The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.</p> <p>An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.</p> <p>Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated</p>



**Notes to the standalone financial statements for the year ended March 31, 2023**

Note No.	Particulars
	<p>depreciation and accumulated impairment losses, if any.</p> <p>Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.</p> <p>Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as capital advance under other non-current assets.</p> <p><b>b) Capital work-in-progress</b></p> <p>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.</p> <p><b>c) Depreciation and Amortisation</b></p> <p>Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 on a systematic basis except in respect of the following assets which are considered based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc., Depreciation is provided pro-rata from the date of Capitalisation.</p> <p>Plant and Machinery - 25 to 30 years</p> <p>Windmill - 30 years</p> <p>Factory Building - 30-60 years</p> <p>The Company reviews the residual values, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.</p> <p><b>2.8 Leases</b></p> <p>The Company’s lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.</p> <p>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</p>



Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>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.</p> <p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.</p> <p>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. 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, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. 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.</p> <p>The Company has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments relating to those leases as an expense on a straight-line basis over the lease term.</p>
<p><b>2.9</b></p>	<p><b>Revenue recognition</b></p> <p><b>i) Sale of goods</b></p> <p>Revenue from sale of goods is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component. Revenue from the sale of goods is measured at the transaction price of the consideration received or receivable which includes fixed, variable or both amounts, (excluding amounts collected on behalf of third parties) net of returns and allowances, trade discounts and volume rebates."</p>



**Notes to the standalone financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
	<p><b>ii) Time and material</b></p> <p>Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer. Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.</p> <p><b>iii) Dividend and interest income</b></p> <p>Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.</p> <p><b>iv) Other operating revenue</b></p> <p>Income incidental to exports such as duty drawback, Merchandise Exports from India Scheme (MEIS), income from import entitlement and premium on sale of such entitlement are recognised on accrual basis in the year of exports based on eligibility when there is a reasonable probability of collection."</p> <p><b>v) Insurance claims</b></p> <p>Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection."</p> <p><b>2.10 Employee benefits</b></p> <p>Employee benefits include Provident Fund, Employee State Insurance, Gratuity Fund and Compensated Absences.</p> <p><b>a. Retirement benefit costs and termination benefits</b></p> <p>Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using</p>



## Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>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), are reflected in the Standalone 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.</p> <p><b>b. Defined benefit costs are categorised as follows</b></p> <ul style="list-style-type: none"> <li>-service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);</li> <li>-net interest expense or income; and</li> <li>-remeasurement</li> </ul> <p>For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India.</p> <p>The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.</p> <p>The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.</p> <p>A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.</p>

**Notes to the standalone financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
	<p data-bbox="240 417 911 449"><b>c. Short-term and other long term employee benefits</b></p> <p data-bbox="277 474 1463 580">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.</p> <p data-bbox="277 606 1463 712">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.</p> <p data-bbox="277 738 1463 844">Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.</p> <p data-bbox="152 874 824 906"><b>2.11 Foreign currency transactions and translations</b></p> <p data-bbox="240 925 1463 1151">Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).</p> <p data-bbox="240 1172 1463 1321">Non-monetary assets and liabilities measured in terms of historical cost in foreign currencies are not retranslated. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.</p> <p data-bbox="152 1364 431 1395"><b>2.12 Borrowing cost</b></p> <p data-bbox="240 1415 1463 1683">Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.</p> <p data-bbox="240 1704 1463 1847">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 Statement of Profit and Loss in the period in which they are incurred.</p>





Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
<p><b>2.13</b></p>	<p><b>Earnings per share</b></p> <p>Basic earnings per share is computed by dividing the net profit after tax and before other comprehensive income attributable to ordinary equity shareholders, by the weighted average number of equity shares outstanding during the period, adjusted for rights issue of equity shares during the period.</p> <p>Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p> <p>Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
<p><b>2.14</b></p>	<p><b>Provisions and contingencies</b></p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.</p> <p>A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.</p> <p>The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A contingent asset is not recognized in financial statements, however, the same is disclosed where an inflow of economic benefit is probable.</p>



**Notes to the standalone financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
<b>2.15</b>	<p><b>Financial instruments</b></p> <p>A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the transaction value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.</p> <p><b>a) Non-derivative financial assets</b></p> <p>i) <b>Financial assets at amortised cost</b></p> <p>A financial asset shall be measured at amortised cost if both of the following conditions are met:</p> <ul style="list-style-type: none"><li>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</li><li>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.</li></ul> <p>They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.</p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.</p> <p>Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.</p>



Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.</p> <p><b>ii) Equity instruments at FVTOCI</b></p> <p>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.</p> <p>If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to statement of profit and loss.</p> <p><b>iii) Financial assets at FVTPL</b></p> <p>FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL</p> <p>In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.</p> <p>Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.</p> <p><b>iv) Derecognition of financial assets</b></p> <p>The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of</p>



**Notes to the standalone financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
	<p>ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.</p> <p>On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.</p> <p>On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.</p> <p><b>b) Non-derivative financial liabilities</b></p> <p><b>i) Financial liabilities at amortised cost</b></p> <p>Financial liabilities at amortised cost represented by borrowings, trade and other payables. Borrowings are initially recognized at net of transaction costs incurred subsequently carried at amortized cost using the effective interest rate method and all other financial liabilities are recognised at the transaction value.</p> <p><b>ii) Financial liabilities at FVTPL</b></p> <p>Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.</p>



Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in statement of profit or loss.</p> <p><b>iii) Derecognition of non-derivative financial liabilities</b></p> <p>The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.</p> <p><b>2.16 Fair Value Measurement</b></p> <p>Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:</p> <ul style="list-style-type: none"> <li>i) In the principal market for the asset or liability, or</li> <li>ii) In the absence of a principal market, in the most advantageous market for the asset or liability.</li> </ul> <p>The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.</p>



**Notes to the standalone financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
	<p>The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:</p> <ul style="list-style-type: none"><li>i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities."</li><li>ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable."</li><li>iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable."</li></ul> <p>For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.</p> <p>For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.</p> <p>At initial recognition, the Company measures a financial asset, except trade receivable at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of Profit and Loss.</p> <p>For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL.</p> <p>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.</p>



Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
2.17	<p><b>Impairment</b></p> <p><b>a) Financial Assets</b></p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.</p> <p>Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.</p> <p>ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider :</p> <ul style="list-style-type: none"> <li>i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.</li> <li>ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.</li> </ul> <p>As practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.</p> <p>ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:</p> <p>Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.</p>

**Notes to the standalone financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
	<p data-bbox="240 417 540 449"><b>b) Non-financial assets</b></p> <p data-bbox="277 472 1463 583">The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.</p> <p data-bbox="277 606 1463 874">An impairment loss is calculated as the difference between an asset’s carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.</p> <p data-bbox="277 898 1463 1166">The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).</p> <p data-bbox="152 1189 480 1221"><b>2.18 Segment reporting</b></p> <p data-bbox="240 1244 1463 1474">The Managing Director of the Company has been identified as the Chief Operating Decision maker. The Company’s operations relate to only one business segment, viz., Textiles and thus it has only one reportable business segment. The geographical segment information as required by Ind AS 108 - Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision maker for the purpose of making decisions about allocating resources and assessing its performance.</p> <p data-bbox="152 1498 492 1530"><b>2.19 Government grants</b></p> <p data-bbox="240 1553 1463 1632">Grants from the government are recognised when there is reasonable assurance that:(i) the Company will comply with the conditions attached to them; and(ii) the grant will be received.</p> <p data-bbox="240 1655 1463 1810">Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.</p>





Notes to the standalone financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.</p> <p>Government Grant is recognised in the Standalone Statement of Profit and Loss Account either as Other Operating Revenue or Other Income or adjusted against the expenses depending upon the nature of the grant.</p>
2.20	<p><b>Events after Reporting date</b></p>
	<p>Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed."</p>
2.21	<p><b>Amendments effective from April 1, 2023</b></p>
	<p>In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS. The amendments are as below:</p> <ul style="list-style-type: none"> <li>● <b>Ind AS 1 – Presentation of Financial Statements :</b> The amendment prescribes disclosure of material accounting policies instead of significant accounting policies.</li> <li>● <b>Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:</b> The amendment added definition of accounting estimate and provided clarification regarding accounting estimate and treatment of change in the accounting estimate and accounting policy.</li> <li>● <b>Ind AS12 – Income Taxes :</b> The definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences.</li> </ul>
	<p>The above amendments are effective from annual accounting periods commencing on or after April 1, 2023. The Company will evaluate the impact of the above, where applicable, on the standalone financial statements and give impact of the same in the relevant period.</p>



**Notes to the standalone financial statements for the year ended March 31, 2023**

**3A Property, plant and equipment and capital work-in-progress**

(Rs. in Lakhs)

Description of Assets	Own land	Building - own	Building on leasehold land	Plant and machinery	Office equipment	Furniture and fittings	Vehicles	Tools and implements	Total
<b>I. Gross</b>									
Balance as at April 1, 2021	4,933.99	12,664.02	1,566.59	43,794.73	480.48	433.64	107.42	1.88	63,982.75
Additions	-	47.45	333.00	1,332.69	34.66	41.89	30.61	-	1,820.30
Disposals	-	-	-	(129.67)	-	-	(1.41)	-	(131.08)
<b>Balance as at March 31, 2022</b>	<b>4,933.99</b>	<b>12,711.47</b>	<b>1,899.59</b>	<b>44,997.75</b>	<b>515.14</b>	<b>475.53</b>	<b>136.62</b>	<b>1.88</b>	<b>65,671.97</b>
Additions	-	317.37	49.10	4,315.31	26.69	0.80	31.39	-	4,740.65
Disposals	-	(9.24)	-	(211.83)	(0.08)	-	-	-	(221.15)
<b>Balance as at March 31, 2023</b>	<b>4,933.99</b>	<b>13,019.60</b>	<b>1,948.69</b>	<b>49,101.23</b>	<b>541.75</b>	<b>476.33</b>	<b>168.01</b>	<b>1.88</b>	<b>70,191.47</b>
<b>II. Accumulated depreciation</b>									
Balance as at April 1, 2021	-	2,076.65	220.68	7,584.49	399.82	185.36	51.48	0.09	10,518.57
Depreciation expenses for the year	-	461.57	125.82	2,054.36	37.26	49.24	11.83	-	2,740.08
Disposals	-	-	-	(34.41)	-	-	(1.35)	-	(35.76)
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>2,538.22</b>	<b>346.50</b>	<b>9,604.44</b>	<b>437.08</b>	<b>234.60</b>	<b>61.96</b>	<b>0.09</b>	<b>13,222.89</b>
Depreciation expenses for the year	-	465.12	62.58	2,226.85	44.74	34.24	14.58	-	2,848.11
Disposals	-	(1.54)	-	(55.53)	-	-	-	-	(57.07)
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>3,001.80</b>	<b>409.08</b>	<b>11,775.76</b>	<b>481.82</b>	<b>268.84</b>	<b>76.54</b>	<b>0.09</b>	<b>16,013.93</b>
<b>Net (I-II)</b>									
Balance as at March 31, 2022	4,933.99	10,173.25	1,553.09	35,393.31	78.06	240.93	74.66	1.79	52,449.08
Balance as at March 31, 2023	4,933.99	10,017.80	1,539.61	37,325.47	59.92	207.49	91.47	1.79	54,177.54

Amount pertaining to building on lease hold land comprised in the property, plant and equipment schedule represented by 2,52,841 equity shares of Rs.10/- each of Section 8 Company and Leave and license agreement. Refer Note 17 and 20 for the property, plant and equipments secured for the borrowings.

**3B** The Company entered into an agreement to sell dated March 30, 2011 with Shiva Tex Yarn Limited for the sale of part of land situated at Velvarkottai, Dindigul and Kodangpalayam, Karanampet, Coimbatore, valued at Rs. 56.72 lakhs. Accordingly the said amount is disclosed as assets held for sale.

**3C**

(Rs. in Lakhs)

Capital work in progress	As at March 31, 2023	As at March 31, 2022
Opening balance	372.18	-
Add: Additions during the year	547.71	372.18
Less: Capitalised during the year	(372.18)	-
<b>Closing balance</b>	<b>547.71</b>	<b>372.18</b>



Notes to the standalone financial statements for the year ended March 31, 2023

(Rs. in Lakhs)

Capital work in progress	Amount of Capital work in progress for a period of				
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
Projects in progress					
As at March 31, 2023	547.71	-	-	-	547.71
As at March 31, 2022	372.18	-	-	-	372.18

**Note:** There are no projects suspended as at March 31, 2023 and March 31, 2022. There are no items of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan in current and previous year.

4.1 Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Quoted Investments (fully paid) carried at fair value through other comprehensive income</b>		
Investments in equity instruments - others		
i) 250 (PY: 250) Equity shares of Rs.10 each in Bannari Amman Sugars Limited	6.80	6.77
ii) 34 (PY: 34) Equity shares of Rs.10 each in Moil Limited	0.05	0.03
<b>Total Quoted Investments (A)</b>	<b>6.85</b>	<b>6.80</b>
<b>II. Unquoted investments (fully paid)</b>		
<b>i) Investments in Equity instruments - subsidiaries (carried at cost)</b>		
i) 3,34,49,112 (PY: 3,34,49,112) Equity shares of Rs.10 each in Young Brand Apparel Private Limited	2,606.00	2,606.00
10,000 (PY: 10,000) Equity shares of Rs.10 each in Bannari Amman Infinite Trendz Private Limited (Formerly Bannari Amman Trendz Private Limited) (wholly owned subsidiary)	1.00	1.00
<b>ii) Investments in Equity instruments - others (carried at fair value)</b>		
15,000 (PY: 15,000) Equity shares of Rs.10 each in OPG Metal Power Limited	1.50	1.50
3,06,000 (PY: 99,900) Equity shares of Rs.11 each in OPG Power Generation Private Limited	34.80	11.10
36,00,000 (PY : 18,00,000) Equity shares of Rs.10 each in M/s. Nellai Renewables Private Limited	360.00	180.00
3,88,978 (PY : Nil) Equity shares of Rs.10 each in M/s. Vishnupriya Farms Private Limited	222.08	-
<b>iii) Investments in Preference Shares (carried at fair value)</b>		
Nil (PY: 6443) Preference shares of Rs.100 each in Shiva Automobile Pvt Limited	-	5.10
iv) Investments in Government securities (carried at fair value) Kisan Vikas Patra	0.03	0.03
<b>Total Unquoted Investments (B)</b>	<b>3,225.41</b>	<b>2,804.73</b>
<b>Total (A) + (B)</b>	<b>3,232.26</b>	<b>2,811.53</b>
Aggregate cost of quoted investments	0.37	0.37
Aggregate market value of quoted investments	6.85	6.80
Aggregate amount of unquoted investments	3,225.41	2,804.73
Aggregate amount of impairment in value of investments	-	-



**Notes to the standalone financial statements for the year ended March 31, 2023**

**5 Loans**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Loans to related parties (Unsecured, considered good)</b>		
Inter corporate deposit	-	550.00
Interest on inter corporate deposit	-	77.50
<b>Total - Loans</b>	<b>-</b>	<b>627.50</b>

**6 Other financial assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	701.79	518.79
<b>Total - Other financial assets</b>	<b>701.79</b>	<b>518.79</b>

**7 Other non-current assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	392.41	1,157.20
Advance to related parties	111.64	111.77
Advance tax and Tax deducted at source (net)	138.05	236.09
Advance for investment in shares	-	72.00
<b>Total - Other non-current assets</b>	<b>642.10</b>	<b>1,577.06</b>

**8 Inventories**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	11,874.36	11,145.71
Goods in transit (Raw materials)	2,600.93	1,471.99
Work-in-progress	2,191.72	2,187.76
Finished goods	10,951.13	5,718.87
Stores and spares	809.82	871.86
<b>Total - Inventories</b>	<b>28,427.96</b>	<b>21,396.19</b>

Refer Note 20 for the current assets secured for the borrowings.



Notes to the standalone financial statements for the year ended March 31, 2023

9 Trade receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
A) Trade receivable considered good - Unsecured	18,274.23	17,621.40
B) Trade receivable - which have significant increase in credit risk	998.06	1,012.60
C) Trade receivable - Credit impaired	253.26	181.57
	<b>19,525.55</b>	<b>18,815.57</b>
Less: Allowance for doubtful trade receivables	(1,251.33)	(1,194.15)
<b>Total - Trade receivables</b>	<b>18,274.22</b>	<b>17,621.42</b>

Trade receivables ageing schedule

(Rs. in Lakhs)

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As on 31.03.2023</b>						
a) Undisputed Trade Receivables - considered good	17,181.28	331.60	127.00	222.83	65.19	17,927.90
b) Undisputed Trade Receivables - which have significant increase in credit risk	30.05	148.68	14.74	296.53	-	490.00
c) Undisputed Trade Receivables - credit impaired	12.00	-	-	-	14.30	26.30
d) Disputed Trade Receivables - considered good	0.49	2.37	-	-	343.46	346.32
e) Disputed Trade Receivables - which have significant increase in credit risk	0.51	52.15	111.95	-	343.46	508.07
f) Disputed Trade Receivables - credit impaired	-	-	-	19.22	207.74	226.96

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As on 31.03.2022</b>						
a) Undisputed Trade Receivables - considered good	15,585.05	155.77	622.95	411.96	189.88	16,965.59
b) Undisputed Trade Receivables - which have significant increase in credit risk	729.68	39.56	37.21	3.80	21.82	832.07
c) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
d) Disputed Trade Receivables - considered good	-	-	16.37	25.64	613.80	655.81
e) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	180.53	180.53
f) Disputed Trade Receivables - credit impaired	-	-	2.89	-	178.68	181.57



**Notes to the standalone financial statements for the year ended March 31, 2023**

**10A Cash and cash equivalents**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in current account	451.33	1,068.16
Cheques, drafts on hand	2.00	1.88
Cash on hand	6.48	4.52
<b>Total</b>	<b>459.81</b>	<b>1,074.56</b>

**10A Bank balances other than above**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Earmarked balances with banks</b>		
a) Unclaimed dividend accounts	2.37	2.15
b) Liquid assets deposits	50.00	-
c) Deposits with Banks held as margin money	140.17	96.63
<b>Total</b>	<b>192.54</b>	<b>98.78</b>

**11 Loans**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee advances (Unsecured, considered good)	16.93	39.29
Loans to related parties (Unsecured, considered good)		
-Inter corporate deposit	550.00	-
-Interest on inter corporate deposit	127.00	-
<b>Total</b>	<b>693.93</b>	<b>39.29</b>

**12. Other Financial Assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on deposits	13.13	11.98
TUF subsidy receivable	665.01	630.38
Incentive/Grant receivable	160.89	160.89
Unbilled revenue	78.91	64.07
Refundable deposit with stock exchange on rights issue	-	105.40
<b>Total</b>	<b>917.94</b>	<b>972.72</b>



Notes to the standalone financial statements for the year ended March 31, 2023

13 Current Tax Assets (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax assets	190.05	28.37
<b>Total</b>	<b>190.05</b>	<b>28.37</b>

14 Other current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	483.14	431.61
Advances to Suppliers	906.86	1,065.33
<b>Balances with government authorities :</b>		
- Duty drawback receivable	276.92	911.60
- GST receivable	1,872.00	978.91
- ESI Deposit	7.58	7.58
Gratuity	99.24	10.19
<b>Total</b>	<b>3,645.73</b>	<b>3,405.22</b>

15 Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b>		
10,00,00,000 Equity shares of Rs. 5 each (PY: 10,00,00,000 Equity shares of Rs. 5 each)	5,000.00	5,000.00
50,000 Cumulative Preference shares of Rs. 100 each (PY: 50,000 Cumulative Preference shares of Rs. 100 each)	50.00	50.00
	<b>5,050.00</b>	<b>5,050.00</b>
<b>Issued, Subscribed and fully paid up share capital</b>		
6,48,41,871 Equity shares of Rs. 5 each (PY: 6,48,41,871 Equity shares of Rs. 5 each)	3,242.09	3,242.09
	<b>3,242.09</b>	<b>3,242.09</b>



**Notes to the standalone financial statements for the year ended March 31, 2023**

**i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	Amount in lakhs	Number of shares held	Amount in lakhs
<b>Equity shares</b>				
At the beginning of the year	6,48,41,871	3,242.09	31,508,538	1,575.43
Add: Issue of rights shares of Rs.5/- per share (Refer Note below)	-		3,33,33,333	1,666.67
<b>At the end of the period</b>	<b>6,48,41,871</b>	<b>3,242.09</b>	<b>6,48,41,871</b>	<b>3,242.09</b>

Note : The Company has raised an amount of Rs. 9,999.99 lakhs during the year ended 31.3.2022, through Rights Issue of 33,333,333 Equity Shares of Rs. 5 each at an issue price of Rs. 30 per share. The Shares have been allotted to the shareholders on October 09, 2021. Consequent to the above allotment, the paid up share capital has been increased from Rs. 1,575.43 lakhs to Rs. 3,242.09 lakhs. The entire proceeds received from the Rights Issue during the year amounting to Rs. 9,999.99 lakhs were used for the objects stated in the offer document of the Rights Issue.

**ii) Terms/rights and restrictions in respect of equity shares**

The Company has issued only one class of equity share having a face value of Rs.5/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The company declares and pays dividend in Indian Rupees. The dividend proposed, if any, by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

**iii) Details of shares held by the holding company**

Name of the shareholders	No. of shares	
	As at March 31, 2023	As at March 31, 2022
<b>Equity shares</b>		
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	3,51,91,255
	<b>3,51,91,255</b>	<b>3,51,91,255</b>





Notes to the standalone financial statements for the year ended March 31, 2023

iv) Shareholders holding more than 5% shares in the company :

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares</b>				
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	54.27	3,51,91,255	54.27
Gagandeep Credit Capital P Ltd	3,883,141	5.99	3,883,141	5.99

v) Shareholding of Promoters

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares</b>				
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	54.27	3,51,91,255	54.27
S V Arumugam	688,869	1.06	688,869	1.06

\*There is no change in the shareholding of promoters during the year

vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date

Particulars	Aggregate no of shares		
	31.03.2023	31.03.2022	31.03.2021
<b>Equity shares</b>			
Increase in number of shares due to split of face value from Rs.10/- per share to Rs.5/- per share	-	-	1,57,54,269



**Notes to the standalone financial statements for the year ended March 31, 2023**

**16 Other Equity**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a. Securities premium</b>		
Opening balance	16,137.46	7,930.76
Add : Securities premium on rights issue of equity shares (Refer Note 15)	-	8,333.33
Less : Rights issue expenses	8.43	126.63
<b>Closing balance</b>	<b>16,129.03</b>	<b>16,137.46</b>
<b>b. General reserve</b>		
Opening balance	16,295.22	16,295.22
<b>Closing balance</b>	<b>16,295.22</b>	<b>16,295.22</b>
<b>c. Retained Earnings</b>		
Opening balance	8,665.79	3,796.05
Less: Dividend paid during the year	(389.05)	-
Add : Profit / (loss) for the current year	(3,482.97)	4,869.74
<b>Closing balance</b>	<b>4,793.77</b>	<b>8,665.79</b>
<b>d. Other Comprehensive Income</b>		
Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and financial liabilities and remeasurement of net defined benefit liability/asset		
Opening balance	20.89	65.76
Add : Movement during the year	66.94	(44.87)
<b>Closing balance</b>	<b>87.83</b>	<b>20.89</b>
<b>Total Other Equity (a+b+c+d)</b>	<b>37,305.85</b>	<b>41,119.36</b>

- Notes :
- A. Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.
  - B. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, Bonus issue, etc.
  - C. Retained earnings do not contain any amount of revaluation reserve which was transferred to Retained earnings on the transition date, which may not be available for distribution.
  - D. Other comprehensive income represents the cumulative gain/loss arising on remeasurement of defined benefit obligation. This would not be reclassified to Statement of Profit and Loss.



Notes to the standalone financial statements for the year ended March 31, 2023

17 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Borrowings</b>		
- Term loan from banks (Refer note 1 to 6)	23,718.10	18,552.42
- Term loan from others (Refer note 7 to 8)	2,124.29	1,899.17
<b>Unsecured Borrowings</b>		
- Borrowings from others	1,700.00	2,000.00
<b>Total - Borrowings</b>	<b>27,542.39</b>	<b>22,451.59</b>

The Company vide its letter dated November 27, 2020 had requested its Banker for One Time Restructuring of term Loans under the Resolution framework for COVID 19 related stress in line with RBI circular number RBI/2020.-21/6/DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 06, 2020. The above mentioned Resolution Plan was approved by the Banker on 24.06.2021 in terms of which set off/ adjustment on debt servicing was permitted post Cut-Off Date and prior to the implementation of the resolution plan. The surplus debt serviced has been adjusted against the instalments due for the FY 2022-2023 as per the Resolution plan.

Note : 1

Details of terms of repayment and security provided in respect of secured term loans :

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1 i) ICICI Bank Limited- Rupee term loan 1	-	187.50
ii) ICICI Bank Limited- Rupee term loan 2	-	957.50
iii) ICICI Bank Limited- GECLS	2,786.60	-
Less: Current maturities of long term debt	-	(325.55)
<b>Total</b>	<b>2,786.60</b>	<b>819.45</b>

Security for Term Loan 1 & 2 :

First pari passu charge on the entire property, plant and equipment of the Company and second pari passu charge on the entire current assets of the Company.

Security for Term Loan - GECLS :

Second pari passu charge by way of hypothecation of the company's entire stock and other current assets and second pari passu charge on the entire property, plant and equipment of the Company.

Repayment :

Term Loan 1 : 2 quarterly instalments starting from April 2023. Interest rate: 10.30%

Term Loan 2 : 7 quarterly instalments starting from September 2022. Interest rate: 10.55%

Term Loan (GECLS) : 48 monthly instalments starting from November 2024. Interest rate: 9.25%

**Notes to the standalone financial statements for the year ended March 31, 2023**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>2 Indian Bank</b>		
i) Term Loan 1 (TUF & Non-TUF)	635.95	634.31
ii) Term Loan 2 (TUF & Non-TUF)	5082.22	5,227.37
iii) Term Loan 3 (TUF & Non-TUF)	4075.86	4,161.44
iv) Term Loan 4 (GECLS)	4,441.00	4,467.79
Less: Current maturities of long term debt	(1,538.08)	(490.38)
<b>Total</b>	<b>12,696.95</b>	<b>14,000.53</b>

Security for First Term Loan 1, 2 &amp; 3 :

Pari passu first charge on the entire property, plant and equipment of the Company and second pari passu charge on the entire current assets of the Company.

Security for Term Loan - GECLS:

Second pari passu charge by way of hypothecation of the company's entire stock and other current assets and second pari passu charge on the entire property, plant and equipment of the Company.

Repayment and Rate of Interest :

Term Loan 1: 6 Quarterly instalments starting from February 2023. Interest rate @ 11%

Term Loan 2: 15 Quarterly instalments starting from December 2022. Interest rate @ 11%

Term Loan 3: 24 Quarterly instalments starting from June 2022. Interest rate @ 11%

Term Loan 4: 48 Monthly instalments starting from January 2024. Interest rate @ 8.3%

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>3 DCB Bank Limited</b>		
i) Term Loan	1,195.22	1,239.00
Less: Current maturities of long term debt	(628.00)	(42.14)
<b>Total</b>	<b>567.22</b>	<b>1,196.86</b>

Security :

First pari passu charge on the entire property, plant and equipment of the Company and second pari passu charge on the entire current assets of the Company.

Repayment :

24 Monthly instalments starting from February 2023. Rate of Interest : 9.00%



Notes to the standalone financial statements for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>4 Indian overseas Bank</b>		
Term loan 1	2,535.58	2,535.58
Term loan 2 (GECLS)	2,433.00	-
Less: Current maturities of long term debt	(95.25)	-
<b>Total</b>	<b>4,873.33</b>	<b>2,535.58</b>

Security for Term Loan 1 :

First pari passu charge on the entire property, plant and equipment of the Company and second pari passu charge on the entire current assets of the Company.

Security for Term Loan - GECLS :

Second pari passu charge by way of hypothecation of the company's entire stock and other current assets and second pari passu charge on the entire property, plant and equipment of the Company.

Repayment and Rate of Interest:

Term Loan1: 19 Quarterly instalments starting from August 2023 with rate of interest: 10.15%

Term Loan2: 48 Monthly instalments starting from July 2024 with rate of interest : 8.55%

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>5 Union Bank of India</b>		
- Term Loan (GECLS)	1,221.00	-
Less: Current maturities of long term debt	-	-
<b>Total</b>	<b>1,221.00</b>	<b>-</b>

Security :

Second pari passu charge on the entire property, plant and equipment of the Company and Second pari passu on the other current assets of the Company.

Repayment :

36 Monthly instalments starting from June 2024. Rate of Interest: 9.25%

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>6 Punjab National Bank</b>		
- Term Loan (GECLS)	1,573.00	-
Less: Current maturities of long term debt	-	-
<b>Total</b>	<b>1,573.00</b>	<b>-</b>

Security :

Second pari passu charge on the entire property, plant and equipment of the Company and Second pari passu on the other current assets of the Company.

Repayment :

48 monthly instalments starting from September 2024. Rate of Interest: 8.70%



**Notes to the standalone financial statements for the year ended March 31, 2023**

**Term loan from others :**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>7</b> Palladam Hi-Tech Weaving Park	47.84	47.84
Less: Current maturities of long term debt	-	-
<b>Total</b>	<b>47.84</b>	<b>47.84</b>

Security :

First charge on property, plant and equipment acquired out of loan of Garment Unit located at Palladam Hi-Tech Weaving Park, Sukkampalayam Village, K.N.Puram (Po), Palladam.

Repayment :

120 Monthly instalments starting from April 2010. Rate of Interest : 0.75%.

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>8</b> SIPCOT Soft Loan	2,554.91	2,554.91
Less: Government grant (Refer note (ii) below)	(478.46)	(703.58)
<b>Total</b>	<b>2,076.45</b>	<b>1,851.33</b>

- i) First charge by way of equitable mortgage over factory land and building and hypothecation of other movable assets financed by SIPCOT for the expansion project ranking paripassu with other banks and property, plant and equipment of the expansion scheme of spinning units located at Velvarkottai Village, Dindigul, Weaving unit and Knitting unit at Karanampet, Coimbatore.
- ii) The Government of Tamil Nadu in its order : G.O. Ms. No. 126, dated October 20, 2009, has granted an amount equivalent to net output VAT + CST paid through expansion project to Government as Investment Promotion Soft Loan for a period of 10 years, subject to terms and conditions mentioned in the Eligibility Certificate ID/SPA/BSML/2010 dated 30 April 2013. The soft loan will carry a nominal rate of 0.1% per annum. The soft loan sanctioned is repayable on the 10th year from the date of sanction. This is considered as Government grant and accordingly the loan amount is carried at amortised cost considering an effective interest rate of 12.16%. The Government grant income is recognised proportionately in relation to the interest expense.

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>9</b> Unsecured Loans		
Murugan Enterprise Private Limited	1,700.00	1,700.00
Sakthi Murugan Transports Private Limited	-	300.00
<b>Total</b>	<b>1,700.00</b>	<b>2,000.00</b>

Rate of Interest : 10.00%. Payment within 36 months commencing from June 28, 2021.



Notes to the standalone financial statements for the year ended March 31, 2023

18 Lease liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability on account of land and building lease	92.87	90.85
<b>Total</b>	<b>92.87</b>	<b>90.85</b>

19 Other non current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Government grant - Sipcot Soft loan	225.23	478.46
<b>Total</b>	<b>225.23</b>	<b>478.46</b>

20 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured borrowings</b>		
Loans repayable on demand from banks (Refer Note 2)	26,188.71	19,602.80
Liability for bills discounted - from banks (Refer Note 3)	476.45	134.45
Current maturities of long term borrowings	2,261.33	858.07
<b>Total</b>	<b>28,926.49</b>	<b>20,595.32</b>

Note - 2

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1) Bank of Maharashtra Working capital limit: Rs. 500 lakhs Interest rate: 11.65 % Security : First pari-passu charge by way of hypothecation of stock and book debts and all other current assets and second pari-passu charge on the entire property, plant and equipment of the Company.	260.34	199.61



**Notes to the standalone financial statements for the year ended March 31, 2023**

**Note - 2 (Contd...)**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<p>2) Bank of Bahrain and Kuwait B.S.C.</p> <p>Working capital limit: Rs. 2,000 lakhs Non - fund based limit: Rs. 200 lakhs Interest rate: 11.25 % Security : First pari-passu charge on the entire current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.</p>	1,227.60	1,177.33
<p>3) ICICI Bank Limited</p> <p>Working capital limit: Rs. 3,000 lakhs Non - fund based limit: Rs. 1,000 lakhs Interest rate: 11.55% Security : First pari-passu charge on Company's entire stock, consumable stores and spares and such other movables including book-debts,bills, outstanding monies, receivables both present and future and Second pari-passu charge on the entire property, plant and equipment of the Company.</p>	3,751.17	500.00
<p>4) Indian Bank</p> <p>Working capital limit: Rs. 5,200 lakhs Interest rate: 11.45% Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.</p>	3,667.78	3,746.89
<p>5) Indian Overseas Bank</p> <p>Working capital limit: Fund based: Rs. 10,000 lakhs Non - fund based limit: Rs. 2,500 lakhs Interest rate: 11.55% (PY: 11.10%) Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.</p>	7,098.97	5,891.61
<p>6) The Karur Vysya Bank Limited</p> <p>Working capital limit: Rs.1,250 lakhs Interest rate: 11.00% Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.</p>	584.17	420.08
<p>7) Punjab National Bank</p> <p>Working capital limit: Rs. 5,800 lakhs Non - fund based limit: Rs. 2,500 lakhs Interest rate: 10.20 % Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.</p>	4,597.98	3,255.80





Notes to the standalone financial statements for the year ended March 31, 2023

Note - 2 (Contd...)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
8) Union bank of India Working capital limit: Rs. 5,250 lakhs (PY: Rs. 5,250 lakhs) Non - fund based limit: Rs. 11,000 lakhs (PY: Rs. 1,100 lakhs) Interest rate: 10.55% (PY: 11.85%) Security : First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.	3,268.40	2,975.67
9) DCB Bank Limited Working capital limit: Rs.2,500 lakhs Interest rate: 10.76 % (PY: 9.38%) Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.	1,732.30	1,435.81

Note - 3

Liability for bills discounted - from banks

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Indian Overseas Bank Limit sanctioned : Rs. 2,500 lakhs Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.	476.45	-
b) Union bank of India Limit sanctioned : Rs. 1,500 lakhs Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Company present and future.	-	134.45

21 Lease Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability on account of land and building lease	46.60	61.88
<b>Total</b>	<b>46.60</b>	<b>61.88</b>

22 Trade Payable

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Total outstanding dues of micro and small enterprises (Refer note no 39)	1,154.97	906.70
b) Total outstanding dues other than micro and small enterprises	9,074.17	7,483.39
<b>Total</b>	<b>10,229.14</b>	<b>8,390.09</b>



**Notes to the standalone financial statements for the year ended March 31, 2023**

**Trade payables ageing schedule**

(Rs. in Lakhs)

Particulars	Unbilled	Outstanding for the following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31.03.2023</b>						
a) MSME	-	1,154.97	-	-	-	1,154.97
b) Others	-	8,964.12	39.26	24.73	46.07	9,074.17
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>10,119.09</b>	<b>39.26</b>	<b>24.73</b>	<b>46.07</b>	<b>10,229.14</b>

**Trade payables ageing schedule**

(Rs. in Lakhs)

Particulars	Unbilled	Outstanding for the following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31.03.2022</b>						
a) MSME	-	906.39	0.31	-	-	906.70
b) Others	-	7,182.11	177.61	47.63	76.04	7,483.39
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>8,088.50</b>	<b>177.92</b>	<b>47.63</b>	<b>76.04</b>	<b>8,390.09</b>

**23 Other Financial liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on borrowings	2.17	9.11
Unpaid Dividend	2.37	2.15
Security deposits received	59.16	64.28
Contractually reimbursable expenses	12.99	-
Payable on purchase of fixed assets	68.31	25.85
<b>Total</b>	<b>145.00</b>	<b>101.39</b>



## Notes to the standalone financial statements for the year ended March 31, 2023

### 24 Other Current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	444.35	655.30
Advance received towards sale of PPE	94.30	94.30
Government grant - Sipcot soft loan	253.23	225.12
Statutory Remittances	136.01	138.08
Liability for Expenses	1,746.95	2,069.39
Liability towards funded gratuity scheme	1.87	-
<b>Total</b>	<b>2,676.71</b>	<b>3,182.19</b>

### 25 Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits</b>		
- Compensated absences	64.21	60.54
- Bonus	72.34	169.44
<b>Total</b>	<b>136.55</b>	<b>229.98</b>



**Notes to the standalone financial statements for the year ended March 31, 2023**

**26. Revenue from operations**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Sale of Products</b>		
<b>a. Manufactured goods</b>		
Yarn	59,127.54	73,304.79
Fabrics	28,098.89	38,505.29
Waste cotton	8,377.18	5,907.01
Made ups	5,150.44	4,132.92
Garments	4,394.53	605.33
<b>b. Traded goods</b>		
Yarn	-	146.12
Cotton	18.38	156.02
	<b>1,05,166.96</b>	<b>122,757.48</b>
<b>b) Sale of Services</b>		
Sizing charges, CMT charges, knitting and processing charges	3,267.44	3,903.08
	<b>3,267.44</b>	<b>3,903.08</b>
<b>c) Other operating revenues</b>		
Sale of scrap	408.38	375.71
Yarn second sales	5.60	-
Duty drawback and other export incentives	637.97	1,506.31
Others - Windmill carbon credit	27.36	-
	<b>1,079.31</b>	<b>1,882.02</b>
<b>Total</b>	<b>1,09,513.71</b>	<b>1,28,542.58</b>

**27. Other Income**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest income (Refer Note (i) below)	64.10	109.04
b) Net gain on foreign currency transactions and translation	64.86	315.75
c) Other non-operating income (Refer Note (ii) below)	242.78	0.82
<b>Total</b>	<b>371.74</b>	<b>425.61</b>



Notes to the standalone financial statements for the year ended March 31, 2023

Note

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Interest income comprises:</b>		
Interest on loans and advances	49.50	49.50
Interest on overdue trade receivables	4.01	19.03
Interest on security deposits	10.59	10.47
Interest from others	-	30.04
<b>Total - Interest income</b>	<b>64.10</b>	<b>109.04</b>
<b>ii) Other non-operating income comprises :</b>		
Profit on sale of investment (Net)	1.34	-
Agricultural Income	7.68	-
Gain on termination of leases	5.77	-
Others - Sundry debtors write back	47.00	-
Insurance claim received	180.99	0.82
<b>Total - Other non-operating income</b>	<b>242.78</b>	<b>0.82</b>

28. Cost of materials consumed

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	12,617.70	10,774.45
Add: Purchases	91,341.11	89,952.95
	<b>103,958.81</b>	<b>100,727.40</b>
Less: Closing stock	14,475.29	12,617.70
<b>Total</b>	<b>89,483.52</b>	<b>88,109.70</b>

29. Purchase of Stock-in Trade

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Yarn	87.06	51.76
<b>Total</b>	<b>87.06</b>	<b>51.76</b>



**Notes to the standalone financial statements for the year ended March 31, 2023**

**30. Changes in inventories of finished goods and work-in-progress**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories at the end of the year :</b>		
Finished goods	10,951.13	5,718.87
Work-in-progress	2,191.72	2,187.76
<b>Total</b>	<b>13,142.85</b>	<b>7,906.63</b>
<b>Inventories at the beginning of the year :</b>		
Finished goods	5,718.87	4,843.62
Work-in-progress	2,187.76	1,772.70
<b>Total</b>	<b>7,906.63</b>	<b>6,616.32</b>
<b>Net (increase) / decrease</b>	<b>(5,236.23)</b>	<b>(1,290.31)</b>

**31. Employee benefits expense**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	7,751.54	8,945.40
Director Remuneration	60.00	60.00
Contributions to provident and other funds	670.84	428.66
Staff welfare expenses	1,171.99	1,636.32
<b>Total</b>	<b>9,654.37</b>	<b>11,070.38</b>

**32. Finance Costs**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest expense on financial liabilities at amortised cost:		
- Borrowings	4,455.94	4,282.15
- Operating lease liabilities	15.07	9.67
b) Other borrowing costs	291.50	340.72
<b>Total</b>	<b>4,762.51</b>	<b>4,632.54</b>



Notes to the standalone financial statements for the year ended March 31, 2023

33. Depreciation and amortization expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Depreciation on Tangible assets	2,848.11	2,740.08
b) Depreciation on Right of Use assets	72.73	77.53
<b>Total</b>	<b>2,920.84</b>	<b>2,817.61</b>

34. Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent including lease rentals	121.00	61.74
Communication expenses	38.69	54.50
Travelling and conveyance	139.40	126.98
Printing and stationery	51.41	47.89
Quality claim	186.56	28.79
Hank yarn obligation	12.03	5.80
Business promotion expenses	7.70	12.65
Donation	9.93	9.72
Water	75.93	62.01
Consumption of stores and spare parts	38.03	145.33
Manufacturing expenses	173.36	101.82
Consumption of packing materials	739.80	986.29
Power, fuel and water charges	6,577.90	6,962.06
Repairs and maintenance - Building	89.07	97.47
Repairs and maintenance - Machinery	1,298.45	2,061.44
Repairs and maintenance - Others	587.79	247.00
Insurance	470.51	469.54
Rates and taxes	449.60	342.34
Freight and forwarding charges	905.10	2,240.38
Sales commission	752.27	1,084.82
Legal and professional charges	211.75	265.70
Security Service Charges	28.31	24.55
Payments to auditors (Refer note (i) below)	32.14	26.75
Directors Sitting Fees	4.30	7.00
Corporate Social Responsibility expenditure (Refer note 36)	50.81	15.00
Agricultural Expenses	7.61	-
Provision for bad and doubtful trade receivables	57.17	338.11
Bad trade and other receivables, loans and advances written off	14.27	50.76
Loss on sale of investment	-	0.55
Loss on sale of property plant and equipment (Net)	77.74	54.49
Miscellaneous expenses	54.17	36.96
<b>Total</b>	<b>13,262.80</b>	<b>15,968.44</b>

**Notes to the standalone financial statements for the year ended March 31, 2023****Note (i) - Payments to auditors:**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Payments to auditors comprises</b>		
- Statutory audit fees and Limited review fees	23.34	26.50
- Other Services	8.40	0.25
- Reimbursement of expenses	0.40	-
<b>Total</b>	<b>32.14</b>	<b>26.75</b>

**Note :** In addition to the above expenses in Statement of Profit and Loss, in the FY ended 31.03.2022, payment to auditors also include Rs. 52.50 Lakhs towards comfort letter and other rights issue related services which is accounted in balance sheet offsetted with securities premium arised from rights issue.

**35. Details of Undisclosed Income, if any**

The Company does not have any transaction 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.

**36. Corporate Social responsibility**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the Company during the year	49.53	12.77
Amount of expenditure incurred	50.81	15.00
Shortfall at the end of the year	-	-
<b>Total of Previous Years shortfall</b>	<b>-</b>	<b>-</b>

**Nature of CSR Activities:**

The CSR initiatives of the Company aim towards inclusive development of the communities by promoting education and providing basic needs for the economically weaker section of the society.

**Note :**

- i) The Company has not made any contribution to Related parties in relation to CSR Expenditure during the year and previous year.
- ii) The Company has not made any provision in relation to CSR Expenditure during the year and any previous year.

**37. Details of Crypto currency or Virtual currency, if any**

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.





Notes to the standalone financial statements for the year ended March 31, 2023

38 Contingent liabilities and commitments (to the extent not provided for)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I) Contingent liabilities:</b>		
<b>A) Claims against the Company not acknowledged as debts:-</b>		
a) TANGEDCO demands, pending in appeal	1,386.44	1,356.46
<b>B) Contingent Liabilities On Account Of Guarantees :-</b>		
a) Corporate guarantee (on behalf of Young Brand Apparel Private Limited)	-	8,827.40
b) Guarantee issued in favour of supplier	112.46	-
<b>II. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for :		
a. Tangible Assets	1,125.73	3,455.67
b. Others	-	-

39 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2023	As at March 31, 2022
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of the period		
- Principal amount and interest due to micro and small enterprise	1,154.97	906.70
- Interest due to micro and small enterprise		
ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
iv) Interest accrued and remaining unpaid at the end of the period	-	-
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



**Notes to the standalone financial statements for the year ended March 31, 2023**

**40 Employee benefit plans**

**A. Defined contribution plans - provident fund and employee state insurance**

The Company makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss :

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund	412.90	338.35
Employee state insurance	133.88	126.20

**B. Defined benefit plan - gratuity**

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee’s last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of ‘Contribution to provident and other funds in Note 31 Employee benefits expense. Under this plan, the settlement obligation remains with the Company.

**Description of Risk Exposures**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

- a) **Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- b) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
- c) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan’s liability.
- d) **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- e) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by Mr. N. Srinivasan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.



Notes to the standalone financial statements for the year ended March 31, 2023

The following table sets out the funded status of the gratuity scheme:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Components of employer expense</b>		
Current service cost	104.75	102.49
Interest cost	44.37	32.72
Expected return on plan assets	(48.42)	(44.90)
<b>Recognised in statement of profit and loss</b>	<b>100.70</b>	<b>90.31</b>
Re-measurement - actuarial (gain)/loss recognised in OCI	(102.84)	68.17
<b>Total expense recognised in the Statement of total comprehensive income</b>	<b>(2.14)</b>	<b>158.48</b>
<b>Other Comprehensive Income (OCI)</b>		
Actuarial (gain)/loss due to DBO experience	(31.31)	81.85
Actuarial (gain)/loss due to DBO assumption changes	(1.98)	(20.42)
Actuarial (gain)/loss arising during period	(33.29)	61.43
Actual return on plan assets (greater)/less interest on plan assets	(69.55)	6.74
<b>Actuarial (gains)/losses recognized in OCI</b>	<b>(102.84)</b>	<b>68.17</b>
<b>Defined benefit cost</b>		
Service cost	104.75	102.49
Net interest on net defined benefit liability / (asset)	(4.05)	(12.18)
Actuarial (gains)/losses recognized in OCI	(102.84)	68.17
<b>Defined benefit cost</b>	<b>(2.14)</b>	<b>158.48</b>
<b>Change in defined benefit obligation (DBO) during the year</b>		
Present value of DBO at beginning of the year	606.62	461.59
Current service cost	104.75	102.49
Interest cost	44.37	32.72
Actuarial (gains)/losses	(33.29)	61.43
Benefits paid	(37.90)	(51.61)
<b>Present value of DBO at the end of the year</b>	<b>684.55</b>	<b>606.62</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	37.90	51.61
Actual contributions	86.93	13.05
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	616.80	617.20
Expected return on plan assets	48.42	44.90
Actual company contributions	86.93	13.05
Actuarial gain / (loss)	69.55	(6.74)
Benefits paid	(37.90)	(51.61)
<b>Plan assets at the end of the year</b>	<b>783.79</b>	<b>616.80</b>
Actual return on plan assets	117.97	38.16



**Notes to the standalone financial statements for the year ended March 31, 2023**

The following table sets out the funded status of the gratuity scheme (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current and Non-Current Asset / Liability portion</b>		
Current Asset / (Liability)	99.24	10.18
Net asset / (liability) recognised in the Balance Sheet :		
Present value of defined benefit obligation	684.55	606.62
Fair value of plan assets	783.79	616.80
Funded status (Surplus / (Deficit))	99.24	10.18
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>99.24</b>	<b>10.18</b>
<b>Composition of the plan assets is as follows:</b>		
Government securities	-	-
Debentures and bonds	-	-
Fixed deposits	-	-
Insurer managed funds*	100%	100%
<b>Total</b>	<b>783.79</b>	<b>616.80</b>

\* Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Actuarial assumptions</b>		
Discount rate	7.51%	7.51%
Expected return on plan assets	6.80%	6.80%
Retirement age	58	58
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.



Notes to the standalone financial statements for the year ended March 31, 2023

**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:

(Rs. in Lakhs)

Gratuity Plan	As at March 31, 2023	As at March 31, 2022
Estimate value of obligation if discount rate is taken 1% higher	635.25	561.98
Estimate value of obligation if discount rate is taken 1% lower	741.97	658.76
Estimate value of obligation if salary growth rate is taken 1% higher	740.83	657.62
Estimate value of obligation if salary growth rate is taken 1% lower	635.52	562.24
Estimate value of obligation if attrition rate is taken 1% higher	691.17	612.30
Estimate value of obligation if attrition rate is taken 1% lower	676.76	599.86

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

**Maturity profile of defined benefit obligation:**

(Rs. in Lakhs)

Maturity profile, if it ensues	As at March 31, 2023	As at March 31, 2022
1 Year	67.63	46.44
2 Year	37.16	47.88
3 Year	41.71	30.98
4 Year	41.79	36.56
5 Year	46.14	38.04
6-10 years	249.38	197.88
Above 10 Years	1,033.88	968.37

**Asset Liability Matching Strategies**

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). 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 rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).



**Notes to the standalone financial statements for the year ended March 31, 2023**

**Experience Adjustments:**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
1. Defined Benefit Obligation	684.55	606.62	461.59	492.62	460.74
2. Fair value of plan assets	783.79	616.80	617.20	624.60	477.96
3. Surplus/(Deficit)	99.25	10.18	155.61	131.98	17.22
4. Experience adjustment on plan liabilities ((Gain)/Loss)	(31.31)	81.85	(69.48)	(111.74)	28.46
5. Experience adjustment on plan assets (Gain)/(Loss))	69.55	(6.74)	(2.48)	1.49	18.84

**41 Segment Reporting**

a) Primary business segment information

The Company's operations relate to only one business segment, viz., Textiles. Accordingly, this is the only reportable business segment.

b) Secondary geographic segment information

(Rs. in Lakhs)

Geographic Segment		Revenue
Outside India	March 31, 2023	10,536.55
	March 31, 2022	33,171.36
India	March 31, 2023	98,977.16
	March 31, 2022	95,371.22
Unallocated	March 31, 2023	-
	March 31, 2023	-
<b>Total</b>	<b>March 31, 2023</b>	<b>1,09,513.71</b>
	<b>March 31, 2022</b>	<b>1,28,542.58</b>

All non-current assets of the Company are located in India.

c) There is no single external customer from whom Revenue from transactions exceed 10% of the Company's total revenue.



Notes to the standalone financial statements for the year ended March 31, 2023

42 Related party transactions

A. Details of related parties:

Description of relationship	Name of related parties
Holding company	Murugan Enterprise Private Limited
Subsidiaries	Young Brand Apparel Private Limited Bannari Amman Infinite Trendz Private Limited (Formerly Bannari Amman Trendz Private Limited)
Enterprises in which the Key management Personnel or relatives have significant influence	Anamallais Automobiles Private Limited Anamallais Agencies Private Limited Anamallais Motors Private Limited Shiva Automobiles Private Limited Vedanayagam Oil Company Sakthi Murugan Transports Private Limited Jahnvi Motor Private Limited Coimbatore Anamallais Agencies Private Limited Bannari Amman Flour Mill Private Limited Bannari Amman Retails Private Limited
Key Management Personnel (KMP)	Sri S V Arumugam, Managing Director Sri N Krishnaraj, Company Secretary Sri S Seshadri, Chief Financial Officer Sri K N V Ramani, Director (Deceased on 30.3.2023) Dr K R Thillainathan, Director Sri S Palaniswami, Director Sri K Sadhasivam, Director Smt S Sihamani, Director
Relative of KMP	Smt A Umadevi Sri A Senthil



**Notes to the standalone financial statements for the year ended March 31, 2023**

**B. Details of transactions during the year and balance outstanding as at the balance sheet date:**

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2023	As at March 31, 2022
<b>Transactions during the year:</b>			
Sale of yarn	Young Brand Apparel Private Limited	555.59	1,162.39
Sale of fabric	Young Brand Apparel Private Limited	457.45	404.72
Sale of garments	Young Brand Apparel Private Limited	252.77	-
Sales return of garments	Young Brand Apparel Private Limited	0.06	(224.85)
Purchase of garments (net of returns)	Bannari Amman Infinite Trendz Private Limited	-	-
Sale of madeups	Anamallais Automobiles Private Limited	-	-
Conversion/Job work income	Young Brand Apparel Private Limited	533.29	998.47
Trade Discount	Young Brand Apparel Private Limited	0.05	-
Rental Advance	Sakthi Murugan Transports Private Limited	0.30	-
Processing charges reversed	Young Brand Apparel Private Limited	20.82	-
Interest received	Young Brand Apparel Private Limited	8.91	19.02
	Bannari Amman Infinite Trendz Private Limited	49.50	49.50
Vehicle maintenance paid	Shiva Automobiles Private Limited	6.24	6.38
	Jahnvi Motor Private Limited	2.79	15.44
	Coimbatore Anamallais Agencies Private Limited	1.10	-
Processing charges received	Young Brand Apparel Private Limited	559.96	726.84
Sale of vehicle	Shiva Automobiles Private Limited	-	-
Purchase of vehicle	Coimbatore Anamallais Agencies Private Limited	27.36	30.46
	Bannari Amman Flour Mill Private Limited	-	0.75
Purchase of PPE	Bannari Amman Infinite Trendz Private Limited	-	30.54
	Bannari Amman Retails Private Limited	-	15.54
Purchase of fuel	Vedanayagam Oil Company	4.56	1.98
Rent paid	Anamallais Automobiles Private Limited	20.18	12.06
	Sakthi Murugan Transports Private Limited	5.26	3.96
	Smt A Umadevi	12.00	12.00
Advances given	Bannari Amman Infinite Trendz Private Limited	-	100.74





Notes to the standalone financial statements for the year ended March 31, 2023

**B. Details of transactions during the year and balance outstanding as at the balance sheet date:**

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2023	As at March 31, 2022
Inter corporate deposits received	Murugan Enterprise Private Ltd	-	1,700.00
	Sakthi Murugan Transports Private Limited	-	300.00
Inter corporate deposits repaid	Murugan Enterprise Private Ltd	-	3,900.00
	Sakthi Murugan Transports Private Limited	300.00	-
Inter corporate deposits given and repaid	Bannari Amman Infinite Trendz Private Limited	8.08	-
Interest paid	Murugan Enterprise Private Ltd	170.00	331.58
	Sakthi Murugan Transports Private Limited	22.59	22.60
Sale of equity shares of subsidiaries	Sri A Senthil	-	6.00
	Smt A Umadevi	-	6.00
Remuneration of KMP	Sri S V Arumugam, Managing Director	60.00	60.00
	Sri N Krishnaraj, Company Secretary	21.84	22.57
	Sri S Seshadri, Chief Financial Officer	22.29	23.11
Commission to KMP	Sri S V Arumugam, Managing Director	-	601.61
Sitting fees to KMP	Sri K N V Ramani, Director(Deceased On 30.3.2023)	0.90	1.50
	Dr K R Thillainathan, Director	0.60	0.90
	Sri S Palaniswami, Director	1.20	1.70
	Sri K Sadhasivam, Director	1.20	1.90
	Smt S Sihamani, Director	0.40	1.00



**Notes to the standalone financial statements for the year ended March 31, 2023**

**B. Details of transactions during the year and balance outstanding as at the balance sheet date:**

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2023	As at March 31, 2022
<b>Balances outstanding as at year end :</b>			
<b>Receivables</b>	Young Brand Apparel Private Limited	621.64	1,539.52
	Bannari Amman Retails Private Limited	66.82	66.79
	Bannari Amman Infinite Trendz Private Limited	973.74	1,032.77
	Anamallais Automobiles Private Limited	1.33	0.27
	Anamallais Agencies Private Limited	0.016	0.02
	Anamallais Motors Private Limited	0.21	0.21
	Bannari Amman Flour Mill Private Limited	0.02	0.02
	<b>(Payables)</b>	Vedanayagam Oil Company	(0.33)
Sakthi Murugan Transports Private Limited		(0.61)	(300.13)
Shiva Automobiles Private Limited		-	(0.24)
Young Brand Apparel Private Limited		-	(20.72)
Anamallais Automobiles Private Limited		-	(0.78)
Murugan Enterprise Private Limited		(1,712.99)	(1,700.00)
Coimbatore Anamallais Agencies Private Limited		-	(0.03)
Smt A Umadevi		(0.90)	-
Sri S V Arumugam, Managing Director		-	(601.61)
<b>Corporate Guarantee</b>		Young Brand Apparel Private Limited	-

- Note:** i) Related party relationship is as identified by the Company on the basis of information available with the Company and relied upon by the Auditors.
- ii) No amount is/has been written off or written back during the year in respect of debts due from or to related party.
- iii) The above transactions are compiled from the date these parties became related which are accounted in the natural head of accounts.



Notes to the standalone financial statements for the year ended March 31, 2023

43 Earnings per equity share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) attributable to equity shareholders (Rs. In Lakhs)	(3,482.97)	4,869.74
Number of Equity Shares at the beginning of the year (Nos.)	64,841,871	31,508,538
Number of Equity Shares at the end of the year (Nos.)	64,841,871	64,841,871
Weighted Average number of Equity Shares outstanding during the year (Nos.)	64,841,871	47,398,949
Par value per equity share (Rs.)	5.00	5.00
Earning/(loss) per share - Basic & Diluted (Rs.) as reported	(5.37)	12.61
Earning/(loss) per share - Basic & Diluted (Rs.) as adjusted	(5.37)	12.61

44 Income tax recognised :

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Statement of Profit and Loss	Other comprehensive income	Statement of Profit and Loss	Other comprehensive income
<b>Current tax :</b>				
In respect of current year	-	-	1,730.69	-
<b>Deferred tax :</b>				
In respect of current year	(1,566.45)	35.94	1,007.64	(20.35)
<b>Income tax expense</b>	<b>(1,566.45)</b>	<b>35.94</b>	<b>2,738.33</b>	<b>(20.35)</b>

Movement in deferred tax balances :

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Others	Closing Balance
<b>For the year ended March 31, 2023</b>					
<b>Tax effect of items constituting deferred tax (asset)</b>					
Provision for doubtful trade receivables	(417.54)	(19.72)	-	-	(437.26)
Provision for compensated absences & gratuity and fair value of gain/(loss) on equity instruments	(74.76)	25.79	35.94	-	(13.03)
Brought forward & current year losses	-	(1,916.91)	-	-	(1,916.91)
Minimum alternate tax (net)	(4,943.28)	-	-	-	(4,943.28)
Others	40.82	(8.93)	-	-	31.89
<b>Tax effect of items constituting deferred tax (asset)</b>	<b>(5,394.76)</b>	<b>(1,919.78)</b>	<b>35.94</b>	<b>-</b>	<b>(7,278.60)</b>



**Notes to the standalone financial statements for the year ended March 31, 2023**

**Movement in deferred tax balances (Contd...) :**

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Others	Closing Balance
<b>Tax effect of items constituting deferred tax liability</b>					
On difference between book balance and tax balance of fixed assets	9,308.16	353.33	-	-	9,661.49
<b>Tax effect of items constituting deferred tax liability</b>	<b>9,308.16</b>	<b>353.33</b>	<b>-</b>	<b>-</b>	<b>9,661.49</b>
<b>Net Deferred tax (asset)/liability</b>	<b>3,913.40</b>	<b>(1,566.45)</b>	<b>35.94</b>	<b>-</b>	<b>2,382.89</b>
<b>For the year ended March 31, 2022</b>					
<b>Tax effect of items constituting deferred tax (asset)</b>					
Provision for doubtful trade receivables	(254.14)	(163.40)	-	-	(417.54)
Provision for compensated absences and gratuity and fair value of gain / (loss) on equity instruments	(11.51)	(42.90)	(20.35)	-	(74.76)
Brought forward losses & Current year losses	(286.85)	286.85	-	-	-
Minimum alternate tax (net)	(5,338.87)	-	-	395.59	(4,943.28)
Others	(81.77)	122.59	-	-	40.82
<b>Tax effect of items constituting deferred tax (asset)</b>	<b>(5,973.14)</b>	<b>203.14</b>	<b>(20.35)</b>	<b>395.59</b>	<b>(5,394.76)</b>
<b>Tax effect of items constituting deferred tax liability</b>					
On difference between book base and tax base of property, plant and equipment	8,503.66	804.50	-	-	9,308.16
<b>Tax effect of items constituting deferred tax liability</b>	<b>8,503.66</b>	<b>804.50</b>	<b>-</b>	<b>-</b>	<b>9,308.16</b>
<b>Net Deferred tax (asset)/liability</b>	<b>2,530.52</b>	<b>1,007.64</b>	<b>(20.35)</b>	<b>395.59</b>	<b>3,913.40</b>



Notes to the standalone financial statements for the year ended March 31, 2023

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) before tax	(5,049.42)	7,608.07
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	(1,764.47)	2,658.26
On account of enacted tax rates	-	851.34
On account of permanent differences	20.32	(384.21)
On account of deferred tax income on origination of temporary differences	175.27	(387.06)
On account of previously unrecognised tax loss	(27.11)	-
Others	29.55	-
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(1,566.45)</b>	<b>2,738.33</b>

45 Borrowing cost capitalised under property, plant and equipment 198.24 Nil

46 Leases

The Company has entered into leasing arrangements in respect of lease hold land and residential/office premise. The leasing arrangements, which are generally cancellable, have lease periods ranging between 11 and 60 months in case of premises and between 30 to 90 years in case of land. They are generally renewable by mutual consent on mutually agreeable terms. The operating leases are cancellable by lessor/lessee with notice period up to three months.

Movement in right-of-use assets and lease liabilities during the year:

Right-of-use assets - Building

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	147.36	71.96
Additions	137.59	149.69
Depreciation	(69.49)	(74.29)
Deletions	(80.54)	-
<b>Closing balance</b>	<b>134.92</b>	<b>147.36</b>

Right-of-use assets - Land

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	659.83	663.07
Depreciation	(3.24)	(3.24)
<b>Closing balance</b>	<b>656.59</b>	<b>659.83</b>



**Notes to the standalone financial statements for the year ended March 31, 2023**

**Lease Liabilities**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Building	Building
Opening balance	152.73	80.28
Additions	137.59	149.69
Deletions	(86.31)	-
Interest	15.07	9.67
Lease payments	(79.62)	(86.91)
<b>Closing balance</b>	<b>139.47</b>	<b>152.73</b>
Current	46.60	61.88
Non-current	92.87	90.85

**Maturity analysis of OLL**

The details of the maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis are as follows :

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1 year	88.08	51.31
1 to 5 years	67.18	28.58
More than 5 years	-	-

**Lease rent expense on short-term and low value lease debited to Statement of Profit and Loss**

Particulars	As at March 31, 2023	As at March 31, 2022
Lease rent	121.00	61.76

**47 Financial Instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 are as follows :

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	693.93	666.79	-	-
Trade receivable	18,274.22	17,621.42	-	-
Cash and cash equivalents	459.81	1,074.56	-	-
Bank balances	192.54	98.78	-	-
Other financial assets	1,619.72	1,491.51	-	-
Investment in equity instruments in subsidiaries	2,607.00	2,607.00	-	-



Notes to the standalone financial statements for the year ended March 31, 2023

Financial Instruments (Contd...)

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>FVTOCI</b>				
Investment in equity instruments	6.85	6.80	6.85	6.80
<b>FVTPL</b>				
Investment in government securities	0.03	0.03	0.03	0.03
Investment in equity and preference instruments (unquoted)	618.38	197.70	618.38	197.70
<b>Total assets</b>	<b>24,472.50</b>	<b>23,764.59</b>	<b>625.26</b>	<b>204.53</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	56,468.88	43,046.91	-	-
Lease liabilities	139.47	152.73	-	-
Trade payables	10,229.14	8,390.09	-	-
Other financial liabilities	145.00	101.39	-	-
<b>Total liabilities</b>	<b>66,982.50</b>	<b>51,691.12</b>	-	-

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.
- iii) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

48 Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



**Notes to the standalone financial statements for the year ended March 31, 2023**

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

(Rs. in Lakhs)

Particulars	Total	Fair value measurement using		
		Level - 1	Level - 2	Level - 3
<b>Financial assets measured at fair value:</b>				
<b>FVTOCI financial assets designated at fair value: Date of valuation March 31, 2023</b>				
Investment in equity instruments (quoted)				
As at March 31, 2023	6.85	6.85	-	-
As at March 31, 2022	6.80	6.80	-	-
<b>FVTPL financial assets designated at fair value: Date of valuation March 31, 2023</b>				
Investment in government securities				
As at March 31, 2023	0.03	-	-	0.03
As at March 31, 2022	0.03	-	-	0.03
Investment in equity and preference instruments (unquoted)				
As at March 31, 2023	618.38	-	-	618.38
As at March 31, 2022	197.70	-	-	197.70

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

**49 Financial risk management**

The Company’s principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company’s operations and to provide guarantees to support its operations. The Company’s principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company’s primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses foreign currency borrowings to mitigate foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**1) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

**2) Trade and other receivables**

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.





Notes to the standalone financial statements for the year ended March 31, 2023

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers :

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Building	Building
Revenue from top customer	4,480.50	3,292.42
Revenue from top 5 customers	17,085.13	13,765.14

3) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

4) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below :

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	459.81	1,074.56
Bank balances	192.54	98.78
<b>Total</b>	<b>652.35</b>	<b>1,173.34</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 and March 31, 2022

(Rs. in Lakhs)

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2023	28,926.49	3,857.77	23,684.62
	March 31, 2022	20,595.32	8,465.11	13,986.48
Trade payables	March 31, 2023	10,229.14	-	-
	March 31, 2022	8,390.09	-	-
Lease liabilities	March 31, 2023	46.60	80.33	12.54
	March 31, 2022	61.88	90.85	-
Other financial liabilities	March 31, 2023	145.00	-	-
	March 31, 2022	101.39	-	-



**Notes to the standalone financial statements for the year ended March 31, 2023**

**5) Foreign currency risk**

The Company’s exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars, British pound sterling and Euros) and foreign currency borrowings (primarily in U.S. dollars, British pound sterling and Euros). A significant portion of the Company’s revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company’s revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company’s management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the management of the Company believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2023 and March 31, 2022:

(Rs. in Lakhs)

Particulars	As at	US\$	Euro	Pound/Sterling	Total
<b>Assets</b>					
Trade receivables*	March 31, 2023	263.69	1,857.01	44.98	2,165.67
	March 31, 2022	3,719.23	754.67	34.18	4,508.08
<b>Liabilities</b>					
Trade payable	March 31, 2023	-	-	-	-
	March 31, 2022	55.49	-	-	55.49
Borrowings	March 31, 2023	-	-	-	-
	March 31, 2022	2,921.97	-	-	2,921.97
<b>Net assets/(liabilities)</b>	<b>March 31, 2023</b>	<b>263.69</b>	<b>1,857.01</b>	<b>44.98</b>	<b>2,165.67</b>
	<b>March 31, 2022</b>	<b>741.77</b>	<b>754.67</b>	<b>34.18</b>	<b>1,530.62</b>

\* Trade receivables excluding allowance for doubtful trade receivables.

**Foreign currency sensitivity analysis**

The following table details the Company’s sensitivity to a 5% increase and decrease in INR against all foreign currencies dealt by the Company. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Impact on profit or (loss) for the year on account of rupee appreciation by 5%	71.65	(37.09)



## Notes to the standalone financial statements for the year ended March 31, 2023

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit / (loss) as mentioned in the above table.

### 6) 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 and investments.

#### Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit / (loss) for the year ended would have impacted in the following manner:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Increase / (decrease) in the profit / (loss) for the year	(478.74)	(411.95)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

### 7) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Total equity attributable to the equity share holders of the company</b>	<b>40,547.95</b>	<b>44,361.45</b>
As percentage of total capital	42%	51%
Current borrowings	28,926.49	20,595.32
Non-current borrowings	27,542.39	22,451.59
<b>Total borrowings</b>	<b>56,468.88</b>	<b>43,046.91</b>
<b>As a percentage of total capital</b>	<b>58%</b>	<b>49%</b>
<b>Total capital (borrowings and equity)</b>	<b>97,016.83</b>	<b>87,408.36</b>

## 50 Valuation of Inventories :

The inventory of Finished Goods and Work in process are valued at the lower of cost and net realizable value, and cost include weighted average of cost of inputs, conversion costs and appropriate share of overheads incurred in bringing Finished Goods and Work-in-process, to their present location and condition. This inventory comprises of diversified range and quality of yarn and cloth / fabrics, and its valuation depends on the quality of the item as per the specification received from the customers, and its stage of manufacturing, quality and date of purchase of the raw material and other inputs, and efficiency of the manufacturing facility. The Company is running a composite textile mill and fairly estimating the valuation of such stock is highly complex process which involves significant level of subjectivity, judgment and estimation.



**Notes to the standalone financial statements for the year ended March 31, 2023**

**51 Financial ratios**

Sl. No.	Particulars	Numerator	Denominator	31.03.2023	31.03.2022	Variance	Reason for variance
1	Current ratio (in times)	Current assets	Current liabilities	1.25	1.37	-9%	
2	Debt-Equity Ratio	Total Debt (Long Term Borrowings + Short Term Borrowings + Interest Payable thereon)	Shareholder's Equity	1.39	0.97	43%	The variance is due to increase in debt and decrease in Shareholders Equity
3	Debt Service Coverage Ratio (in times)	Earnings available for Debt Services (Net profit after tax + Depreciation + Interest + other non cash adjustments)	Debt Service (Interest & Lease payments + principal repayments)	0.60	2.26	-73%	The variance is due to reduction in Earnings available for debt servicing and decrease in Debt Service.
4	Return on Equity Ratio (in %)	Net profit after tax	Average shareholder's equity	(8.20)	13.17	-162%	The variance is due to the net loss incurred during the Financial year and decrease in Shareholders's Equity.
5	Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventories	3.39	4.39	-23%	-
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	6.10	8.42	-28%	The variance is due to reduction in Turnover and increase in Receivables
7	Trade payables turnover ratio (in times)	Total Purchases	Average Trade Payables	9.82	10.05	-2%	-
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital	10.29	10.64	-3%	-
9	Net profit ratio (in %)	Net Profit After Taxes	Revenue from operations	(3.18)	3.79	-184%	The variance is due to lesser revenue generated by the Company resulting in net loss during the year.
10	Return on Capital employed (in %)	Earnings Before Interest and Taxes (EBIT)	Capital Employed	(0.29)	13.40	-102%	The variance is due to decrease in earnings and increase in borrowings during the year.
11	Return on investment (in %)	Earnings Before Interest, Depreciation and Taxes (EBIDT)	Investment (Total Assets)	2.33	14.50	-84%	The variance is due to decreased earnings and increase in total assets.



Notes to the standalone financial statements for the year ended March 31, 2023

**52 Additional Regulatory Information :**

**i) Title Deeds of Immovable Properties not held in the name of the company**

The title deeds of all the immovable properties are held in the name of the Company.

**ii) Revaluation of Property, Plant and Equipment**

The Company has not revalued its Property, Plant and Equipment during the year.

**iii) Loans and advances granted to Promoters, Directors, KMPs and related parties**

The following disclosures are made in respect of loans and advances in the nature of loans granted to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are:

Type of Borrower	31.03.2023		31.03.2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
<b>a) Repayable on demand</b>				
Related Parties	550.00	100%	550.00	100%

**iv) Details of Benami Property**

The Company does not hold any benami property. Hence, no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

**v) Reconciliation of Statement of Current Assets filed by the Company with banks for Working Capital facilities availed by the Company:**

During the period under consideration, the Company has borrowings from banks on the basis of security of Current Assets and the Quarterly Statements of Current Assets filed by the Company with the banks are in agreement with the books of accounts for all the quarters of the year.



**Notes to the standalone financial statements for the year ended March 31, 2023**

**vi) Wilful Defaulter**

The Company is not declared as a wilful defaulter by any bank or financial Institution or other lender.

**vii) Undisclosed income**

The Company has no such 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).

**viii) Relationship with Struck off Companies**

The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023.

**ix) Registration of Charges or Satisfaction with Registrar Of Companies**

The Company does not have any charges or satisfactions yet to be registered with Registrar of Companies beyond the statutory period.

**x) Layers of companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017,

**xi) Approved scheme(s) of arrangements**

During the year, there is no approved scheme of arrangements.

**xii) Utilisation of Borrowed Funds and Share Premium**

- A) The Company has not advanced or loaned to or invested (either from borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- B) The company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Notes to the standalone financial statements for the year ended March 31, 2023

53. Reconciliation of change in liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	As at April 01, 2022	Borrowings/Impact of IND AS 116	Repayment	Others	As at March 31, 2023
Non-current borrowings (including current maturities)	23,309.66	7,991.27	(1,497.21)	-	29,803.72
Current borrowings	19,737.25	6,927.91	-	-	26,665.16
Lease liabilities	152.73	137.59	(165.93)	15.07	139.47
<b>Total</b>	<b>43,199.64</b>	<b>15,056.77</b>	<b>(1,663.14)</b>	<b>15.07</b>	<b>56,608.35</b>

Particulars	As at April 01, 2021	Proceeds / impact of IND AS 116	Repayment	Others	As at March 31, 2022
Non-current borrowings (including current maturities)	21,136.64	6,467.79	(4,294.77)	-	23,309.66
Current borrowings	29,092.70	-	(9,355.45)	-	19,737.25
Lease liabilities	80.28	149.69	(86.91)	9.67	152.73
<b>Total</b>	<b>50,309.62</b>	<b>6,617.48</b>	<b>(13,737.13)</b>	<b>9.67</b>	<b>43,199.64</b>

54. Prior year comparatives

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

For and on behalf of the board

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**K. SADASHIVAM**  
Director  
DIN 00610037

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**S. SESHADRI**  
Chief Financial Officer

Coimbatore  
30.05.2023



## **INDEPENDENT AUDITOR'S REPORT**

To The Members of Bannari Amman Spinning Mills Limited  
Report on the Audit of the Consolidated Financial Statements

### **Opinion**

1. We have audited the accompanying Consolidated Financial Statements of Bannari Amman Spinning Mills Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date 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").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its subsidiaries as at 31st March 2023, the consolidated loss including other comprehensive income, the consolidated changes in equity and its consolidated cash flows for the year then ended.

### **Basis for Opinion**

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

### **Key Audit Matters**

4. 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.

We have determined the matter described below to be the Key Audit Matter to be communicated in our report.

### **Inventory of Finished Goods and Stock - in - Process**

(Refer to Note No. 51 in the Consolidated Financial Statements of the Company, read with the Accounting Policy No. 2.3).

The inventory of Finished Goods and Work-in-process is valued at the lower of cost and net realizable value, and cost include weighted average of cost of inputs, conversion costs and appropriate share of overheads incurred in bringing Finished Goods and Work-in-process, to their present location and condition. This inventory comprises of diversified range and quality of yarn and cloth / fabrics, and its valuation depends on the quality of the item as per the specification received from the customers, and its stage of manufacturing, quality and date of purchase of the raw material and other inputs, and efficiency of the manufacturing facility. The Holding Company is running a composite textile mill and fairly estimating the valuation of such stock is highly complex process which involves significant level of subjectivity, judgment and estimation. Considering that the Holding Company is having substantial inventory of Finished Goods and Work-in-process, and the valuation thereof involves significant level of subjectivity, judgment and estimation, as detailed above, the same has been considered as Key Audit Matter by us during our audit.

Audit Procedure included, but not limited to the following:

- Obtaining an understanding of the Holding Company's process of valuation of the stock, which is done through the computer software.
- Performing substantive procedures to test the reasonableness of the cost allocation methods and basis for allocation of various conversion costs including the direct and indirect cost.
- Evaluating the process of ascertaining the realizable value of the inventory by comparing the actual sales of the same type of the material and its realisation etc.
- Comparing the inventory valuation process of the Holding Company with the industry practices and norms.

Based on the above procedures performed, the determination of Inventory valuation of Finished Goods and Work-in-process as at the reporting date is considered to be reasonable.

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

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including



Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon.

6. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information of subsidiaries 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.
8. Based on the work we have performed on other information, if 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.

#### **Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements**

9. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance (including other comprehensive income), Consolidated Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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



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

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

12. 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.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a) 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.
  - b) Obtain an understanding of internal controls 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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.



- e) 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.
  - f) Obtain sufficient appropriate audit evidence regarding the financial statements of the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial statements of which we are the independent auditors. For the other entities included in 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.
14. We communicate with those charged with governance of the Holding Company and such other entities 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.
15. 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.
16. 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**

17. We did not audit the financial Statements of one subsidiary namely Bannari Amman Infinite Trendz Private Limited whose financial statements reflect the total assets of Rs. 443.42 Lakhs as at March 31, 2023, Nil total revenues and net cash outflows of Rs. 89.98 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditor 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 this subsidiary and our report in terms of sub-section (3) of Section



143 of the Act including report on other information in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors.

18. 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 and the financial statements/financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

19. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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.
20. As required by Section 143(3) of the Act, we report that:
- 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.
  - In our opinion, proper books of account as required by law relating to 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.
  - 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 Cash Flow Statement 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.
  - In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.
  - On the basis of the written representations received from the directors of the Holding company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the Group with reference to these Consolidated Financial Statements of the company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in



"Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

- g) With respect to the matter to be included in the Auditors' 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 Holding Company and its subsidiary to its directors during the year is in accordance with the provisions of Section 197 of the Act and the provisions of Section 197 of the Act is not applicable to the other subsidiary.

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

i) The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note No.39 to the Consolidated Financial Statements;

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

iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries.

iv) a) The management has represented that, to the best of its knowledge and belief, 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 subsidiaries 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 whether 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 subsidiaries or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiaries 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 subsidiaries shall whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf



of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) 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 subclause (i) and (ii) of Rule 11 contain any material mis-statement.
- d) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.

According to the information and explanations given to us, and based on the reports issued by other auditors of the subsidiary company, no dividend has been declared or paid during the year by the subsidiary company.

- v) As per Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. 1st April 2023 to the Company and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the year ended 31st March 2023.

For **P N RAGHAVENDRA RAO & CO.,**  
Chartered Accountants  
Firm Registration Number: 003328S

**P R Vittel**  
(Partner)

Membership Number: 018111  
UDIN : 23018111BGZEXX3116

Place : Coimbatore  
Date : May 30, 2023



**ANNEXURE " A " OF THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in paragraph 19 of the Independent Auditor's Report of even date to the members of Bannari Amman Spinning Mills Limited on the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2023, we report that**

xxi. According to the information and explanations given to us, and based on the Companies (Auditor's Report) Order ("CARO") reports issued by us and the auditors of the respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

For **P N RAGHAVENDRA RAO & CO.,**  
Chartered Accountants  
Firm Registration Number: 003328S

**P R Vittel**  
(Partner)

Membership Number: 018111  
UDIN : 23018111BGZEXX3116

Place : Coimbatore

Date : May 30, 2023





## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 20(f) of the Independent Auditor's Report of even date to the members of Bannari Amman Spinning Mills Limited on the Consolidated Financial Statements for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Bannari Amman Spinning Mills Limited ("the Holding Company") and its subsidiaries of March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Internal Financial Controls over Financial Reporting with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our



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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors 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 Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
  - a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - b) 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 authorization of management and directors of the company; and
  - c) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



### Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

9. Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Group, in so far as it relates to one subsidiary, is based on the corresponding reports of the auditors of such subsidiary company.

For **P N RAGHAVENDRA RAO & CO.,**  
Chartered Accountants  
Firm Registration Number: 003328S

**P R Vittel**  
(Partner)

Membership Number: 018111  
UDIN : 23018111BGZEXX3116

Place : Coimbatore

Date : May 30, 2023



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023**

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a) Property, plant and equipment	3A	62,732.84	58,631.88
b) Capital work in progress	3B	602.01	3,005.61
c) Right-of-use assets	46	791.51	807.19
d) Intangible assets	3C	325.21	432.81
e) Financial assets			
i) Investments	4	685.26	234.54
ii) Other financial asset	5	815.12	614.69
f) Other non-current assets	6	616.65	1,725.75
<b>Total non-current assets (A)</b>		<b>66,568.60</b>	<b>65,452.47</b>
<b>2 Current assets</b>			
a) Inventories	7	34,504.43	30,659.27
b) Financial assets			
i) Trade receivables	8	20,042.82	18,907.70
ii) Cash and cash equivalents	9A	999.34	1,865.52
iii) Other Bank balances	9B	192.54	98.78
iv) Loans	10	30.76	51.01
v) Other financial asset	11	917.94	972.72
c) Current tax assets (net)	12	83.29	35.72
d) Other current assets	13	5,041.61	5,437.93
<b>Total current assets (B)</b>		<b>61,812.73</b>	<b>58,028.65</b>
<b>3 Assets classified as held for sale (C)</b>	3E	<b>56.72</b>	<b>56.72</b>
<b>Total assets (A) + (B) + (C)</b>		<b>128,438.05</b>	<b>123,537.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a) Equity share capital	14	3,242.09	3,242.09
b) Other equity	15	38,842.03	42,004.33
<b>Equity attributable to the owners of the Holding Company</b>		<b>42,084.12</b>	<b>45,246.42</b>
Non-controlling interest		4,649.87	3,947.87
<b>Total equity (D)</b>		<b>46,733.99</b>	<b>49,194.29</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	16	30,729.77	25,400.95
ii) Lease liabilities	17	92.87	90.85
b) Provisions	18	313.99	304.10
c) Deferred tax liabilities (Net)	19	3,302.70	4,736.26
d) Other non current liabilities	20	277.84	541.59
<b>Total non - current liabilities (E)</b>		<b>34,717.17</b>	<b>31,073.75</b>
<b>3 Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	21	31,222.66	26,473.36
ia) Lease liabilities	22	46.60	61.88
ii) Trade payables			
a) Total outstanding dues of micro and small enterprises	23	1,154.97	906.70
b) Total outstanding dues other than micro and small enterprises		10,265.69	13,734.78
iii) Other financial liabilities	24	1,231.32	536.39
b) Other current liabilities	25	2,736.30	1,173.25
c) Provisions	26	329.35	383.44
<b>Total current liabilities (F)</b>		<b>46,986.89</b>	<b>43,269.80</b>
<b>Total equity and liabilities (D) + (E) + (F)</b>		<b>128,438.05</b>	<b>123,537.84</b>
<b>Significant Accounting Policies</b>	2		
<b>The accompanying notes form an integral part of the Consolidated Financial Statements</b>			

As per our report of even date

For and on behalf of the board

For **P. N. Raghavendra Rao & Co**  
Chartered Accountants  
FRN : 003328S

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**K. SADASHIVAM**  
Director  
DIN 00610037

**P R VITTEL**  
Partner  
Membership No: 018111

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**S. SESHADRI**  
Chief Financial Officer

Coimbatore  
30.05.2023



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023** (Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
i Revenue from operations	27	1,39,857.09	1,56,023.95
II Other income	28	713.97	604.84
<b>III Total Income (I + II)</b>		<b>1,40,571.06</b>	<b>1,56,628.79</b>
<b>IV EXPENSES</b>			
a) Cost of materials consumed	29	1,08,285.37	104,482.12
b) Purchase of stock-in-trade	30	87.06	326.00
c) Changes in inventories of finished goods and work-in-progress	31	(5,499.76)	(991.07)
d) Employee benefits expense	32	16,618.15	16,923.95
e) Finance costs	33	5,753.69	5,333.02
f) Depreciation and amortisation expense	34	3,488.51	3,369.52
g) Other expenses	35	15,182.25	18,612.15
<b>Total Expenses (IV)</b>		<b>143,915.27</b>	<b>148,055.69</b>
<b>V Profit / (loss) before tax (III - IV)</b>		<b>(3,344.21)</b>	<b>8,573.10</b>
<b>VI Tax expense</b>			
a) Current tax - current year		395.20	1,730.69
b) Deferred tax Expenses / (Income)		(1,474.58)	1,222.41
<b>Total tax expense</b>		<b>1,079.38</b>	<b>2,953.10</b>
<b>VII Profit / (loss) for the year (V - VI)</b>		<b>(2,264.83)</b>	<b>5,620.00</b>
<b>VIII Other Comprehensive Income</b>			
A i) Item that will not be reclassified to profit or loss			
a) Remeasurement of the defined benefit plans		122.97	(47.12)
b) Gain/loss on equity instruments designed at FVTOCI		0.04	2.95
ii) Income tax relating to items that will not be reclassified to profit or loss		(41.00)	20.35
<b>Other Comprehensive Income for the period</b>		<b>82.02</b>	<b>(23.82)</b>
<b>IX Total Comprehensive Income / (loss) for the period</b>		<b>(2,182.82)</b>	<b>5,596.18</b>
<b>Profits attributable to</b>			
Non-controlling interest		694.67	376.11
Owners of the Company		(2,959.50)	5,243.89
<b>Other comprehensive income attributable to</b>			
Non-controlling interest		7.33	10.25
Owners of the Company		74.68	(34.07)
<b>Total comprehensive income attributable to</b>			
Non-controlling interest		702.00	386.36
Owners of the Company		(2,884.82)	5,209.82
<b>X Earnings / (loss) per equity share: in Rs. 5/- each</b>			
1) Basic and diluted as reported		(3.49)	11.85
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>The accompanying notes form an integral part of the Consolidated Financial Statements</b>			

As per our report of even date

For and on behalf of the board

For **P. N. Raghavendra Rao & Co**  
Chartered Accountants  
FRN : 003328S

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**K. SADASHIVAM**  
Director  
DIN 00610037

**P R VITTEL**  
Partner  
Membership No: 018111

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**S. SESHADRI**  
Chief Financial Officer

Coimbatore  
30.05.2023



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs)

	No. of shares	Amount
<b>a) Equity share capital</b>		
Balance as at the April 1, 2021	31,508,538	1,575.43
Add: Increase in number of shares due to split of face value from Rs. 10/- per share to Rs.5/- per share during the year	33,333,333	1,666.66
<b>Balance as at the March 31, 2022</b>	<b>64,841,871</b>	<b>3,242.09</b>
Balance as at April 1, 2022	64,841,871	3,242.09
Add: Changes during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>64,841,871</b>	<b>3,242.09</b>

(Rs. in Lakhs)

**b) Other equity**

Particulars	Reserves and surplus			Items of other comprehensive income			Equity attributable to the owners of the Holding Company	Non - controlling interest	Total other equity
	Securities premium account	General reserve	Retained earnings	Remeasurements of the defined benefit liabilities /(asset)	Equity instruments through other comprehensive income	Other items of other comprehensive income			
<b>Balance as at April 1, 2021</b>	<b>7,930.76</b>	<b>16,295.22</b>	<b>3,836.30</b>	<b>53.73</b>	<b>3.48</b>	<b>499.72</b>	<b>28,619.21</b>	<b>3,561.51</b>	<b>32,180.72</b>
Profit for the year	-	-	5,243.89	-	-	-	5,243.89	376.11	5,620.00
Securities premium on rights issue of equity shares	8,333.33	-	-	-	-	-	8,333.33	-	8,333.33
Rights issue expenses	(126.63)	-	-	-	-	-	(126.63)	-	(126.63)
Profit on disposal of subsidiaries	-	-	(31.40)	-	-	-	(31.40)	-	(31.40)
Other comprehensive income (net of taxes)	-	-	-	(35.99)	1.92	-	(34.07)	10.25	(23.82)
<b>Balance as at March 31, 2022</b>	<b>16,137.46</b>	<b>16,295.22</b>	<b>9,048.79</b>	<b>17.74</b>	<b>5.40</b>	<b>499.72</b>	<b>42,004.33</b>	<b>3,947.87</b>	<b>45,952.20</b>
<b>Balance as at April 1, 2022</b>	<b>16,137.46</b>	<b>16,295.22</b>	<b>9,048.79</b>	<b>17.74</b>	<b>5.40</b>	<b>499.72</b>	<b>42,004.33</b>	<b>3,947.87</b>	<b>45,952.20</b>
Profit for the year	-	-	(2,959.50)	-	-	-	(2,959.50)	694.67	(2,264.84)
Dividend paid during the year	-	-	(389.05)	-	-	-	(389.05)	-	(389.05)
Rights issue expenses	(8.43)	-	-	-	-	-	(8.43)	-	(8.43)
Adjustment on account of consolidation	-	-	120.00	-	-	-	120.00	-	120.00
Other comprehensive income (net of taxes)	-	-	-	74.63	0.04	-	74.67	7.33	82.00
<b>Balance as at March 31, 2023</b>	<b>16,129.03</b>	<b>16,295.22</b>	<b>5,820.23</b>	<b>92.37</b>	<b>5.44</b>	<b>499.72</b>	<b>38,842.02</b>	<b>4,649.87</b>	<b>43,491.89</b>

**Notes forming part of the Consolidated Financial Statements**

As per our report of even date

**For P. N. Raghavendra Rao & Co**  
Chartered Accountants  
FRN : 0033285

**P R VITTEL**  
Partner  
Membership No: 018111  
Coimbatore  
30.05.2023

For and on behalf of the Board of Directors

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**K. SADASHIVAM**  
Director  
DIN 00610037

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**S. SESHADRI**  
Chief Financial Officer



CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit / (loss) after tax		(2,264.83)		5,620.00
<b>Adjustments for:</b>				
Tax expense	(1,079.38)		2,953.10	
Depreciation expense	3,488.51		3,369.52	
(Profit) / loss on sale of property, plant and equipment	77.74		54.49	
(Profit) / loss on sale of investments	(1.34)		0.55	
Profit on disposal of subsidiaries			(31.41)	
Finance costs	5,753.69		5,333.02	
Interest income	(33.65)		(71.32)	
Allowance for doubtful trade receivables and bad debts written off	57.17		388.87	
Gain on termination of lease	(5.77)		-	
Net unrealised exchange (gain)	(310.22)		(81.01)	
		<u>7,946.75</u>		<u>11,915.81</u>
Operating profit before working capital changes		5,681.92		17,535.81
<b>Changes in working capital:</b>				
<b>Adjustments for increase / (decrease) in operating assets:</b>				
<b>Financial assets</b>				
Trade receivables	(882.07)		(5,215.06)	
Loans	20.25		8.61	
Other financial assets	(24.49)		207.11	
<b>Non-financial assets</b>				
Inventories	(3,845.16)		(4,744.96)	
Other non-financial assets	656.63		(2,539.07)	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
<b>Financial liabilities</b>				
Trade payables	(3,220.82)		1,812.20	
Other financial liabilities	781.31		(75.74)	
<b>Non-financial liabilities</b>				
Provisions	78.77		31.76	
Other non-financial liabilities	1,299.30		(101.75)	
		<u>(5,136.28)</u>		<u>(10,616.90)</u>
Net income tax paid		545.64		6,918.91
		(442.75)		(1,316.84)
<b>Net cash flow from operating activities (A)</b>		<u>102.89</u>		<u>5,602.07</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on property plant and equipment, including capital advances	(4,461.89)		(3,796.09)	
Margin money deposits	(93.76)		(96.63)	
Purchase of investments	(371.78)		(226.27)	
Sale of investments	6.44		17.60	
Proceeds from sale of property, plant and equipment	86.35		664.76	
Inter corporate deposit	-		59.34	
Interest received	32.50		-	
<b>Net cash flow used in investing activities (B)</b>		<u>(4,802.14)</u>		<u>(3,377.29)</u>



**CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2023**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from rights issue of equity shares (net of expenses)	(8.43)		9,873.36	
Proceeds from non-current borrowings	6,826.03		6,467.79	
Repayment of non-current borrowings	(1,497.21)		(3,923.05)	
Increase/(Decrease) in working capital borrowings	4,749.30		(8,926.85)	
Payment of dividend including tax thereon	(389.05)		-	
Repayment of lease liabilities	(79.62)		(177.63)	
Finance costs paid	(5,767.95)		(5,419.05)	
<b>Net cash flow used in financing activities (C)</b>		<b>3,833.07</b>		<b>(2,105.43)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(866.18)</b>		<b>119.35</b>
Add: Cash and cash equivalents at the beginning of the year		1,865.52		1,746.17
<b>Cash and cash equivalents at the end of the year *</b>		<b>999.34</b>		<b>1,865.52</b>
<b>* Comprises:</b>				
a) Cash on hand	11.42		5.44	
b) Cheques/drafts on hand	2.00		1.88	
c) Balances with banks:				
i) In current accounts	498.56		1,168.81	
ii) In deposit accounts	487.37		689.39	
<b>Total</b>		<b>999.34</b>		<b>1,865.52</b>

**Notes forming part of the Consolidated Financial Statements**

As per our report of even date

For **P. N. Raghavendra Rao & Co**  
Chartered Accountants  
FRN : 003328S

**P R VITTEL**  
Partner  
Membership No: 018111

Coimbatore  
30.05.2023

For and on behalf of the board

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**K. SADASHIVAM**  
Director  
DIN 00610037

**S. SESHADRI**  
Chief Financial Officer





Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
1.	<p><b>Corporate information</b></p> <p>Bannari Amman Spinning Mills Limited (the "Company" / "Holding Company") is a integrated textile company engaged in the manufacture of cotton yarn, knitted &amp; woven fabrics, processing of fabrics, finished garments, home textiles and wind power generation. The Company was incorporated in the year 1989 and issued shares to the public in the year 2006. In addition the company has investment in subsidiaries which have been collectively referred to as "Group". The consolidated financial statements were approved for issue by the Board of Directors on May 30, 2023."</p>
2.	<p><b>Significant accounting policies</b></p> <p>This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.</p>
2.1	<p><b>a) Basis of accounting and preparation of financial statements</b></p> <p><b>i) Compliance with Ind AS</b></p> <p>The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act as amended from time to time. The Group has consistently applied accounting policies to all periods.</p> <p><b>ii) Historical cost convention</b></p> <p>The Consolidated financial statements have been prepared on a historical cost basis, except for the following:</p> <ul style="list-style-type: none"> <li>a) Certain property, plant and equipment, financial assets and liabilities that are measured at fair value</li> <li>b) Defined benefit plans – plan assets measured at fair value</li> <li>c) Assets held for sale – measured at the lower of their carrying amount and the fair value less cost to sell.</li> </ul> <p><b>iii) Functional and presentation currency</b></p> <p>The consolidated financial statements are presented in Indian rupee (INR), which is the Group’s functional and presentation currency.</p> <p><b>iv) Current/Non-Current Classification:</b></p> <p>The Group has classified all the assets and liabilities as current and non-current based on the</p>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
	<p>normal operating cycle of the Group and other criteria as set out in the Schedule III of Companies Act, 2013. 'Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.</p> <p><b>v) Rounding of amounts</b></p> <p>All the financial informations included in the consolidated financial statements have been rounded off to the nearest rupees in lakhs as per the requirement of Schedule III to Companies Act, 2013 unless stated otherwise</p> <p><b>b) Principles of consolidation and equity accounting</b></p> <p><b>i) Subsidiaries</b></p> <p>Subsidiaries are all entities over which the group has control. The group controls an entity when the group 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 to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.</p> <p>The acquisition method of accounting is used to account for business combinations by the group.</p> <p>The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.</p> <p>Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.</p> <p>The consolidated Ind AS financial statements of the Group include subsidiaries/joint ventures which are incorporated in India in the table below:</p>



Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars		
	Name of the entity	As at March 31, 2023	As at March 31, 2022
	Young Brand Apparel Private Limited	51.33%	51.33%
	Bannari Amman Infinite Trendz Private Limited (Formerly Bannari Amman Trendz Private Limited)	100.00%	100.00%
<b>2.2</b>	<p><b>Use of estimates</b></p> <p>In the preparation of these Consolidated Financial Statements, management of the Holding Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.</p> <p>The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.</p> <p>The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.</p> <p><b>a) Useful lives of property, plant and equipment</b></p> <p>The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. Useful life in years for the Holding Company : Factory building - 30, Building (non factory) - 60, Plant and machinery (main) - 30, Plant and machinery (others) - 15, Office equipments - 5, Furniture &amp; fittings - 10, Vehicles - 8.</p> <p><b>b) Deferred tax assets</b></p> <p>The carrying amount of deferred tax asset is reviewed at each reporting period and is 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.</p> <p><b>c) Employee benefits</b></p> <p>The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.</p>		

**Notes to the consolidated financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
<b>2.3</b>	<p><b>Inventories</b></p> <p>Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescence. The cost of inventories shall comprise all costs of purchase , conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, packing materials, stores and spares and consumables are valued at first-in-first-out/ specific identification method. Value of finished goods and work-in-progress are determined on weighted average basis and include appropriate share of overheads.</p> <p>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.</p>
<b>2.4</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.</p> <p>Cash and cash equivalent in the Consolidated Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity’s cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.</p>
<b>2.5</b>	<p><b>Cash flow statement</b></p> <p>Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of tax expenses , 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.</p>
<b>2.6</b>	<p><b>Taxes on income</b></p> <p><b>a) Current tax</b></p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit / (loss) before tax’ as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have</p>



Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>been enacted or substantially enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the Group is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.</p> <p><b>b) Deferred tax</b></p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Group.</p> <p>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 the benefit of part or all of that deferred tax asset to be utilised.</p> <p>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. When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which the temporary differences are expected to reverse.</p> <p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.</p> <p>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.</p> <p><b>c) Current and deferred tax for the year</b></p> <p>Current and deferred tax are recognised in the Consolidated Statement of profit and loss,</p>

**Notes to the consolidated financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
2.7	<p>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.</p> <p><b>a) Property, plant and equipment</b></p> <p>The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Consolidated Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.</p> <p>An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Consolidated Statement of Profit and Loss.</p> <p>Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.</p> <p>Freehold land and leasehold land where the lease is convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.</p> <p>Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as capital advance under other non-current assets.</p> <p>Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.</p> <p><b>b) Capital work-in-progress</b></p> <p>Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.</p> <p>Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than</p>



Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.</p> <p>The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.</p> <p><b>c) Depreciation and Amortisation</b></p> <p>Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 on a systematic basis except in respect of the following assets which are considered based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc., Depreciation is provided pro-rata from the date of Capitalisation.</p> <p>Plant and Machinery - 25 to 30 years</p> <p>Windmill - 30 years</p> <p>Factory Building - 30-60 years.</p> <p>The Group reviews the residual values, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.</p> <p>The Intangible Assets which are acquired from others are recognised at cost including interest capitalisation. Intangible Assets will be amortised over benefit period from the date put to use.</p>
2.8	<p><b>Leases</b></p> <p>The Group’s lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at the inception of a contract . A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.</p> <p>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</p>

**Notes to the consolidated financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
	<p>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.</p> <p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.</p> <p>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. 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, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. 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.</p> <p>The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments relating to those leases as an expense on a straight-line basis over the lease term.</p> <p><b>2.9 Revenue recognition</b></p> <p><b>i) Sale of goods</b></p> <p>Revenue from sale of goods is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Group has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Group has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component. Revenue from the sale of goods is measured at the transaction price of the consideration received or receivable which includes fixed, variable or both amounts, (excluding amounts collected on behalf of third parties) net of returns and allowances, trade discounts and volume rebates.</p> <p><b>ii) Time and material</b></p> <p>Revenue from time and material contracts are recognised as and when services are rendered to the customer. These are based on the efforts spent and rates agreed with the customer.</p>





Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
2.10	<p>Revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.</p> <p><b>iii) Dividend and interest income</b></p> <p>Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.</p> <p><b>iv) Other operating revenue</b></p> <p>Income incidental to exports such as duty drawback, Merchandise Exports from India Scheme (MEIS), income from import entitlement and premium on sale of such entitlement are recognised on accrual basis in the year of exports based on eligibility when there is a reasonable probability of collection.</p> <p><b>v) Insurance claims</b></p> <p>Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.</p> <p><b>Employee benefits</b></p> <p>Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences.</p> <p><b>a. Retirement benefit costs and termination benefits</b></p> <p>Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>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), are reflected in the Consolidated 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</p>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

Note No.	Particulars
	<p>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.</p> <p><b>b. Defined benefit costs are categorised as follows</b></p> <ul style="list-style-type: none"><li>- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);</li><li>- net interest expense or income; and</li><li>- remeasurement</li></ul> <p>For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. The gratuity fund is maintained with Life Insurance Corporation of India.</p> <p>The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.</p> <p>The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.</p> <p>A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.</p> <p><b>c. Short-term and other long term employee benefits</b></p> <p>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.</p> <p>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.</p> <p>Liabilities recognised in respect of other long term employee benefits are measured at the</p>



Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.</p>
<p><b>2.11 Foreign currency transactions and translations</b></p>	<p>Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).</p> <p>Non-monetary assets and liabilities measured in terms of historical cost in foreign currencies are not retranslated. Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.</p>
<p><b>2.12 Borrowings and borrowing cost</b></p>	<p>Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.</p> <p>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 Consolidated Statement of Profit and Loss in the period in which they are incurred.</p>
<p><b>2.13 Earnings per share</b></p>	<p>Basic earnings per share is computed by dividing the net profit after tax and before other comprehensive income attributable to ordinary equity shareholders, by the weighted average number of equity shares outstanding during the period, adjusted for rights issue of equity shares during the period.</p> <p>Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the</p>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

Note No.	Particulars
	<p>weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p> <p>Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p> <p><b>2.14 Provisions and contingencies</b></p> <p>A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.</p> <p>A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.</p> <p>The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A contingent asset is not recognized in financial statements, however, the same is disclosed where an inflow of economic benefit is probable.</p> <p><b>2.15 Financial instruments</b></p> <p>A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the transaction value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While,</p>



## Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.</p> <p><b>a) Non-derivative financial assets</b></p> <p><b>i) Financial assets at amortised cost</b></p> <p>A financial asset shall be measured at amortised cost if both of the following conditions are met:</p> <p>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</p> <p>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.</p> <p>They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.</p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.</p> <p>Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.</p> <p>Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.</p> <p><b>ii) Equity instruments at FVTOCI</b></p> <p>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.</p> <p>If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to statement of profit and loss.</p>

**Notes to the consolidated financial statements for the year ended March 31, 2023**

<b>Note No.</b>	<b>Particulars</b>
	<p data-bbox="245 417 586 446"><b>iii) Financial assets at FVTPL</b></p> <p data-bbox="282 468 1468 534">FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.</p> <p data-bbox="282 555 1468 661">In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.</p> <p data-bbox="282 683 1468 981">Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.</p> <p data-bbox="245 1012 695 1042"><b>iv) Derecognition of financial assets</b></p> <p data-bbox="282 1064 1468 1361">The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.</p> <p data-bbox="282 1393 1468 1574">On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.</p> <p data-bbox="282 1596 1468 1893">On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have</p>



## Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
	<p>otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.</p> <p><b>b) Non-derivative financial liabilities</b></p> <p><b>i) Financial liabilities at amortised cost</b></p> <p>Financial liabilities at amortised cost represented by borrowings, trade and other payables. Borrowings are initially recognised at net of transaction costs incurred subsequently carried at amortized cost using the effective interest rate method and all other financial liabilities are recognised at the transaction value.</p> <p><b>ii) Financial liabilities at FVTPL</b></p> <p>Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.</p> <p>For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in statement of profit or loss.</p> <p><b>iii) Derecognition of non-derivative financial liabilities</b></p> <p>The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The</p>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

Note No.	Particulars
	<p data-bbox="337 414 1466 485">difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.</p> <p data-bbox="154 512 553 540"><b>2.16 Fair Value Measurement</b></p> <p data-bbox="241 561 1466 708">Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:</p> <ul data-bbox="241 725 1466 800" style="list-style-type: none"><li data-bbox="241 725 878 753">i) In the principal market for the asset or liability, or</li><li data-bbox="241 768 1466 800">ii) In the absence of a principal market, in the most advantageous market for the asset or liability.</li></ul> <p data-bbox="241 817 1466 1002">The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.</p> <p data-bbox="241 1019 1466 1242">The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :</p> <ul data-bbox="241 1259 1466 1459" style="list-style-type: none"><li data-bbox="241 1259 1438 1287">i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.</li><li data-bbox="241 1302 1466 1376">ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.</li><li data-bbox="241 1391 1466 1459">iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.</li></ul> <p data-bbox="241 1476 1466 1623">For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.</p> <p data-bbox="241 1640 1466 1864">For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.</p>





Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
2.17	<p data-bbox="241 412 1468 597">At initial recognition, the Group measures a financial asset, except trade receivable at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of Profit and Loss.</p> <p data-bbox="241 619 1468 761">For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: non-derivative financial assets comprising amortised cost, equity instruments at FVTOCI or fair value through profit and loss account (FVTPL) and financial liabilities at amortised cost or FVTPL.</p> <p data-bbox="241 783 1468 889">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.</p> <p data-bbox="241 932 396 963"><b>2.17 Impairment</b></p> <p data-bbox="241 985 483 1017"><b>a) Financial Assets</b></p> <p data-bbox="280 1038 1468 1257">In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.</p> <p data-bbox="280 1278 1468 1385">Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.</p> <p data-bbox="280 1406 1468 1549">ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider :</p> <ul style="list-style-type: none"> <li data-bbox="280 1570 1468 1713">i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.</li> <li data-bbox="280 1734 1468 1798">ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.</li> </ul> <p data-bbox="280 1819 1468 1883">As practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default</p>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

Note No.	Particulars
	<p>rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.</p> <p>ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:</p> <p>Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.</p> <p><b>b) Non-financial assets</b></p> <p>The Group assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss.</p> <p>An impairment loss is calculated as the difference between an asset’s carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.</p> <p>The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).</p> <p><b>2.18 Segment reporting</b></p> <p>The Managing Director of the Holding Company has been identified as the Chief Operating Decision maker. The Group’s operations relate to only one business segment, viz., Textiles and thus it has only one reportable business segment. The geographical segment information as required by Ind AS 108 - Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision maker for the purpose of making decisions about allocating resources and assessing its performance.</p>



Notes to the consolidated financial statements for the year ended March 31, 2023

Note No.	Particulars
<p><b>2.19</b></p>	<p><b>Government grants</b></p> <p>Grants from the government are recognised when there is reasonable assurance that:(i) the Group will comply with the conditions attached to them; and(ii) the grant will be received.</p> <p>Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.</p> <p>Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.</p> <p>Government Grant is recognised in the Consolidated Statement of Profit and Loss Account either as Other Operating Revenue or Other Income or adjusted against the expenses depending upon the nature of the grant.</p>
<p><b>2.20</b></p>	<p><b>Events after Reporting date</b></p> <p>Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.</p>
<p><b>2.21</b></p>	<p>Amendments effective from April 1, 2023 : In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS. The amendments are as below:</p> <ul style="list-style-type: none"> <li>• Ind AS 1 – Presentation of Financial Statements The amendment prescribes disclosure of material accounting policies instead of significant accounting policies.</li> <li>• Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendment added definition of accounting estimate and provided clarification regarding accounting estimate and treatment of change in the accounting estimate and accounting policy.</li> <li>• Ind AS12 – Income Taxes The definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences.</li> </ul> <p>The above amendments are effective from annual accounting periods commencing on or after April 1, 2023. The Group will evaluate the impact of the above, where applicable, on the consolidated financial statements and give impact of the same in the relevant period.</p>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**3A Property, plant and equipment and capital work-in-progress**

(Rs. in Lakhs)

Carrying amounts of	As at March 31, 2023	As at March 31, 2022
Own land	7,809.19	7,809.19
Building - own	12,490.05	11,434.50
Building on leasehold land	1,539.62	1,553.10
Plant and machinery	40,452.05	37,370.19
Office equipment	126.73	141.30
Furniture and fittings	221.63	246.84
Vehicles	91.78	74.97
Tools and implements	1.79	1.79
<b>Total</b>	<b>62,732.84</b>	<b>58,631.88</b>
Capital work-in-progress	602.01	3,005.61
<b>Total</b>	<b>63,334.85</b>	<b>61,637.49</b>

Description of Assets	Own land	Building - own	Building on leasehold land	Plant and machinery	Office equipment	Furniture and fittings	Vehicles	Tools and implements	Total
<b>I. Gross</b>									
Balance as at April 1, 2021	7,809.19	14,235.48	1,566.59	47,236.05	610.18	553.29	107.76	1.89	72,120.43
Additions	-	47.45	333.00	1,355.17	60.01	42.96	30.61	-	1,869.20
Disposals	-	-	-	(130.12)	(9.92)	(64.59)	(1.41)	-	(206.04)
<b>Balance as at March 31, 2022</b>	<b>7,809.19</b>	<b>14,282.93</b>	<b>1,899.59</b>	<b>48,461.10</b>	<b>660.27</b>	<b>531.66</b>	<b>136.96</b>	<b>1.89</b>	<b>73,783.59</b>
Additions	-	1,614.34	49.10	5,823.51	40.54	14.35	31.39	-	7,573.23
Disposals	-	(9.24)	-	(211.83)	(0.08)	-	-	-	(221.15)
<b>Balance as at March 31, 2023</b>	<b>7,809.19</b>	<b>15,888.03</b>	<b>1,948.69</b>	<b>54,072.78</b>	<b>700.73</b>	<b>546.01</b>	<b>168.35</b>	<b>1.89</b>	<b>81,135.67</b>
<b>II. Accumulated depreciation</b>									
Balance as at April 1, 2021	-	2,321.36	220.67	8,748.49	478.10	235.25	51.51	0.10	12,055.48
Depreciation expenses for the year	-	527.07	125.82	2,383.75	45.38	72.85	11.83	-	3,166.70
Disposals	-	-	-	(41.33)	(4.51)	(23.28)	(1.35)	-	(70.47)
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>2,848.43</b>	<b>346.49</b>	<b>11,090.91</b>	<b>518.97</b>	<b>284.82</b>	<b>61.99</b>	<b>0.10</b>	<b>15,151.71</b>
Depreciation expenses for the year	-	551.09	62.58	2,585.35	55.03	39.56	14.58	-	3,308.19
Disposals	-	(1.54)	-	(55.53)	-	-	-	-	(57.07)
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>3,397.98</b>	<b>409.07</b>	<b>13,620.73</b>	<b>574.00</b>	<b>324.38</b>	<b>76.57</b>	<b>0.10</b>	<b>18,402.83</b>
<b>Net (I-II)</b>									
Balance as at March 31, 2022	7,809.19	11,434.50	1,553.10	37,370.19	141.30	246.84	74.97	1.79	58,631.88
Balance as at March 31, 2023	7,809.19	12,490.05	1,539.62	40,452.05	126.73	221.63	91.78	1.79	62,732.84

Amount Pertaining to building on lease hold land comprised in the property, plant and equipment schedule represented by 2,52,841 equity shares of Rs. 10/- each of Section 8 Company and Lease and license agreement.



Notes to the consolidated financial statements for the year ended March 31, 2023

3B Capital work-in-progress

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	3,005.61	1,664.01
Add: Additions during the year	712.40	1,341.60
Less: Capitalised during the year	(3,116.00)	-
<b>Closing Balance</b>	<b>602.01</b>	<b>3,005.61</b>

(Rs. in Lakhs)

Capital work in progress ageing	Amount of Capital work in progress for a period of				
	< 1 Year	1-2 Years	2-3 Years	> 3 Years	Total
Projects in progress					
As at March 31, 2023	712.40	-	-	-	712.40
As at March 31, 2022	1,341.60	1,224.99	439.02	-	3,005.61

There are no projects suspended as at March 31, 2023 and March 31, 2022. There are no items of capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan in current and previous year.

3C Other intangible assets

(Rs. in Lakhs)

Description of assets	Computer software	Brand	Total
<b>I. Gross</b>			
<b>Balance as at April 1, 2021</b>	<b>22.28</b>	<b>481.88</b>	<b>504.16</b>
Additions	23.50	28.00	51.50
Disposals	-	-	-
<b>Balance as at March 31, 2022</b>	<b>45.78</b>	<b>509.88</b>	<b>555.66</b>
Additions	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2023</b>	<b>45.78</b>	<b>509.88</b>	<b>555.66</b>
<b>II. Accumulated amortisation</b>			
<b>Balance as at April 1, 2021</b>	<b>16.15</b>	-	<b>16.15</b>
Depreciation / amortisation expenses for the year	4.72	101.98	106.70
Disposals	-	-	-
<b>Balance as at March 31, 2022</b>	<b>20.87</b>	<b>101.98</b>	<b>122.85</b>
Depreciation / amortisation expenses for the year	5.62	101.98	107.60
Disposals	-	-	-
<b>Balance as at March 31, 2023</b>	<b>26.49</b>	<b>203.95</b>	<b>230.44</b>
<b>Net (I-II)</b>			
<b>Balance as at March 31, 2022</b>	<b>24.91</b>	<b>407.90</b>	<b>432.81</b>
<b>Balance as at March 31, 2023</b>	<b>19.29</b>	<b>305.93</b>	<b>325.22</b>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

(Rs. in Lakhs)

**3D Depreciation and amortisation expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Tangible assets	3,308.19	3,166.70
Intangible assets	107.60	106.70
Depreciation on Right-of-use assets	72.73	96.12
	<b>3,488.51</b>	<b>3,369.52</b>

**3E** The Holding Company entered into an agreement to sell dated March 30, 2011 with Shiva Tex Yarn Limited for the sale of part of land situated at Velvarkottai, Dindigul and Kodangipalayam, Karanampet, Coimbatore, valued at Rs.56,72,085/-. Accordingly the said amount is disclosed as assets held for sale.

**Non-current assets**

**4. Investments**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I. Quoted investments (fully paid) carried at fair value through other Comprehensive Income</b>		
<b>Investments in equity instruments - others</b>		
i) 250 (PY: 250) Equity shares of Rs.10/- each in Bannari Amman Sugars Limited	6.80	6.78
ii) 34 (PY: 34) Equity shares of Rs.10 each in Moil Limited	0.05	0.03
<b>Total quoted investments (A)</b>	<b>6.85</b>	<b>6.81</b>
<b>II. Unquoted investments (fully paid) carried at fair value through the consolidated statement of profit and loss</b>		
<b>i) Investments in Equity instruments - others (carried at fair value)</b>		
15,000 (PY: 15,000) Equity shares of Rs.10 each in OPG Metal Power Limited	1.50	1.50
3,06,000 (PY: 99,900) Equity shares of Rs.11 each in OPG Power Generation Private Limited	34.80	11.10
3,88,978 (PY: Nil) Equity shares of Rs.10 each in Vishnu Priya Farms Private Limited	222.08	-
36,00,000 (PY: 18,00,000) Equity shares of Rs.10 each in Nellai renewables Private Limited	360.00	180.00
6,00,000 (PY: 3,00,000) Equity shares of Rs.10 each in Nellai renewables Private Limited	60.00	30.00
<b>ii) Investments in Preference Shares (carried at fair value)</b>		
Nil (PY: 6443) Preference shares of Rs.100 each in Shiva Automobile Private Limited	-	5.10
<b>iii) Investments in Government securities (carried at fair value)</b>		
Kisan Vikas Patra	0.03	0.03
<b>Total Unquoted Investments (B)</b>	<b>678.41</b>	<b>227.73</b>
<b>Total (A) + (B)</b>	<b>685.26</b>	<b>234.54</b>



Notes to the consolidated financial statements for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount of quoted investments	0.37	0.37
Aggregate market value of quoted investments	6.85	6.81
Aggregate amount of unquoted investments	678.41	227.73
Aggregate amount of impairment in value of investments	-	-

5 Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	701.79	501.36
TUF subsidy receivable	113.33	113.33
<b>Total</b>	<b>815.12</b>	<b>614.69</b>

6 Other non-current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	392.41	1,157.20
Other advances	-	188.02
Advance tax and tax deducted at source (Net)	138.10	265.90
Advance for investment in equity shares	-	84.00
Security deposits	55.51	-
Deposits with Government Authorities	30.63	30.63
<b>Total</b>	<b>616.65</b>	<b>1,725.75</b>

7 Inventories

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	14,673.27	17,498.75
Goods in transit (Raw materials)	2,600.93	1,471.99
Work-in-progress	2,458.46	2,674.61
Finished goods	13,859.60	8,143.70
Stores and spares	912.17	870.22
<b>Total</b>	<b>34,504.43</b>	<b>30,659.27</b>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**8 Trade receivables**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Trade receivables considered good - Unsecured	20,042.83	18,907.68
b) Trade receivables which have significant increase in credit risk	998.06	1,012.60
c) Trade receivables - credit impaired	253.26	181.57
	<b>21,294.15</b>	<b>20,101.85</b>
Less: Allowance for doubtful trade receivables	(1,251.33)	(1,194.15)
<b>Total</b>	<b>20,042.82</b>	<b>18,907.70</b>

**Trade receivables ageing schedule**

(Rs. in Lakhs)

Particulars	Outstanding for the following period from the due date of payment						Total
	Not due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
<b>As at March 31, 2023</b>							
a) Undisputed Trade Receivables - considered good	1,961.38	17,459.52	201.84	24.57	30.96	18.23	19,696.50
b) Undisputed Trade Receivables - which have significant increase in credit risk	-	30.05	148.68	14.74	296.53	-	490.00
c) Undisputed Trade Receivables - credit impaired	12.00	-	-	-	-	14.30	26.30
d) Disputed Trade Receivables - considered good	0.49	2.37	-	-	-	343.46	346.32
e) Disputed Trade Receivables - which have significant increase in credit risk	0.51	52.15	111.95	-	-	343.46	508.07
f) Disputed Trade Receivables - credit impaired	-	-	-	-	19.22	207.74	226.96
<b>As on 31.03.2022</b>							
a) Undisputed Trade Receivables - considered good	-	17,545.66	-	312.86	385.28	8.07	18,251.87
b) Undisputed Trade Receivables - which have significant increase in credit risk	-	729.68	39.56	37.21	3.80	21.82	832.07
c) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
d) Disputed Trade Receivables - considered good	-	-	-	16.37	25.64	613.80	655.81
e) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	180.53	180.53
f) Disputed Trade Receivables - credit impaired	-	-	-	2.89	-	178.68	181.57





Notes to the consolidated financial statements for the year ended March 31, 2023

9A Cash and cash equivalents

(Rs. in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Balances with banks :		
i) In current accounts	498.56	1,168.81
ii) in Deposits Accounts with maturity of less than three months	487.37	689.39
Cheques, drafts on hand	2.00	1.88
Cash on hand	11.42	5.44
<b>Total</b>	<b>999.34</b>	<b>1,865.52</b>

9B Bank balances other than above

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks :		
a) Unpaid dividend accounts	2.37	2.15
b) Liquid assets deposits	50.00	-
c) Deposits with Banks held as margin money	140.17	96.63
<b>Total</b>	<b>192.54</b>	<b>98.78</b>

10 Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee advances (Unsecured, considered good)	30.76	51.01
<b>Total</b>	<b>30.76</b>	<b>51.01</b>

11 Other Financial Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on deposits	13.13	11.98
TUF subsidy receivable	665.01	630.38
Incentive/Grant receivable	160.89	160.89
Unbilled revenue	78.91	64.07
Refundable deposit with stock exchange on rights issue	-	105.40
<b>Total</b>	<b>917.94</b>	<b>972.72</b>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**12 Current tax assets (net)**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax assets	83.29	35.72
<b>Total</b>	<b>83.29</b>	<b>35.72</b>

**13 Other current assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	556.73	491.57
Employee Related Advances	0.82	-
Advances to Suppliers	1,104.73	1,261.17
Balance with government authorities	747.20	-
- Duty drawback receivable	276.92	1,615.81
- Export incentives receivable	276.74	-
- GST receivable	1,969.50	2,029.41
- ESI Deposit	7.58	7.58
Gratuity	99.24	10.19
Rent Advance	2.15	22.20
<b>Total</b>	<b>5,041.61</b>	<b>5,437.93</b>

**14 Equity**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b>		
10,00,00,000 Equity shares of Rs. 5 each (PY: 10,00,00,000 Equity shares of Rs. 5 each)	5,000.00	5,000.00
50,000 Cumulative Preference shares of Rs. 100 each (PY: 50,000 Cumulative Preference shares of Rs. 100 each)	50.00	50.00
<b>Total</b>	<b>5,050.00</b>	<b>5,050.00</b>
<b>Issued, Subscribed and fully paid up share capital</b>		
6,48,41,871 Equity shares of Rs. 5 each (PY: 6,48,41,871 Equity shares of Rs. 5 each)	3,242.09	3,242.09
<b>Total</b>	<b>3,242.09</b>	<b>3,242.09</b>



Notes to the consolidated financial statements for the year ended March 31, 2023

i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount (Rs. in Lakhs)	Number of shares	Amount (Rs. in Lakhs)
<b>Equity shares</b>				
At the beginning of the period	64,841,871	3,242.09	31,508,538	1,575.43
Add: Issue of rights shares of Rs.5/- per share (Refer Note below)	-	-	33,333,333	1,666.67
<b>At the end of the period</b>	<b>64,841,871</b>	<b>3,242.09</b>	<b>64,841,871</b>	<b>3,242.09</b>

**Note 1:** The Holding Company has raised an amount of Rs. 9,999.99 lakhs during the year ended 31.3.2022, through Rights Issue of 33,333,333 Equity Shares of Rs. 5 each at an issue price of Rs. 30 per share. The Shares have been allotted to the shareholders on October 09, 2021. Consequent to the above allotment, the paid up share capital has been increased from Rs. 1,575.43 lakhs to Rs. 3,242.09 lakhs. The entire proceeds received from the Rights Issue during the year amounting to Rs. 9,999.99 lakhs were used for the objects stated in the offer document of the Rights Issue.

ii) Terms / rights attached to the equity shares:

The Holding Company has issued only one class of equity share having a face value of Rs.5/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The Holding Company declares and pays dividend in Indian Rupees. The dividend proposed, if any, by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

iii) Details of shares held by the holding company

Equity Shares

Particulars	As at March 31, 2023	As at March 31, 2022
Murugan Enterprise Private Limited (Holding company)	351,91,255	351,91,255
<b>Total</b>	<b>351,91,255</b>	<b>351,91,255</b>

iv) Shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares</b>				
Murugan Enterprise Private Limited (Holding company)	351,91,255	54.27	351,91,255	54.27
Gagandeep Credit Capital Private Limited	38,83,141	5.99	38,83,141	5.99



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**v) Shareholding of Promoters**

(Rs. in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares</b>				
S V Arumugam	6,88,869	1.06	6,88,869	1.06
Murugan Enterprise Private Limited (Holding company)	351,91,255	54.27	351,91,255	54.27

\* There is no change in the shareholding of promoters during the year

**vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date :**

**Equity Shares**

Particulars	Aggregate no of shares		
	31.03.2023	31.03.2022	31.03.2021
Increase in number of shares due to split of face value from Rs.10/- per share to Rs.5/- per share	-	-	157,54,269

**15 Other Equity**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a. Securities premium</b>		
Opening balance	16,137.46	7,930.76
Add : Securities premium on rights issue of equity shares	-	8,333.33
Less : Rights issue expenses	8.43	126.63
<b>Closing balance</b>	<b>16,129.03</b>	<b>16,137.46</b>
<b>b. General reserve</b>		
Opening balance	16,295.22	16,295.22
Add: Transfer from Retained Earnings	-	-
<b>Closing balance</b>	<b>16,295.22</b>	<b>16,295.22</b>
<b>c. Retained earnings</b>		
Opening balance	9,048.79	3,836.30
Less: Dividend paid during the year	(389.05)	-
Add : Profit / (loss) for the current year	(2,959.51)	5,243.89
Add : Adjustment on account of consolidation	120.00	-
Add : Profit / (loss) on disposal of Subsidiaries	-	(31.40)
<b>Closing balance</b>	<b>5,820.23</b>	<b>9,048.79</b>



## Notes to the consolidated financial statements for the year ended March 31, 2023

### 15 Other Equity (Contd...)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>d. Other Comprehensive Income</b>		
Other items of Other Comprehensive Income consist of Fair value changes on FVTOCI financial assets and financial liabilities and remeasurement of net defined benefit liability/asset.		
Opening balance	522.86	556.93
Add : Movement during the year	74.68	(34.07)
<b>Closing balance</b>	<b>597.54</b>	<b>522.86</b>
<b>Total Other Equity (a + b + c + d)</b>	<b>38,842.03</b>	<b>42,004.33</b>

#### Notes:

- A. Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.
- B. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, Bonus issue, etc.
- C. Retained earnings do not contain any amount of revaluation reserve which was transferred to Retained earnings on the transition date, which may not be available for distribution.
- D. Other comprehensive income represents the cumulative gain/loss arising on remeasurement of defined benefit obligation. This would not be reclassified to Consolidated Statement of Profit and Loss.

### 16 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured Borrowings</b>		
- Term loan from banks (Refer note 1)	26,905.48	21,501.78
- Term loan from others (Refer note 1)	2,124.29	1,899.17
<b>Unsecured Borrowings</b>		
- Inter corporate loan	1,700.00	2,000.00
<b>Total</b>	<b>30,729.77</b>	<b>25,400.95</b>

The Holding Company vide its letter dated November 27, 2020 had requested its Banker for One Time Restructuring of term Loans under the Resolution framework for COVID 19 related stress in line with RBI circular number RBI/2020-21/6/DOR.NO.BP.BC/3.21.04.048/2020-21 dated August 06, 2020. The above mentioned Resolution Plan was approved by the Banker on 24.06.2021 in terms of which set off/ adjustment on debt servicing was permitted post Cut-Off Date and prior to the implementation of the resolution plan. The surplus debt serviced has been adjusted against the instalments due for the FY 2022-2023 as per the Resolution plan.



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Note : 1**

**Details of terms of repayment and security provided in respect of secured term loans :**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1 i) ICICI Bank Limited- Rupee term loan 1	-	187.50
ii) ICICI Bank Limited- Rupee term loan 2	-	957.50
iii) ICICI Bank Limited- GECLS	2,786.60	-
Less: Current maturities of long term debt	-	(325.55)
<b>Total</b>	<b>2,786.60</b>	<b>819.45</b>

Security for Term Loan 1 & 2 :

First pari passu charge on the entire property, plant and equipment of the Holding Company and second pari passu charge on the entire current assets of the Holding Company.

Security for Term Loan - GECLS:

Second pari passu charge by way of hypothecation of the Holding Company's entire stock and other current assets and second pari passu charge on the entire property, plant and equipment of the Holding Company.

Repayment :

Term Loan 1 : 2 quarterly instalments starting from April 2023. Interest rate: 10.30%

Term Loan 2 : 7 quarterly instalments starting from September 2022. Interest rate: 10.55%

Term Loan (GECLS) : 48 monthly instalments starting from November 2024. Interest rate: 9.25%

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>2 Indian Bank</b>		
i) Term Loan 1 (TUF & Non-TUF)	635.95	634.31
ii) Term Loan 2 (TUF & Non-TUF)	5082.22	5,227.37
iii) Term Loan 3 (TUF & Non-TUF)	4075.86	4,161.44
iv) Term Loan 4 (GECLS)	4,441.00	4,467.79
Less: Current maturities of long term debt	(1,538.08)	(490.38)
<b>Total</b>	<b>12,696.95</b>	<b>14,000.53</b>

Security for First Term Loan 1, 2 & 3 :

Pari passu first charge on the entire property, plant and equipment of the Holding Company and second pari passu charge on the entire current assets of the Holding Company.

Security for Term Loan - GECLS :

Second pari passu charge by way of hypothecation of the Holding Company's entire stock and other current assets and second pari passu charge on the entire property, plant and equipment of the Holding Company.

Repayment and Rate of Interest :

Term Loan 1: 6 Quarterly instalments starting from February 2023. Interest rate @ 11%

Term Loan 2: 15 Quarterly instalments starting from December 2022. Interest rate @ 11%

Term Loan 3: 24 Quarterly instalments starting from June 2022. Interest rate @ 11%

Term Loan 4: 48 Monthly instalments starting from January 2024. Interest rate @ 8.3%



Notes to the consolidated financial statements for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>3 DCB Bank Limited</b>		
i) Term Loan	1,195.22	1,239.00
Less: Current maturities of long term debt	(628.00)	(42.14)
<b>Total</b>	<b>567.22</b>	<b>1,196.86</b>

Security :

First pari passu charge on the entire property, plant and equipment of the Holding Company and second pari passu charge on the entire current assets of the Holding Company.

Repayment :

24 Monthly instalments starting from February 2023. Rate of Interest : 9.00%

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>4 Indian Overseas Bank</b>		
Term loan 1	2,535.58	2,535.58
Term loan 2 (GECLS)	2,433.00	-
Less: Current maturities of long term debt	(95.25)	-
<b>Total</b>	<b>4,873.33</b>	<b>2,535.58</b>

Security for Term Loan 1 :

First pari passu charge on the entire property, plant and equipment of the Holding Company and second pari passu charge on the entire current assets of the Holding Company.

Security for Term Loan - GECLS :

Second pari passu charge by way of hypothecation of the Holding Company's entire stock and other current assets and second pari passu charge on the entire property, plant and equipment of the Holding Company.

Repayment and Rate of Interest:

Term Loan 1: 19 Quarterly instalments starting from August 2023 with rate of interest: 10.15%

Term Loan 2: 48 Monthly instalments starting from July 2024 with rate of interest : 8.55%

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>5 Union Bank of India</b>		
- Term Loan (GECLS)	1,221.00	-
Less: Current maturities of long term debt	-	-
<b>Total</b>	<b>1,221.00</b>	<b>-</b>

Security :

Second pari passu charge on the entire property, plant and equipment of the Holding Company and Second pari passu on the other current assets of the Holding Company.

Repayment :

36 Monthly instalments starting from June 2024. Rate of Interest: 9.25%



**Notes to the consolidated financial statements for the year ended March 31, 2023**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>6 Punjab National Bank</b>		
- Term Loan (GECLS)	1,573.00	-
Less: Current maturities of long term debt	-	-
<b>Total</b>	<b>1,573.00</b>	<b>-</b>

Security :

Second pari passu charge on the entire property, plant and equipment of the Holding Company and Second pari passu on the other current assets of the Holding Company.

Repayment :

48 monthly instalments starting from September 2024. Rate of Interest: 8.70%

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>7. HDFC Bank- Term Loan</b>		
HDFC GECL1.O	837.96	1,094.00
HDFC GECL Loan 2.O	983.00	-
HDFC Term Loan 2	438.71	667.00
HDFC Term Loan 3	1,779.69	1,996.44
Less: Current maturities of long term debt	(851.98)	(808.07)
<b>Total</b>	<b>3,187.38</b>	<b>2,949.36</b>

Security :

- a. charge on the property, plant and equipment and current assets of Young Brand Apparel Private Limited including equitable mortgage over factory land and building, both present and future
- b. hypothecation of other property, plant and equipment acquired out of the loans, both present and future and
- c. extension of charge on the entire present and future assets of Young Brand Apparel Private Limited.

Repayment :

HDFC GECL1.O : 48 monthly installments from May, 2022 to March, 2026. Interest rate : 9.75% as at year end

HDFC GECL Loan 2.O : 48 monthly installments from September, 2024 to August, 2028. Interest rate : 8.85% as at year end

HDFC Term Loan 2 : 84 monthly installments from June, 2017 to March, 2025. Interest rate : 11.03% as at year end

HDFC Term Loan 3 : 84 monthly installments from June, 2021 to March, 2028. Interest rate : 11.15% as at year end

**Term loan from others :**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>1 Palladam Hi-Tech Weaving Park</b>	47.84	47.84
Less: Current maturities of long term debt	-	-
<b>Total</b>	<b>47.84</b>	<b>47.84</b>

Security :

First charge on property, plant and equipment of Holding Company acquired out of loan of Garment Unit located at Palladam Hi-Tech Weaving Park, Sukkampalayam Village, K.N.Puram (Po), Palladam.

Repayment :

120 Monthly instalments starting from April 2010. Rate of Interest : 0.75%.





Notes to the consolidated financial statements for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>2</b> SIPCOT Soft Loan	2,554.91	2,554.91
Less: Government grant (Refer note (ii) below)	(478.46)	(703.58)
<b>Total</b>	<b>2,076.45</b>	<b>1,851.33</b>

- i) First charge by way of equitable mortgage over factory land and building and hypothecation of other movable assets of Holding Company financed by SIPCOT for the expansion project ranking paripassu with other banks and property, plant and equipment of the expansion scheme of spinning units located at Velvarkottai Village, Dindigul, Weaving unit and Knitting unit at Karanampet, Coimbatore.
- ii) The Government of Tamil Nadu in its order : G.O. Ms. No. 126, dated October 20, 2009, has granted an amount equivalent to net output VAT + CST paid through expansion project to Government as Investment Promotion Soft Loan for a period of 10 years, subject to terms and conditions mentioned in the Eligibility Certificate ID/SPA/BSML/2010 dated 30 April 2013. The soft loan will carry a nominal rate of 0.1% per annum. The soft loan sanctioned is repayable on the 10th year from the date of sanction. This is considered as Government grant and accordingly the loan amount is carried at amortised cost considering an effective interest rate of 12.16%. The Government grant income is recognised proportionately in relation to the interest expense.

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>3</b> Unsecured Loans		
Murugan Enterprises Private Limited	1,700.00	1,700.00
Sakthi Murugan Transports Private Limited	-	300.00
<b>Total</b>	<b>1,700.00</b>	<b>2,000.00</b>

Rate of Interest : 10.00%. Payment within 36 months commencing from June 28, 2021.

**17 Lease liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability on account of land and building lease	92.87	90.85
<b>Total</b>	<b>92.87</b>	<b>90.85</b>

**18 Non-Current Provisions**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity	313.99	304.10
<b>Total</b>	<b>313.99</b>	<b>304.10</b>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**19 Deferred Tax Liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Significant components of Deferred Tax (Assets)/ Liabilities recognised in the financials statements:		
Deferred tax Liabilities	3,350.32	4,821.40
Deferred tax Assets	47.61	85.14
<b>Deferred tax (Assets)/ Liabilities (Net)</b>	<b>3,302.70</b>	<b>4,736.26</b>
<b>Total</b>	<b>3,302.70</b>	<b>4,736.26</b>

**20 Other non current liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Government grant - Sipcot Soft loan	225.23	478.46
Unamortized portion of Deferred Income	52.61	63.13
<b>Total</b>	<b>277.84</b>	<b>541.59</b>

**21 Borrowings**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured borrowings</b>		
Loans repayable on demand from banks (Refer Note 2)	27,632.90	24,672.76
Liability for Bills discounted from Banks (Refer Note 3)	476.45	134.45
Current maturities of long term borrowings	3,113.31	1,666.15
<b>Total</b>	<b>31,222.66</b>	<b>26,473.36</b>

**Note - 2**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1) Bank of Maharashtra Working capital limit: Rs. 500 lakhs Interest rate: 11.65 % Security : First pari-passu charge by way of hypothecation of stock and book debts and all other current assets and second pari-passu charge on the entire property, plant and equipment of the Holding Company.	260.34	199.61
2) Bank of Bahrain and Kuwait B.S.C. Working capital limit: Rs. 2,000 lakhs Non - fund based limit: Rs. 200 lakhs Interest rate: 11.25 % Security : First pari-passu charge on the entire current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future.	1,227.60	1,177.33



Notes to the consolidated financial statements for the year ended March 31, 2023

Note - 2 (Contd...)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
3) ICICI Bank Limited Working capital limit: Rs. 3,000 lakhs Non - fund based limit: Rs. 1,000 lakhs Interest rate: 11.55 % Security : First pari-passu charge on Holding Company's entire stock, consumable stores and spares and such other movables including book-debts, bills, outstanding monies, receivables both present and future and Second pari-passu charge on the entire property, plant and equipment of the Holding Company.	3,751.17	500.00
4) Indian Bank Working capital limit: Rs. 5,200 lakhs Interest rate: 11.45 % Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future.	3,667.78	3,746.89
5) Indian Overseas Bank Working capital limit: Fund based: Rs. 10,000 lakhs Non - fund based limit: Rs. 2,500 lakhs Interest rate: 11.55 % (PY: 11.10%) Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future	7,098.98	5,891.61
6) Karur Vysya Bank Working capital limit: Rs. 1,250 lakhs Interest rate: 11.00% Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future	584.17	420.08
7) Punjab National Bank Working capital limit: Rs. 5,800 lakhs Non - fund based limit: Rs. 2,500 lakhs Interest rate: 10.20 % Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future	4,597.98	3,255.80
8) Union bank of India Working capital limit: Rs. 6,750 lakhs (PY: Rs. 5,250 lakhs) Non - fund based limit: Rs. 1,235 lakhs (PY: Rs. 1,100 lakhs) Interest rate: 10.56 % (PY: 11.85%) Security : First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future	3,268.40	2,975.67
9) DCB Bank Working capital limit: Rs. 2,500 lakhs Interest rate: 10.76 % (PY: 9.38%) Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future	1,732.30	1,435.81
10) HDFC Bank Working capital limit: Rs. 8,200 lakhs Security: Primary charge on the current assets of Young Brand Apparel Private Limited and secondary charge by way of assets secured on the term loans.	1,444.18	5,069.96



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Note - 3**

**Liability for bills discounted - from banks**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a Indian Overseas Bank The limits form part of the overall working capital limits Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future.	476.45	-
b Union bank of India The limits form part of the overall working capital limits Security: First pari-passu charge on all current assets and Second pari-passu charge on the entire property, plant and equipment of the Holding Company present and future.	-	134.45

**22 Lease Liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liability on account of land and building lease	46.60	61.88
<b>Total</b>	<b>46.60</b>	<b>61.88</b>

**23 Trade Payable**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Total outstanding dues of micro and small enterprises (Refer note no 40)	1,154.97	906.70
b) Total outstanding dues other than micro and small enterprises	10,265.69	13,734.78
<b>Total</b>	<b>11,420.66</b>	<b>14,641.48</b>

Trade payables ageing schedule	Outstanding for following period from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	> 3 years	
<b>As at March 31, 2023</b>						
a) MSME	-	1,154.97	-	-	-	1,154.97
b) Others	1,363.30	8,260.44	275.90	161.98	204.07	10,265.69
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1,363.30</b>	<b>9,415.41</b>	<b>275.90</b>	<b>161.98</b>	<b>204.07</b>	<b>11,420.66</b>
<b>As at March 31, 2022</b>						
a) MSME	-	906.39	0.31	-	-	906.70
b) Others	2,691.42	10,110.39	619.67	313.30	-	13,734.78
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,691.42</b>	<b>11,016.78</b>	<b>619.98</b>	<b>313.30</b>	<b>-</b>	<b>14,641.48</b>



Notes to the consolidated financial statements for the year ended March 31, 2023

24 Other Financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on borrowings	23.58	37.84
Unpaid Dividend	2.37	2.15
Security deposits received	59.16	64.28
Contractually reimbursable expenses	12.99	-
Payable on purchase of fixed assets	68.31	25.85
Employee Related Liabilities	525.99	-
Expenses Payable	132.55	-
Other liabilities	406.37	406.27
<b>Total</b>	<b>1,231.32</b>	<b>536.39</b>

25 Other Current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	445.20	658.37
Advance received towards sale of PPE	94.30	94.30
Government grant - Sipcot Soft Loan	253.23	225.12
Statutory Remittances	190.64	195.46
Salary Payables	3.18	-
Liability for Expenses	1,747.88	-
Liability towards funded gratuity scheme	1.87	-
<b>Total</b>	<b>2,736.30</b>	<b>1,173.25</b>

26 Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Compensated absences	202.16	160.28
- Bonus	72.34	169.44
Provision for gratuity	54.85	53.72
<b>Total</b>	<b>329.35</b>	<b>383.44</b>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**27 Revenue from operations**

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Sale of goods/services</b>		
<b>a. Manufactured goods</b>		
Yarn	58,598.45	72,142.40
Fabrics	28,033.45	38,114.83
Waste cotton	8,377.18	6,336.22
Waste materials	697.71	4,132.92
Made ups	4,928.32	29,419.88
Garments	31,980.06	714.69
<b>b. Traded goods</b>		
Yarn	2.68	146.12
Cotton	18.38	156.02
<b>Total</b>	<b>132,636.23</b>	<b>151,163.08</b>
<b>b) Sale of Services</b>		
Sizing charges, CMT charges, knitting and processing charges	5,321.14	2,177.77
<b>Total</b>	<b>5,321.14</b>	<b>2,177.77</b>
<b>c) Other operating revenues</b>		
Sale of scrap	313.52	375.71
Yarn second sales	5.60	-
Duty drawback and other export incentives	1,549.70	2,307.39
Job-work Receipts	3.54	-
Others - Windmill carbon credit	27.36	-
<b>Total</b>	<b>1,899.72</b>	<b>2,683.10</b>
<b>Total - Revenue from operations</b>	<b>139,857.09</b>	<b>156,023.95</b>

The Company disaggregate the revenue based on geographical locations and it is disclosed under note 42 "Segment reporting".

**28. Other Income**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest income (Refer Note (i) below)	33.65	71.32
b) Net gain on foreign currency transactions and translation	310.22	315.75
c) Other non-operating income (Refer Note (ii) below)	370.10	217.77
<b>Total</b>	<b>713.97</b>	<b>604.84</b>



Notes to the consolidated financial statements for the year ended March 31, 2023

Note

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>i) Interest income comprises:</b>		
Interest on overdue trade receivables	4.01	31.00
Interest on security deposits	3.01	10.47
Interest on bank deposits	25.41	-
Interest from others	1.22	29.85
<b>Total - Interest income</b>	<b>33.65</b>	<b>71.32</b>
<b>ii) Other non-operating income comprises :</b>		
Profit on sale of investment (Net)	1.34	-
Profit on sale of property plant and equipment (Net)	-	-
Agricultural Income	7.68	-
Rental Income	0.92	-
Net gain on foreign currency transactions and translation		181.03
Revenue grant and incentives	10.52	10.52
Insurance Receipts	189.60	-
Training Fee Income	5.88	-
Sundry Balances Written Back	148.38	-
Gain on termination of leases	5.77	9.21
Miscellaneous income	0.01	17.01
<b>Total - Other non-operating income</b>	<b>370.10</b>	<b>217.77</b>

29. Cost of materials consumed

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	18,970.74	15,237.77
Add: Purchases	106,588.83	108,215.09
	<b>125,559.57</b>	<b>123,452.86</b>
Less: Closing stock	17,274.20	(18,970.74)
<b>Total</b>	<b>108,285.37</b>	<b>104,482.12</b>

30. Purchase of Stock-in Trade

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Stock-in Trade - Yarn	87.06	326.00
<b>Total</b>	<b>87.06</b>	<b>326.00</b>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**31. Changes in inventories of finished goods and work-in-progress**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories at the end of the year :</b>		
Finished goods	13,859.61	8,143.70
Work-in-progress	2,458.46	2,674.61
<b>Total</b>	<b>16,318.07</b>	<b>10,818.31</b>
<b>Inventories at the beginning of the year :</b>		
Finished goods	8,143.70	7,161.43
Work-in-progress	2,674.61	2,124.75
Stock-in-trade	-	541.06
<b>Total</b>	<b>10,818.31</b>	<b>9,827.24</b>
<b>Net (increase) / decrease</b>	<b>(5,499.76)</b>	<b>(991.07)</b>

**32. Employee benefits expense**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	13,267.72	13,688.89
Directors' Remuneration	91.50	60.00
Contributions to provident and other funds	1,083.64	759.34
Contributions to Gratuity	88.66	99.93
Staff welfare expenses	2,086.63	2,315.79
<b>Total</b>	<b>16,618.15</b>	<b>16,923.95</b>

**33. Finance Costs**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Interest expense on financial liabilities at amortised cost:		
- Borrowings	5,449.88	4,977.03
- Operating lease liabilities	15.07	15.27
b) Other borrowing costs	288.74	340.72
<b>Total</b>	<b>5,753.69</b>	<b>5,333.02</b>





Notes to the consolidated financial statements for the year ended March 31, 2023

34. Depreciation and amortization expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Depreciation on Tangible assets	3,308.19	3,166.70
b) Depreciation on Intangible assets	107.60	106.70
c) Depreciation on Right of Use assets	72.73	96.12
<b>Total</b>	<b>3,488.51</b>	<b>3,369.52</b>

35. Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent including lease rentals	144.63	100.22
Communication expenses	90.56	129.22
Travelling and conveyance	372.97	331.66
Printing and stationery	51.41	48.13
Quality claim	186.56	28.79
Hank yarn obligation	12.03	5.80
Business promotion expenses	7.70	12.65
Donation	11.52	10.22
Water	75.93	62.16
Printing and Processing Charges	42.10	-
Subcontracting Charges	495.05	985.95
Fabric Testing Charges	136.06	-
Consumption of stores and spare parts	38.03	370.27
Manufacturing expenses	173.36	62.88
Consumption of packing materials	739.80	986.29
Power, fuel and water charges	6,869.65	7,253.32
Discount	29.36	-
Repairs and maintenance - Building	89.12	146.47
Repairs and maintenance - Machinery	1,332.54	2,075.33
Repairs and maintenance - Others	670.74	263.20
Insurance	557.74	589.66
Rates and taxes	469.52	352.83
Freight and forwarding charges	1,068.00	2,596.84
Sales commission	752.27	1,084.82
Security Service Charges	65.62	55.57
Product and Personnel Development Expenses	18.59	7.48
Regulatory & Compliance Expenses	8.96	13.57
Legal and professional charges	269.68	388.80
Payments to auditors (Refer note (i) below)	47.24	40.34
Directors Sitting Fees	5.05	7.90
Corporate social responsibility expenditure (Refer note 37)	67.93	54.62
Agricultural Expenses	7.61	-
Provision for bad and doubtful trade receivables	57.17	338.82
Bad trade and other receivables, loans and advances written off	14.27	50.05
Loss on sale of investment	-	0.55
Loss on sale of property plant and equipment (Net)	77.74	54.49
Sundry Balances Written Off	37.20	-
Miscellaneous expenses	88.54	103.25
<b>Total</b>	<b>15,182.25</b>	<b>18,612.15</b>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Note (i) - Payments to auditors:**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Payments to auditors comprises</b>		
- Statutory audit fees and Limited review fees	38.44	37.50
- Other services	8.40	2.84
- Reimbursement of expenses	0.40	-
<b>Total</b>	<b>47.24</b>	<b>40.34</b>

**Note :** In addition to the above expenses in Statement of Profit and Loss, in the FY ended 31.03.2022, payment to auditors also include Rs.52.50 Lakhs towards comfort letter and other rights issue related services which is accounted in balance sheet offsetted with securities premium arised from rights issue.

**36. Details of Undisclosed Income, if any**

The Company does not have any transaction 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.

**37. Corporate Social responsibility**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the Company during the year	65.25	50.93
Amount of expenditure incurred	67.93	54.62
Shortfall at the end of the year	-	-
<b>Total of Previous Years shortfall</b>	<b>-</b>	<b>-</b>

**Nature of CSR Activities:**

The CSR initiatives of the Company aim towards inclusive development of the communities by promoting education and providing basic needs for the economically weaker section of the society.

The CSR initiatives of the Company in the Previous Year includes contribution for participation in COVID related projects and contribution to PM CARES Fund.

**Note :**

- i) The Company has not made any contribution to Related parties in relation to CSR Expenditure durind the year and previous year.
- ii) The Company has not made any provision in relation to CSR Expenditure during the year and any previous year.

**38. Details of Crypto currency or Virtual currency, if any**

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.



Notes to the consolidated financial statements for the year ended March 31, 2023

39 Contingent liabilities and commitments (to the extent not provided for)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I) Contingent liabilities:</b>		
<b>A) Claims against the Company not acknowledged as debts:-</b>		
a) TANGEDCO demands, pending in appeal	1,386.44	1,356.46
b) Service Tax	75.08	75.08
c) Town Planning Authority	79.60	79.60
d) Employee Provident Fund	77.91	77.91
<b>B) Contingent Liabilities On Account Of Guarantees :-</b>		
a) Guarantees issued to bankers	18.74	18.74
b) Guarantees issued in favour of Supplier	112.46	-
<b>II. Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for :		
a. Tangible Assets	1,125.73	3,455.67
b. Others	-	-

40 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of the period		
- Principal amount due to micro and small enterprise	1,154.97	906.70
- Interest due on above		
ii) Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
iv) Interest accrued and remaining unpaid at the end of the period	-	-
v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**41 Employee benefit plans**

**A. Defined contribution plans - provident fund and employee state insurance**

The Group makes Provident Fund and Employee state insurance scheme contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised the following contributions in the Statement of profit and loss

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund	824.06	669.04
Employee state insurance	134.30	126.20

**B. Defined benefit plan - gratuity**

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee’s last drawn eligible salary and the years of employment with the Group. The Group provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of ‘Contribution to provident and other funds in Note 31 Employee benefits expense. Under this plan, the settlement obligation remains with the Group.

**Description of Risk Exposures**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

- a) **Interest Rate Risk:** The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- b) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
- c) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan’s liability.
- d) **Demographic Risk:** The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- e) **Liquidity Risk:** This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by Mr. N.Srinivasan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.



Notes to the consolidated financial statements for the year ended March 31, 2023

The following table sets out the funded status of the gratuity scheme:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Components of employer expense</b>		
Current service cost	170.56	186.97
Past service cost	-	-
Interest cost	67.22	48.16
Expected return on plan assets	(48.42)	(44.90)
<b>Recognised in statement of profit and loss</b>	<b>189.36</b>	<b>190.23</b>
Re-measurement - actuarial (gain)/loss recognised in OCI	(122.97)	47.12
<b>Total expense recognised in the Statement of total comprehensive income</b>	<b>66.39</b>	<b>237.35</b>
<b>Other Comprehensive Income (OCI)</b>		
Actuarial (gain)/loss due to DBO experience	(6.39)	144.27
Actuarial (gain)/loss due to DBO assumption changes	(47.03)	(103.89)
<b>Actuarial (gain)/loss arising during period</b>	<b>(53.42)</b>	<b>40.38</b>
Actual return on plan assets (greater)/less interest on plan assets	(69.55)	6.74
<b>Actuarial (gains)/losses recognized in OCI</b>	<b>(122.97)</b>	<b>47.12</b>
<b>Defined benefit cost</b>		
Service cost	170.56	186.97
Net interest on net defined benefit liability / (asset)	18.80	3.26
Actuarial (gains)/losses recognized in OCI	(122.97)	47.12
<b>Defined benefit cost</b>	<b>66.39</b>	<b>237.35</b>
<b>Change in defined benefit obligation (DBO) during the year</b>		
Present value of DBO at beginning of the year	964.44	773.14
Current service cost	165.14	186.97
Interest cost	67.22	48.16
Actuarial (gains)/losses	(53.42)	40.38
Benefits paid	(89.98)	(84.21)
<b>Present value of DBO at the end of the year</b>	<b>1,053.39</b>	<b>964.44</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	89.98	84.21
Actual contributions	86.93	13.05
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	616.80	617.20
Expected return on plan assets	48.42	44.90
Actual Group contributions	86.93	13.05
Actuarial gain / (loss)	69.55	(6.74)
Benefits paid	(37.90)	(51.61)
<b>Plan assets at the end of the year</b>	<b>783.80</b>	<b>616.80</b>
Actual return on plan assets	117.97	38.16



**Notes to the consolidated financial statements for the year ended March 31, 2023**

The following table sets out the funded status of the gratuity scheme (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current and Non-Current Asset / Liability portion</b>		
Current Asset	99.24	10.19
Current Liability	(54.85)	(53.72)
Non Current Asset / (Liability)	-313.99	(304.10)
<b>Net Asset / (Liability)</b>	<b>(269.60)</b>	<b>(347.63)</b>
<b>Net asset / (liability) recognised in the Balance Sheet:</b>		
Present value of defined benefit obligation	1,053.39	964.44
Fair value of plan assets	783.80	616.80
<b>Funded status (Surplus / (Deficit))</b>	<b>(269.60)</b>	<b>(347.63)</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(269.60)</b>	<b>(347.63)</b>
<b>Composition of the plan assets is as follows:</b>		
Government securities	-	-
Debentures and bonds	-	-
Fixed deposits	-	-
Insurer managed funds*	100%	100%
<b>Total</b>	<b>783.80</b>	<b>616.80</b>

\*Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Actuarial assumptions</b>		
Discount rate	7.51%	7.51%
Expected return on plan assets	6.80%	6.80%
Retirement age	58	58
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	5% to 30%	5% to 30%
Salary escalation	5% to 8%	5% to 10%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.



Notes to the consolidated financial statements for the year ended March 31, 2023

**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:

(Rs. in Lakhs)

Gratuity Plan	As at March 31, 2023	As at March 31, 2022
Estimate value of obligation if discount rate is taken 1% higher	983.82	893.20
Estimate value of obligation if discount rate is taken 1% lower	1,133.61	1,035.20
Estimate value of obligation if salary growth rate is taken 1% higher	1,130.45	1,031.64
Estimate value of obligation if salary growth rate is taken 1% lower	985.59	895.21
Estimate value of obligation if attrition rate is taken 1% higher	1,056.46	612.30
Estimate value of obligation if attrition rate is taken 1% lower	1,049.39	599.86

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

**Maturity profile of defined benefit obligation:**

(Rs. in Lakhs)

Maturity profile, if it ensues	As at March 31, 2023	As at March 31, 2022
1 Year	122.48	94.74
2 Year	77.56	80.75
3 Year	81.71	68.55
4 Year	63.13	55.72
5 Year	61.06	105.02
6-10 years	307.36	249.43
Above 10 Years	1,173.23	1,115.88

**Asset Liability Matching Strategies**

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity liability occurring during the year (subject to sufficiency of funds under the policy). 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 rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Experience Adjustments:**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
1. Defined Benefit Obligation	1,053.39	964.44	773.14	774.56	724.14
2. Fair value of plan assets	783.80	616.80	617.21	624.61	477.96
3. Surplus/(Deficit)	(269.60)	(347.64)	(155.93)	(149.95)	(246.18)
4. Experience adjustment on plan liabilities ((Gain)/Loss)	(6.39)	144.27	107.45	173.52	143.53
5. Experience adjustment on plan assets (Gain)/(Loss)	69.55	(6.74)	(2.48)	1.49	18.84

**42 Segment Reporting**

a) Primary business segment information

The Company's operations relate to only one business segment, viz., Textiles. Accordingly, this is the only reportable business segment.

b) Secondary geographic segment information

(Rs. in Lakhs)

Geographic Segment		Revenue
Outside India	March 31, 2023	37,094.55
	March 31, 2022	55,803.36
India	March 31, 2023	102,762.54
	March 31, 2022	100,220.59
Unallocated	March 31, 2023	-
	March 31, 2022	-
<b>Total</b>	<b>March 31, 2023</b>	<b>1,39,857.09</b>
	<b>March 31, 2022</b>	<b>1,56,023.95</b>

All non-current assets of the Group are located in India.

c) Transactions with single external customer which amounts to 10% or more of the Subsidiary Company's revenue.





Notes to the consolidated financial statements for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	Revenue	Percentage to Total Revenue of the Subsidiary Company
American Eagle Outfitters Canada Corporation, United States of America		
March 31, 2023	12,991.19	39.86%
March 31, 2022	8,243.58	27.42%
Jockey International Inc., United States of America		
March 31, 2023	11,890.62	36.48%
March 31, 2022	10,681.83	35.53%
Aditya Birla Fashion & Retails Private Limited, India		
March 31, 2023	4,043.38	12.41%
March 31, 2022	6,039.62	20.09%

43 Related party transactions

Details of related parties:

Description of relationship	Name of related parties
Holding company	Murugan Enterprise Private Limited
Enterprises in which the Key management Personnel or relatives have significant influence	Anamallais Automobiles Private Limited Anamallais Agencies Private Limited Anamallais Motors Private Limited Shiva Automobiles Private Limited Vedanayagam Oil Company Sakthi Murugan Transports Private Limited Jahnvi Motor Private Limited Coimbatore Anamallais Agencies Private Limited Bannari Amman Flour Mill Private Limited Bannari Amman Retails Private Limited
Enterprises which have significant influence in the Group	Jacob Industries LLC, United States of America Intimark Holdings SDER LDE CV, Mexico
Key Management Personnel (KMP)	Sri S V Arumugam, Managing Director Smt. Arumugam Gayatri, Joint Managing Director Sri. T V Guru Krishnan, Chief Financial Officer Sri N Krishnaraj, Company Secretary



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Details of related parties: (Contd...)**

Description of relationship	Name of related parties
Relative of KMP	Sri S Seshadri, Chief Financial Officer Sri K N V Ramani, Director (upto 30/03/2023) Sri. R Shanmugavelayutham, Wholetime Director (upto 01.09.2022) Dr K R Thillainathan, Director Sri S Palaniswami, Director Sri K Sadhasivam, Director Smt S Sihamani, Director Laura Beth Trust, Wholetime Director  Smt A Umadevi Sri A Senthil



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Details of transactions during the year and balance outstanding as at the balance sheet date:**

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2023	As at March 31, 2022
<b>Transactions during the year:</b>			
Rental Advance	Sakthi Murugan Transports Private Limited	0.30	-
Vehicle maintenance paid	Shiva Automobiles Private Limited	6.24	6.38
	Jahnvi Motor Private Limited	2.79	15.44
	Coimbatore Anamallais Agencies Private Limited	1.10	-
Purchase of vehicle	Coimbatore Anamallais Agencies Private Limited	27.36	30.46
	Bannari Amman Flour Mill Private Limited	-	0.75
Purchase of PPE	Bannari Amman Retails Private Limited	-	15.54
Purchase of fuel	Vedanayagam Oil Company	4.56	1.98
Rent paid	Anamallais Automobiles Private Limited	25.22	12.06
	Sakthi Murugan Transports Private Limited	5.87	3.96
	Smt A Umadevi	12.00	12.00
Inter corporate deposits received	Murugan Enterprise Private Limited	-	1,700.00
	Sakthi Murugan Transports Private Limited	-	300.00
Inter corporate deposits repaid	Murugan Enterprise Private Limited	-	3,900.00
	Sakthi Murugan Transports Private Limited	300.00	-
Interest paid	Murugan Enterprise Private Limited	170.00	331.58
	Sakthi Murugan Transports Private Limited	22.59	22.60
Remuneration of KMP	Sri S V Arumugam, Managing Director	60.00	60.00
	Sri N Krishnaraj, Company Secretary	27.84	28.57
	Sri S Seshadri, Chief Financial Officer	22.29	23.11
	Smt. Gayatri Arumugam	31.50	-
	Sri. T V Guru Krishnan	45.02	44.03
Commission to KMP	Sri S V Arumugam, Managing Director	-	601.61
Sitting fees to KMP	Sri K N V Ramani, Director	0.90	1.50
	Dr K R Thillainathan, Director	0.60	0.90
	Sri S Palaniswami, Director	1.20	1.70
	Sri K Sadhasivam, Director	1.65	2.35
	Smt S Sihamani, Director	0.40	1.00
	Sri. R Shanmugavelayutham	0.30	0.45
Electricity charges	Sakthi Murugan Transports Private Limited	0.64	-
Fuel Expenses	Sakthi Murugan Transports Private Limited	0.03	-
Advance Received	Bannari Amman Retails Private Limited	3.00	-

**Notes to the consolidated financial statements for the year ended March 31, 2023**

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2023	As at March 31, 2022
<b>Balances outstanding as at year end :</b>			
Receivables	Bannari Amman Retails Private Limited	72.16	69.09
	Anamallais Automobiles Private Limited	1.33	0.27
	Anamallais Agencies Private Limited	0.02	0.02
	Anamallais Motors Private Limited	0.21	0.21
	Bannari Amman Flour Mill Private Limited	0.02	0.02
(Payables)	Vedanayagam Oil Company	(0.33)	(0.33)
	Sakthi Murugan Transports Private Limited	(0.61)	(300.13)
	Shiva Automobiles Private Limited	(0.16)	(0.24)
	Anamallais Automobiles Private Limited	-	(0.78)
	Murugan Enterprise Private Limited	(1,712.99)	(1,700.00)
	Coimbatore Anamallais Agencies Private Limited	-	(0.03)
	Smt A Umadevi	(0.90)	-
	Sri S V Arumugam, Managing Director	-	(601.61)

- Note:** i) Related party relationship is as identified by the Group on the basis of information available with the Group and relied upon by the Auditors.
- ii) No amount is/has been written off or written back during the year in respect of debts due from or to related party.
- iii) The above transactions are compiled from the date these parties became related which are accounted in the natural head of accounts.



Notes to the consolidated financial statements for the year ended March 31, 2023

44 Earnings per equity share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) attributable to equity shareholders (Rs. In Lakhs)	(2,959.50)	5,243.89
Number of Equity Shares at the beginning of the year (Nos.)	64,841,871	31,508,538
Number of Equity Shares at the end of the year (Nos.)	64,841,871	64,841,871
Weighted Average number of Equity Shares outstanding during the year (Nos.)	64,841,871	47,398,949
Par value per equity share (Rs.)	5.00	5.00
Earning/(loss) per share - Basic & Diluted (Rs.)	(3.49)	11.85

45 Income tax recognised :

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Statement of Profit and Loss	Other comprehensive income	Statement of Profit and Loss	Other comprehensive income
<b>Current tax :</b>				
In respect of current year	395.20	-	1,730.69	-
<b>Deferred tax :</b>				
In respect of current year	(1,474.58)	(41.00)	1,222.41	20.35
<b>Income tax expense</b>	<b>(1,079.38)</b>	<b>(41.00)</b>	<b>2,953.10</b>	<b>20.35</b>

Movement in deferred tax balances :

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Others	Closing Balance
<b>For the year ended March 31, 2023</b>					
<b>a) Holding Company</b>					
<b>Tax effect of items constituting deferred tax (asset)</b>					
Provision for doubtful trade receivables	(417.54)	(19.72)	-	-	(437.26)
Provision for compensated absences & gratuity and fair value of gain/(loss) on equity instruments	(74.76)	25.79	35.94	-	(13.03)
Brought forward & current year losses	-	(1,916.91)	-	-	(1,916.91)
Minimum alternate tax (net)	(4,936.75)	-	-	-	(4,936.75)
Others	40.82	(8.93)	-	-	31.89
Tax effect of items constituting deferred tax (asset)	(5,388.23)	(1,919.78)	35.94	-	(7,272.08)



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Movement in deferred tax balances : (Contd...)**

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Others	Closing Balance
<b>Tax effect of items constituting deferred tax liability</b>					
On difference between book balance and tax balance of fixed assets	9,308.16	353.33	-	-	9,661.49
Deferred tax on gain on acquisition of control	223.47	-	-	-	223.47
Tax effect of items constituting deferred tax liability	9,531.63	353.33	-	-	9,884.96
<b>Net Deferred tax (asset)/liability</b>	<b>4,143.40</b>	<b>(1,566.45)</b>	<b>35.94</b>	<b>-</b>	<b>2,612.89</b>
<b>b) Subsidiary companies</b>					
<b>Tax effect of items constituting deferred tax (asset)</b>					
Unabsorbed depreciation	(16.56)	16.56			-
Brought forward business loss	-				-
On account of difference in treatment of expenditure	(59.58)	46.96			(12.62)
Others	(91.67)	50.14			(41.53)
MAT credit entitlement	-				-
<b>Tax effect of items constituting deferred tax (asset)</b>	<b>(167.81)</b>	<b>113.66</b>	<b>-</b>	<b>-</b>	<b>(54.15)</b>
<b>Tax effect of items constituting deferred tax liability</b>					
On difference between book balance and tax balance of fixed assets	760.68	(21.79)			738.89
Remeasurement of defined benefit plans	-	-	5.07		5.07
<b>Tax effect of items constituting deferred tax liability</b>	<b>760.68</b>	<b>(21.79)</b>	<b>5.07</b>	<b>-</b>	<b>743.96</b>
<b>Net Deferred tax (asset)/liability</b>	<b>592.87</b>	<b>91.87</b>	<b>5.07</b>	<b>-</b>	<b>689.81</b>
<b>For the year ended March 31, 2022</b>					
<b>a) Holding Company</b>					
<b>Tax effect of items constituting deferred tax (asset)</b>					
Provision for doubtful trade receivables	(254.14)	(163.40)	-	-	(417.54)
Provision for compensated absences and gratuity and fair value of gain/ (loss) on equity instruments	(11.51)	(42.90)	(20.35)	-	(74.76)



Notes to the consolidated financial statements for the year ended March 31, 2023

Movement in deferred tax balances : (Contd...)

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Others	Closing Balance
Brought forward & current year losses	(286.85)	286.85	-	-	-
Minimum alternate tax (net)	(5,338.87)	-	-	402.12	(4,936.75)
Others	(81.77)	122.59	-	-	40.82
<b>Tax effect of items constituting deferred tax (asset)</b>	<b>(5,973.14)</b>	<b>203.14</b>	<b>(20.35)</b>	<b>402.12</b>	<b>(5,388.23)</b>
<b>Tax effect of items constituting deferred tax liability</b>					
On difference between book base and tax base of property, plant and equipment	8,503.66	804.50	-	-	9,308.16
Deferred tax on gain on acquisition of control	223.47				223.47
<b>Tax effect of items constituting deferred tax liability</b>	<b>8,727.13</b>	<b>804.50</b>	<b>-</b>	<b>-</b>	<b>9,531.63</b>
<b>Net Deferred tax (asset)/liability</b>	<b>2,753.99</b>	<b>1,007.64</b>	<b>(20.35)</b>	<b>402.12</b>	<b>4,143.40</b>
<b>b) Subsidiary companies</b>					
<b>Tax effect of items constituting deferred tax (asset)</b>					
Unabsorbed depreciation	(303.85)	287.29	-	-	(16.56)
Brought forward business loss	-	-	-	-	-
On account of difference in treatment of expenditure	(177.63)	118.09	-	-	(59.54)
Others	(20.86)	(70.81)	-	-	(91.67)
MAT credit entitlement	(0.07)	-	-	0.06	(0.01)
<b>Tax effect of items constituting deferred tax (asset)</b>	<b>(502.41)</b>	<b>334.57</b>	<b>-</b>	<b>0.06</b>	<b>(167.78)</b>
<b>Tax effect of items constituting deferred tax liability</b>					
On difference between book base and tax base of property, plant and equipment	880.44	(119.80)	-	-	760.64
<b>Tax effect of items constituting deferred tax liability</b>	<b>880.44</b>	<b>(119.80)</b>	<b>-</b>	<b>-</b>	<b>760.64</b>
<b>Net Deferred tax (asset)/liability</b>	<b>378.03</b>	<b>214.77</b>	<b>-</b>	<b>0.06</b>	<b>592.86</b>



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) before tax	(3,344.21)	8,573.10
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	(1,168.47)	2,995.44
On account of enacted tax rates	55.03	851.34
On account of permanent differences	276.94	(384.21)
On account of deferred tax income on origination of temporary differences	(111.68)	-
On account of previously unrecognised tax loss	(27.11)	-
Others	(104.08)	(509.47)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(1,079.38)</b>	<b>2,953.10</b>

**46** Borrowing cost capitalised under property, plant and equipment 198.24 Nil

**47 Leases**

The Company has entered into leasing arrangements in respect of lease hold land and residential/office premise. The leasing arrangements, which are generally cancellable, have lease periods ranging between 11 and 60 months in case of premises and between 30 to 90 years in case of land. They are generally renewable by mutual consent on mutually agreeable terms. The operating leases are cancellable by lessor/lessee with notice period up to three months.

**Movement in right-of-use assets and lease liabilities during the year:**

**Right-of-use assets - Building**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	147.36	111.92
Additions	137.59	186.97
Depreciation	(69.49)	(92.88)
Deletions	(80.54)	(58.65)
<b>Closing balance</b>	<b>134.92</b>	<b>147.36</b>

**Right-of-use assets - Land**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	659.83	663.07
Additions	-	-
Depreciation	(3.24)	(3.24)
Deletions	-	-
<b>Closing balance</b>	<b>656.59</b>	<b>659.83</b>





Notes to the consolidated financial statements for the year ended March 31, 2023

Lease Liabilities

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Building	Building
Opening balance	152.73	128.12
Additions	137.59	186.97
Deletions	(86.31)	(67.85)
Interest	15.07	15.27
Lease payments	(79.62)	(109.78)
<b>Closing balance</b>	<b>139.47</b>	<b>152.73</b>
Current	46.60	61.88
Non-current	92.87	90.85

Maturity analysis of OLL

The details of the maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
1 year	88.08	51.31
1 to 5 years	67.18	28.58
More than 5 years	-	-

Lease rent expense on short-term and low value lease debited to Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Lease rent	128.65	100.24

48 Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 are as follows:

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	30.76	51.01	-	-
Trade receivable	20,042.82	18,907.70	-	-
Cash and cash equivalents	999.34	1,865.52	-	-
Bank balances	192.54	98.78	-	-
Other financial assets	1,733.06	1,587.41	-	-
Investment in equity instruments in subsidiaries	-	-	-	-



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**Financial Instruments (Contd...)**

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>FVTOCI</b>				
Investment in equity instruments	6.85	6.81	6.85	6.81
<b>FVTPL</b>				
Investment in government securities	0.03	0.03	0.03	0.03
Investment in equity and preference instruments (unquoted)	678.38	227.70	678.38	227.70
<b>Total assets</b>	<b>23,683.79</b>	<b>22,744.96</b>	<b>685.26</b>	<b>234.54</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	61,952.43	51,874.31	-	-
Lease liabilities	139.47	152.73	-	-
Trade payables	11,420.66	14,641.48	-	-
Other financial liabilities	1,231.32	536.39	-	-
<b>Total liabilities</b>	<b>74,743.87</b>	<b>67,204.91</b>	-	-

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- i) Long-term fixed-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- ii) Fair values of the Group’s interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.
- iii) The fair values of the unquoted equity shares have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management’s estimate of fair value for these unquoted equity investments.

**49 Fair value hierarchy**

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



## Notes to the consolidated financial statements for the year ended March 31, 2023

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

(Rs. in Lakhs)

Particulars	Total	Fair value measurement using		
		Level - 1	Level - 2	Level - 3
<b>Financial assets measured at fair value:</b>				
<b>FVTOCI financial assets designated at fair value: Date of valuation March 31, 2023</b>				
Investment in equity instruments (quoted)				
As at March 31, 2023	6.85	6.85	-	-
As at March 31, 2022	6.81	6.81	-	-
Derivative financial instruments				
As at March 31, 2023	-	-	-	-
As at March 31, 2022	-	-	-	-
<b>FVTPL financial assets designated at fair value: Date of valuation March 31, 2023</b>				
Investment in government securities				
As at March 31, 2023	0.03	-	-	0.03
As at March 31, 2022	0.03	-	-	0.03
Investment in equity and preference instruments (unquoted)				
As at March 31, 2023	678.38	-	-	678.38
As at March 31, 2022	227.70	-	-	227.70

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

### 50 Financial risk management

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses foreign currency borrowings to mitigate foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### 1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### 2) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

**Notes to the consolidated financial statements for the year ended March 31, 2023**

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Building	Building
Revenue from top customer	17,471.69	10,681.83
Revenue from top 5 customers	47,628.40	31,111.04

**3) Investments**

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

**4) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk through credit limits with banks.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Group is given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	999.34	1,865.52
Bank balances	192.54	98.78
<b>Total</b>	<b>1,191.89</b>	<b>1,964.30</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 and March 31, 2022

(Rs. in Lakhs)

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2023	31,222.66	4,937.65	25,792.12
	March 31, 2022	26,473.36	9,296.46	16,104.49
Trade payables	March 31, 2023	11,420.66	-	-
	March 31, 2022	14,641.48	-	-
Lease liabilities	March 31, 2023	46.60	80.33	12.54
	March 31, 2022	61.88	90.85	-
Other financial liabilities	March 31, 2023	1,231.32	-	-
	March 31, 2022	536.39	-	-



Notes to the consolidated financial statements for the year ended March 31, 2023

5) Foreign currency risk

The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars, British pound sterling and Euros) and foreign currency borrowings (primarily in U.S. dollars, British pound sterling and Euros). A significant portion of the Group's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the management of the Group believes that the borrowings in foreign currency and its assets in foreign currency shall mitigate the foreign currency risk mutually to some extent.

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2023 and March 31, 2022 : (Rs. in Lakhs)

Particulars	As at	US\$	Euro	Pound/Sterling	Total
<b>Assets</b>					
Trade receivables*	March 31, 2023	2,561.31	1,857.01	44.98	4,463.30
	March 31, 2022	6,538.05	754.67	34.18	7,326.90
Cash and cash equivalents	March 31, 2023	3.39	0.02	0.03	3.44
	March 31, 2022	0.02	0.02	0.03	0.07
<b>Liabilities</b>					
Trade payable	March 31, 2023	86.09	-	-	86.09
	March 31, 2022	418.70	-	-	418.70
Borrowings	March 31, 2023	1,444.18	-	-	1,444.18
	March 31, 2022	7,991.93	-	-	7,991.93
<b>Net assets/(liabilities)</b>	<b>March 31, 2023</b>	<b>1,034.43</b>	<b>1,857.03</b>	<b>45.01</b>	<b>2,936.46</b>
	<b>March 31, 2022</b>	<b>(1,872.56)</b>	<b>754.69</b>	<b>34.21</b>	<b>(1,083.66)</b>

\* Trade receivables excluding allowance for doubtful trade receivables.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in INR against all foreign currencies dealt by the Group. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Impact on profit or (loss) for the year on account of rupee appreciation by 5%	110.19	59.12



**Notes to the consolidated financial statements for the year ended March 31, 2023**

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit / (loss) as mentioned in the above table.

**6) 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 and investments.

**Interest rate sensitivity analysis**

If interest rates had been 1% higher and all other variables were held constant, the Group’s profit / (loss) for the year ended would have impacted in the following manner :

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Increase / (decrease) in the profit / (loss) for the year	(665.21)	(554.73)

If interest rates were 1% lower, the Group’s profit would have increased by the equivalent amount as shown in the above table.

**7) Capital management**

The Group’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital. The Group’s objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Total equity attributable to the equity share holders of the company</b>	<b>42,084.12</b>	<b>45,246.42</b>
As percentage of total capital	40%	47%
Current borrowings	31,222.66	26,473.36
Non-current borrowings	30,729.77	25,400.95
<b>Total borrowings</b>	<b>61,952.43</b>	<b>51,874.31</b>
<b>As a percentage of total capital</b>	<b>60%</b>	<b>53%</b>
<b>Total capital (borrowings and equity)</b>	<b>104,036.54</b>	<b>97,120.73</b>

**51 Valuation of Inventories :**

The inventory of Finished Goods and Work in process is valued at the lower of cost and net realizable value, and cost include weighted average of cost of inputs, conversion costs and appropriate share of overheads incurred in bringing Finished Goods and Work-in-process, to their present location and condition. This inventory comprises of diversified range and quality of yarn and cloth / fabrics, and its valuation depends on the quality of the item as per the specification received from the customers, and its stage of manufacturing, quality and date of purchase of the raw material and other inputs, and efficiency of the manufacturing facility. The Holding Company is running a composite textile mill and fairly estimating the valuation of such stock is highly complex process which involves significant level of subjectivity, judgment and estimation.



Notes to the consolidated financial statements for the year ended March 31, 2023

52 Financial ratios

Sl. No.	Particulars	Numerator	Denominator	31.03.2023	31.03.2022	Variance	Reason for variance
1	Current ratio (in times)	Current assets	Current liabilities	1.32	1.34	-2%	The variance is due to increase in debt and loss incurred during the year
2	Debt-Equity Ratio (in times)	Total Debt (Long Term Borrowings + Short Term Borrowings + Interest Payable thereon)	Shareholder's Equity	1.33	1.06	26%	The variance is due to loss incurred during the year
3	Debt Service Coverage Ratio (in times)	Earnings available for Debt Services (Net profit after tax + Depreciation + Interest + other non cash adjustments)	Debt Service (Interest & Lease payments + principal repayments)	0.77	2.12	-64%	The variance is due to the net loss incurred during the year
4	Return on Equity Ratio (In %)	Net profit after tax	Average shareholder's equity	(4.72)	13.55	-135%	The variance is due to the net loss incurred during the year
5	Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventories	3.16	3.67	-14%	-
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	7.18	9.48	-24%	-
7	Trade payables turnover ratio (in times)	Total Purchases	Average Trade Payables	8.19	7.90	4%	-
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital	9.43	10.57	-11%	-
9	Net profit ratio (in %)	Net Profit After Taxes	Revenue from operations	(1.62)	3.60	-145%	The variance is due to loss incurred during the year
10	Return on Capital employed (in %)	Earnings Before Interest and Taxes (EBIT)	Capital Employed	2.15	13.14	-84%	The variance is due to loss incurred during the year
11	Return on investment (in %)	Earnings Before Interest, Depreciation and Taxes (EBIDT)	Investment (Total Assets)	4.59	13.98	-67%	The variance is due to loss incurred during the year



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**53 Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated Ind AS financial statements to Schedule III to the Companies Act, 2013**

**March 31, 2023**

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit or loss	Amount in Lakhs	As % of consolidated other comprehensive income	Amount in Lakhs	As % of consolidated total comprehensive income	Amount in Lakhs
<b>Holding Company</b>								
Bannari Amman Spinning Mills Limited (including consolidation adjustments)	81%	37,715.23	154%	(3,481.91)	82%	66.95	156%	(3,414.97)
<b>Indian -Subsidiaries</b>								
Young Brand Apparel Private Limited	20%	9,554.25	-63%	1,427.31	18%	15.06	-66%	1,442.37
Bannari Amman Infinite Trendz Private Limited (Formerly Bannari Amman Trendz Private Limited)	-1%	(535.49)	9%	(210.22)	0%	-	10%	(210.22)
<b>Total</b>	<b>100%</b>	<b>46,733.99</b>	<b>100%</b>	<b>(2,264.83)</b>	<b>100%</b>	<b>82.02</b>	<b>100%</b>	<b>(2,182.82)</b>





Notes to the consolidated financial statements for the year ended March 31, 2023

54 Additional Regulatory Information :

i) **Title Deeds of Immovable Properties not held in the name of the Group**

The title deeds of all the immovable properties are held in the name of the Group.

ii) **Revaluation of Property, Plant and Equipment**

The Group has not revalued its Property, Plant and Equipment during the year

iii) **Loans and advances granted to Promoters, Directors, KMPs and related parties**

The following disclosures are made in respect of loans and advances in the nature of loans granted to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are:

Type of Borrower	31.03.2023		31.03.2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
a) <b>Repayable on demand</b>				
Related Parties	-	0%	-	0%

iv) **Details of Benami Property**

The Group does not hold any benami property. Hence, no proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

v) **Reconciliation of Statement of Current Assets filed by the Group with banks for Working Capital facilities availed by the Group:**

During the period under consideration, the Holding Company and Young Brand Apparel Private Limited have borrowings from banks on the basis of security of Current Assets and the Quarterly Statements of Current Assets filed by the Holding Company and Young Brand Apparel Private Limited with the banks are in agreement with the books of accounts for all the quarters of the year.



**Notes to the consolidated financial statements for the year ended March 31, 2023**

**vi) Wilful Defaulter**

The Group is not declared as a wilful defaulter by any bank or financial Institution or other lender.

**vii) Undisclosed income**

The Group has no such 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).

**viii) Relationship with Struck off Companies**

The Group did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023.

**ix) Registration of Charges or Satisfaction with Registrar of Companies**

The Group does not have any charges or satisfactions yet to be registered with Registrar of Companies beyond the statutory period.

**x) Layers of companies**

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**xi) Approved scheme(s) of arrangements**

During the year, there is no approved scheme of arrangements.

**xii) Utilisation of Borrowed Funds and Share Premium**

A) The Group has not advanced or loaned to or invested (either from borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

B) The Group has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Notes to the consolidated financial statements for the year ended March 31, 2023

55. Reconciliation of change in liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	As at April 01, 2022	Proceeds	Repayment	Others	As at March 31, 2023
Non-current borrowings (including current maturities)	27,067.10	8,273.19	(1,497.21)		33,843.08
Current borrowings	24,807.21	3,302.14		-	28,109.35
Lease liabilities	152.73	137.59	(165.93)	15.07	139.47
<b>Total</b>	<b>52,027.04</b>	<b>11,712.92</b>	<b>(1,663.14)</b>	<b>15.07</b>	<b>62,091.89</b>

Particulars	As at April 01, 2021	Proceeds	Repayment	Others	As at March 31, 2022
Non-current borrowings (including current maturities)	24,522.36	6,467.79	(3,923.05)		27,067.10
Current borrowings	33,734.06		(8,926.85)	-	24,807.21
Lease liabilities	128.12	186.97	(177.63)	15.27	152.73
<b>Total</b>	<b>58,384.54</b>	<b>6,654.76</b>	<b>(13,027.53)</b>	<b>15.27</b>	<b>52,027.04</b>

56 Prior year comparatives

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

For and on behalf of the board

**S.V. ARUMUGAM**  
Chairman & Managing Director  
DIN 00002458

**K. SADASHIVAM**  
Director  
DIN 00610037

**N. KRISHNARAJ**  
Company Secretary  
ACS No. 20472

**S. SESHADRI**  
Chief Financial Officer

Coimbatore  
30.05.2023



**Financial Performance - Yearwise**

(₹ In lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover *	Profit Before Depreciation	Depre-ciation	Profit Before Tax	Dividend on Equity Shares (%)
1994-1995	350.05	0.32	8.60	1.21	0.90	0.32	-
1995-1996 (18 months)	350.05	42.16	3171.12	185.77	143.93	41.84	-
1996-1997	350.05	104.84	4936.08	769.28	668.09	101.19	10
1997-1998	350.05	181.02	5270.53	494.61	379.92	114.69	10
1998-1999	350.05	592.27	6137.82	792.70	342.60	450.10	10
2000-2001 (18 months)	350.05	1464.27	9942.63	1702.90	537.03	1165.87	15
2001-2002	350.05	1736.63	6365.46	736.57	333.64	402.93	10
2002-2003	350.05	2085.64	6361.65	1183.80	340.02	843.78	10
2003-2004	350.05	2685.39	7533.23	1206.95	322.97	883.99	20
2004-2005	875.13	3601.48	7487.43	1789.41	321.42	1467.99	20
2005-2006	1575.43	13569.54	8670.07	2044.41	470.86	1573.55	20
2006-2007	1575.43	14903.05	11033.07	2563.34	848.69	1714.65	20
2007-2008	1575.43	14657.28	20933.17	3122.39	1493.26	1629.12	20
2008-2009	1575.43	14454.79	29095.40	3139.29	2180.84	958.44	10
2009-2010	1575.43	15683.92	35427.40	4799.92	2565.30	2234.62	15
2010-2011	1575.43	19196.90	58645.01	12108.40	5389.09	6719.31	20
2011-2012	1575.43	17559.28	43660.96	326.46	3722.63	-3396.16	-
2012-2013	1575.43	19922.46	54928.79	7648.08	3575.65	4072.42	20
2013-2014	1575.43	22710.63	71654.61	8105.12	3500.16	4604.96	20
2014-2015	1575.43	23764.29	68539.95	4580.63	2666.24	1914.38	15
2015-2016	1575.43	25315.94	77568.04	5653.94	2880.73	2772.21	16
2016-2017	1575.43	27318.00	86703.47	4402.52	2957.47	1445.05	18
2017-2018	1575.43	27713.08	93164.67	3586.83	2823.26	763.57	16
2018-2019	1575.43	29334.00	101642.61	4912.48	3005.32	1907.16	16
2019-2020	1575.43	29096.74	93506.78	2854.65	2831.16	23.49	-
2020-2021	1575.43	28087.79	80466.72	1563.77	2809.11	(1245.34)	-
2021-2022	3242.09	41119.36	129832.89	10425.68	2817.61	7608.09	12
2022-2023	3242.09	37305.85	114749.94	(2128.58)	2920.84	(5049.42)	-

\* Turnover = Net Sales + Closing Stock - Opening Stock

\* Excludes interdivision transfers

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23

33<sup>rd</sup>  
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REPORT



## BANNARI AMMAN SPINNING MILLS LIMITED

### **BANNARI AMMAN SPINNING MILLS LIMITED**

**Registered Office:**

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