Please Scan this QR code to view the Draft Letter of Offer	*Draft Letter of Offer* *Dated December 21, 2024* *For Eligible Equity Shareholders only*

BANNARI AMMAN SPINNING MILLS LTD.

Bannari Amman Spinning Mills Limited ("**Company**" or "**Issuer**") was originally incorporated as '*Shiva Textiles (CBT) Limited'* on July 10, 1989, as a public limited Company under the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu, Madras and consequently a certificate of incorporation dated July 10, 1989, and a certificate of commencement of business dated September 14, 1989 was issued to our Company. The name of our Company was changed to '*Bannari Amman Spinning Mills Limited*', pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated September 30, 1991, and a fresh certificate of incorporation dated October 11, 1991, consequent to such name change was issued to our Company by the Registrar of Companies, Tamil Nadu, Coimbatore. There has not been any change in the registered office of our Company since incorporation.

Registered Office: 252, Mettupalayam Road, Coimbatore - 641 043, Tamil Nadu, India.
Telephone: +91 422 243 5555; **Facsimile:** N.A. **E-mail:** shares@bannarimills.com; **Website:** www.bannarimills.com.
Contact Person: Nachimuthugounder Krishnaraj, Company Secretary and Compliance Officer.
Corporate Identification Number: L17111TZ1989PLC002476

OUR PROMOTERS: SANGAMPALAYAM VEDANAYAGAM ARUMUGAM, MURUGAN ENTERPRISE PRIVATE LIMITED AND SAKTHI MURUGAN TRANSPORTS PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BANNARI AMMAN SPINNING MILLS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF UPTO [•] EQUITY SHARES OF FACE VALUE ₹ 5 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[•] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 5,000 LAKHS* ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [•] RIGHTS EQUITY SHARE(S) FOR EVERY [•] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [•] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [•] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE *136* OF THIS DRAFT LETTER OF OFFER.

Assuming full subscription

WILFUL DEFAULTERSOR FRAUDULENT BORROWERS

Neither our Company nor our Promoters or any of our directors have been categorized as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s)or Fraudulent Borrower(s)issued by the RBI.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the Section titled "***Risk Factors***" on page ***24*** of this Draft Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"), (together, the "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letters dated [●] and [●] respectively. Our Company will make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/MIRSD/POD-1/P.CIR/2023/70 dated May 17, 2023. For the purpose of this Issue, the Designated Stock Exchange is [●]

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SAFFRON energising ideas	LINK Intime
SAFFRON CAPITAL ADVISORS PRIVATE LIMITED 605, Center Point, 6th floor, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India. **Telephone:** +91 22 49730394 **Facsimile:** NA **E-mail:** rights.issue@saffronadvisor.com **Website:** www.saffronadvisor.com **Investor grievance:** investorgrievance@saffronadvisor.com **Contact Person:** Gaurav Khandelwal/Sachin Prajapati **SEBI Registration Number:** INM 000011211 **Validity of Registration:** Permanent	**LINK INTIME INDIA PRIVATE LIMITED** C – 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India **Telephone:** +91 81081 14949 **Facsimile**: NA **E-mail:** bannari.rights2024@linkintime.co.in **Website:** www.linkintime.co.in **Investor grievance:** bannari.rights2024@linkintime.co.in **Contact person:** Shanti Gopalakrishnan **SEBI Registration No:** INR000004058 **Validity of Registration:** Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[•]	[•]	[•]

**Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date.*

***Our Board or the Securities Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislation, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled "***Industry Overview***", "***Summary of Draft Letter of Offer***", "***Financial Information***", "***Outstanding Litigations and Material Developments***" and "***Issue Information***" on pages ***67, 21, 101, 119*** and ***136*** respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

Company Related Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer" or "BASML"	Bannari Amman Spinning Mills Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at 252, Mettupalayam Road, Coimbatore - 641 043, Tamil Nadu, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, it refers to our Company.
"Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company as at for the year ended March 31, 2024 and March 31, 2023 which comprises the consolidated balance sheet as at March 31, 2024 and March 31, 2023 the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
"Articles" / "Articles of Association" / "AoA"	Articles / Articles of Association of our Company, as amended from time to time.
"Audit Committee"	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India *(Listing Obligations and Disclosure Requirements)* Regulations, 2015, as amended *("SEBI Listing Regulations")* and Section 177 of the Companies Act, 2013. For details, see "*Our Management*" on page *92* of this Draft Letter of Offer.
"Auditor" / "Statutory Auditor"/ "Peer Review Auditor"	Statutory and peer review auditor of our Company, namely, P. N. Raghavendra Rao & Co., Chartered Accountants
"Board" / "Board of Directors"	Board of Directors of our Company or a duly constituted committee thereof.
"Chief Financial Officer / CFO"	Srinivasan Seshadri, the Chief Financial Officer of our Company.
"Company Secretary and Compliance Officer"	Nachimuthugounder Krishnaraj, the Company Secretary and the Compliance Officer of our Company.
"Corporate Promoter(s)"	Murugan Enterprise Private Limited and Sakthi Murugan Transports Private Limited

Term	Description
“Corporate Social Responsibility Committee/ CSR Committee”	The committee of the Board of Directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see ***“Our Management”*** on page ***92*** of this Draft Letter of Offer
“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified.
“Equity Shareholder”	A holder of Equity Shares
“Equity Shares”	Equity shares of our Company having face value of ₹ 5 each.
“Executive Directors”	Executive Directors of our Company.
“Group Companies”	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
“Holding Company”	Murugan Enterprise Private Limited is our Holding Company with effect from November 19, 2020.
“Independent Director(s)”	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
“Individual Promoter”	Sangampalayam Vedanayagam Arumugam is the Individual Promoter of our Company.
“Key Management Personnel” / “KMP”	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled **“Our Management – Our Senior Management and Key Managerial Personnel”** on page ***99*** of this Draft Letter of Offer.
“Materiality Threshold”	Materiality threshold adopted by our Company in relation to the disclosure of outstanding civil litigation, including tax litigation, involving our Company and/or our Subsidiary, where the amount involved is ₹ 900 Lakhs (being 1% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company)
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time.
“Nomination and Remuneration Committee”	The committee of the Board of directors re-constituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see ***“Our Management”*** on page ***92*** of this Draft Letter of Offer.
“Non-Executive and Independent Director”	Non-Executive and Independent Directors of our Company, unless otherwise specified.
“Non-executive Directors”	Non-executive Directors of our Company.
“Promoter Group”	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
“Promoter(s)”	Sangampalayam Vedanayagam Arumugam, Murugan Enterprise Private Limited and Sakthi Murugan Transports Private Limited are the Promoters of our Company.
“Registered Office”	The Registered Office of our Company located at 252, Mettupalayam Road, Coimbatore - 641 043, Tamil Nadu, India.

Term	Description
"Registrar of Companies"/ "RoC"	Registrar of Companies, Tamil Nadu, Coimbatore having its office at No. 07, AGT Business Park, Phase II, 1st Floor, Civil Aerodrome Post, Avinashi Road, Coimbatore – 641 014, Tamil Nadu, India.
"Senior Management"	Senior Management of our Company in terms of Regulation 2(1) (bbbb) of the SEBI ICDR 2018. For details, see "*Our Management*" on page ***92*** of this Draft Letter of Offer.
"Shareholders/ Equity Shareholders"	The Equity Shareholders of our Company, from time to time.
"Stakeholders' Relationship Committee"	The Committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI LODR 2015. For details, see "*Our Management*" on page ***92*** of this Draft Letter of Offer.
"Wholly Owned Subsidiary(ies)"	Bannari Infotech Private Limited *(formerly known as "Bannari Amman Infinite Trendz Private Limited")*

Issue Related Terms

Term	Description
Abridged Letter of Offer	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under the Issue in addition to the Rights Entitlement
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor.
Application	Application made through (i) submission of the Application Form or Plain Paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process
Application Form	Unless the context otherwise requires, an application form used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.

Term	Description
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an application authorizing a SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the Application Form or Plain Paper application, as the case may be, for blocking the amount mentioned in the Application Form or the Plain Paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated 3 January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue.
Banker to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue, and which is described in *"Terms of the Issue"* on page ***136***.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the LM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[•]
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.

Term	Description
Draft Letter of Offer/DLoF/DLOF	This Draft Letter of Offer dated December 21, 2024 filed with Stock Exchanges.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being ICICI Bank Limited.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "*Notice to Investors*" on page 14.
Fraudulent Borrower	Fraudulent Borrower as defined under Regulations 2(1) (lll) of the SEBI ICDR Regulations
Issue / Rights Issue	Issue of up to[•] Equity Shares having face value of ₹ 5 each of our Company for cash at a price of ₹[•] per Rights Equity Share (including a premium of ₹[•] per Rights Equity Share) aggregating up to ₹5,000 lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [•] Rights Equity Shares for every [•] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date. **Assuming full subscription*
Issue Agreement	Issue Agreement dated December 10, 2024 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[•]
Issue Opening Date	[•]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [•] per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to ₹ 5,000 lakhs.
Lead Manager	Saffron Capital Advisors Private Limited
Letter of Offer/LOF	The Letter of Offer dated [•] to be filed with the Stock Exchanges and SEBI.
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations.
Multiple Application Forms	More than one Application form submitted by an Eligible Shareholder/ Renouncee in respect of the same Rights Entitlements available in their demat account. However, additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see ***"Objects of the Issue"*** on page ***52*** of this Draft Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.

Term	Description
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The Renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Master Circulars, Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The Renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Master Circulars, Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [•]
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [•].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [•].
"Registrar to the Issue" / "Registrar"	Link Intime India Private Limited.
Registrar Agreement	Agreement dated December 18, 2024 entered among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [•] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000 in the Issue as defined under Regulation 2(1) (vv) of the SEBI ICDR Regulations.
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [•] Rights Equity Shares for [•] Equity Shares held on [•]. The Rights Entitlements with a separate ISIN: [•] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated

Term	Description
	May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021.
Self-Certified Syndicate Banks" or "SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI athttps://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchanges	Stock Exchange where the Equity Shares are presently listed, being BSE and NSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "*Working Day*" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
AEs	Advanced Economies
ATUFS	Amended Technology Upgradation Fund Scheme
DGFT	The Directorate General of Foreign Trade
DRDO	Defense Research and Development Organization
ECLGS	Emergency Credit Line Guarantee Scheme
EM	Emerging Markets
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
EU	European Union
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investors
FY	Fiscal Year
GDP	Gross Domestic Product
GSecs	Government Securities
GST	Goods and Services Tax
GVA	Gross Value Added

Term	Description
IMF	International Monetary Fund
IWDP	Integrated Wool Development Programme
MCLR	Marginal Cost of Funds-based Lending Rate
MEIS	Merchandise Exports from India Scheme
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MOU	Memorandum of Understanding
MSMEs	Micro, Small & Medium Enterprises
MT	Metric Tonnes
NPCI	National Payments Corporation of India
PMI	Purchasing Managers' Index
S&P	Standards & Poor
SITP	Scheme for Integrated textiles park
SOPs	Standard Operating Guidelines
TANGEDCO	Tamil Nadu Generation and Distribution Corporation Limited
UPI	Unified Payments Interface
US/USA	The United States of America
US$	United States Dollar or US Dollar
WEO	World Economic Outlook
YoY	Year on Year

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CFR	Court Fee Register
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax.
CITI	Confederation of Indian Textile Industry
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account.
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
CMP	Court Miscellaneous Petition
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
CRPC	Criminal Procedure Code
CSR	Corporate Social Responsibility.
Current Ratio	Current assets/ current liabilities.
Debt to Equity Ratio	Total debts/ total equity (equity share capital + other equity).
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996.
Discontinued Operation	A component of an entity that either has been disposed of or is classified as held for sale and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major

Term	Description
	line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale.
DIN	Director Identification Number.
DP ID	Depository Participant's Identification Number.
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly Department of Industrial Policy and Promotion).
EBIT	Earnings before interest and taxes.
EBITDA	Earnings before interest, taxes, depreciation and amortization excluding exceptional items of the Company.
EGM	Extraordinary General Meeting.
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
EPS	Earnings per share.
ESI Act	Employees' State Insurance Act, 1948.
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA.
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GAAP	Generally Accepted Accounting Principles in India.
GDP	Gross Domestic Product.
GoI / Government	The Government of India.
GST	Goods and Services Tax.
HUF(s)	Hindu Undivided Family(ies).
ICAI	Institute of Chartered Accountants of India.
ICSI	The Institute of Company Secretaries of India.
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
Income Tax Act / IT Act	Income Tax Act, 1961.
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended.
Indian GAAP	Generally Accepted Accounting Principles in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time.
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number.
IT	Information Technology.
MCA	The Ministry of Corporate Affairs, GoI.
Mn / mn	Million.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not Applicable.
NAV	Net Asset Value.

Term	Description
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
Non-GAAP Financial Measure	A financial measure not presented in accordance with generally accepted accounting principles.
NR	Non-resident or person(s) resident outside India, as defined under the FEMA.
NRE	Non- Residential External.
NRE Account	Non-resident external account.
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
NRO	Non-Resident Ordinary.
NRO Account	Non-resident ordinary account.
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
Other Equity	Securities Premium, General Reserves, Retained Earnings and Remeasurements of Defined Benefit Plans.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit After Tax.
Payment of Bonus Act	Payment of Bonus Act, 1965.
Payment of Gratuity Act	Payment of Gratuity Act, 1972.
RBI	The Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934.
Regulation S	Regulation S under the Securities Act.
SCRA	Securities Contract (Regulation) Act, 1956.
SCRR	The Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations.
SIMA	South Indian Mills Association
SIMA CDRA	SIMA Cotton Development and Research Association.
SIPCOT	State Industries Promotion Corporation of Tamil Nadu.
Securities Act	The United States Securities Act of 1933.
STC	Summary Trial Cases
STT	Securities Transaction Tax.
State Government	The Government of a state in India.
Trademarks Act	Trademarks Act, 1999, as amended.
TDS	Tax Deducted at Source.

Term	Description
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America.
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
VAT	Value Added Tax.
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be.
w.e.f.	With effect from.
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31.

NOTICE TO INVESTORS

The circulation/distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and the Issue of Right Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Letter of Offer, Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of the Right Shares on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Letter of Offer/Abridged Letter of Offer and CAFs to such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer/Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer/Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchanges for observations. Accordingly, the Right Shares may not be offered or sold, directly or indirectly, and the Letter of Offer/ Abridged Letter of Offer, and CAFs or any offering materials or advertisements in connection with this Issue may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, Abridged Letter of Offer, and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, Letter of Offer, Abridged Letter of Offer and CAFs must be treated as sent for information only and should not be acted upon for subscription to Right Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Letter of Offer, Abridged Letter of Offer and CAFs should not, in connection with the Issue of the Right Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Letter of Offer, Abridged Letter of Offer and CAFs is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Right Shares or the Rights Entitlements referred to in the Letter of Offer, Abridged Letter of Offer and CAFs. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Right Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Right Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

The contents of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, and CAFs should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Right Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Right Shares regarding the legality of an investment in the Right Shares by such offeree or purchaser under any applicable laws or regulations.

The rights and the Equity Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Letter of Offer or Abridged Letter of Offer, and the CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing a CAF should Page [•] of [•] not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Issue of Equity Shares on a rights basis to Eligible Shareholders of our Company on the Record Date and the Letter of Offer and CAF will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, that:

1. That it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which:

1. Does not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
2. Appears to our Company or its agents to have been executed in or dispatched from the United States.
3. Where a registered Indian address is not provided; or
4. Where our Company believes that CAF is incomplete, or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

CERTAIN CONVENTIONS

All references to "*India*" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "*Government*", "*Indian Government*", "*GoI*", "*Central Government*" or the "*State Government*" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or '*U.S.*' or the '*United States*' are to the United States of America and its territories and possessions, any state of the United States. Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

FINANCIAL DATA

The Government of India has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**").

Our Company's financial year commences on April 01 of each Calendar Year and ends on March 31 of the next Calendar Year. Accordingly, all references to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal', unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Audited Financial Statements. For details, please see "***Financial Information***" beginning on page ***101*** of this Draft Letter of Offer.

Further, certain financial information pertaining to Our wholly owned Subsidiary Bannari Infotech Private Limited *(formerly known as "Bannari Amman Infinite Trendz Private Limited")* is derived from the Audited Financial Statements.

Unless stated or the context requires otherwise, our financial data (a) as at and for the Financial Year ended March 31, 2024 and March 31, 2023 included in this Draft Letter of Offer is derived from the Audited Financial Statements for the Financial Year ended March 31, 2024 and March 31, 2023; and (b) Unaudited Interim Financial Information of our Company, and its share of net profit after tax and total comprehensive income, which comprises of the statement of profit and loss (including other comprehensive income) for the six-months period ended September 30, 2024 together with selected explanatory notes thereon, prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. For further information, see "***Financial Information***" on page ***101*** of this Draft Letter of Offer.

The Unaudited Financial Statements of our Company for the six months period ended September 30, 2024 and Audited Financial Statements for the Financial Year ended March 31, 2024 and March 31, 2023 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI.

Our Company publishes its financial statements in Rupees in Lakhs.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all the numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000, one million represents 1,000,000, one crore represents 10,000,000 and one billion represents 1,000,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off

CURRENCY OF PRESENTATION

All references to:

• "Rupees" or "Rs" or "INR" or "₹" are to Indian Rupee, the official currency of the Republic of India; and
• "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.
• "Euro" or "€" are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in ***"Risk Factors"***, ***"Our Business"*** and ***"Management's Discussion and Analysis of Financial Conditions and Results of Operation"*** beginning on pages ***24***, ***79*** and ***105*** and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

(in ₹)

Name of the Currency	As of September 30, 2024	As of March 31, 2024	As of March 31, 2023
1 United States Dollar	83.78	83.37	82.22
1 Euro	93.53	90.22	89.61

(Source: RBI and FBIL reference rate)

Note: In case March 31 and September 30 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, the LM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" on ***24***, this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD – LOOKING STATEMENTS

This Draft letter of Offer contains certain "***forward-looking statements***". Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "***Risk Factors***", "***Our Business***" **and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*"** *and "**Industry Overview**"*. Forward-looking statements include statements concerning our company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our company's competitive strengths and weaknesses, our company's business strategy and the trends our company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to the following:

- Any adverse changes in central or state government policies;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Inability to invoice our unbilled supplies/services, collect our dues and receivables from our customers.
- Any other factors beyond our control;
- Our ability to manage risks that arise from these factors;

- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see *"**Risk Factors**"*, *"**Our Business**"* and *"**Management's Discussion and Analysis of Financial Conditions and Result of Operations**"* beginning on pages ***24, 79*** and ***105*** respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Lead Manager, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures and terms of the Issue included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, in the sections entitled "***Risk Factors***", "***Objects of the Issue***", "***Our Business***" and "***Outstanding Litigations and Material Developments***" beginning on pages ***24, 52, 79*** and ***119*** respectively.

For updates in relation to financial and operational performance as of and for the period ended March 31, 2024, see "***Material Developments***" beginning on page ***129***.

Summary of Industry

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The close linkage of textiles industry to agriculture and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, within India and across the world.

For further details, please refer to the chapter titled "***Industry Overview***" at page ***67*** of this Draft Letter of Offer.

Primary Business of our Company

Our Company was incorporated in the year 1989 and has emerged as a full vertically integrated textile company engaged in the business of manufacturing of cotton yarn, knitted and woven fabric, processing of fabrics, home textile products, garments and wind power generation. Apart from manufacturing products for direct sale to our customers, to ensure the full utilization of the installed capacity of our manufacturing units, we are also engaged in carrying out various textile processes for third parties on a job work basis.

For further details, please refer to the chapter titled "***Our Business***" at page ***79*** of this Draft Letter of Offer.

Objects of the Issue: The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in lakhs)

Particulars	Amount
Part-Repayment or pre-payment of certain borrowing availed from Lenders by our Company	3,250.00
Part-Repayment or pre-payment of Inter-Corporate Deposit availed by our Company from Murugan Enterprise Private Limited, one of the Promoters of our Company	500.00
General Corporate Purpose*	[•]
Net proceeds from the Issue	**[•]**

** Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds*

For further details, please see chapter titled "***Objects of the Issue***" beginning on page ***52*** of this Draft Letter of Offer.

Intention and extent of participation by our Promoters/ Promoter Group with respect to (i) their rights entitlement; and (ii) their intention to subscribe over and above their right entitlement

Our promoter and holding company, Murugan Enterprise Private Limited will be subscribing to their rights entitlement in full or partially in the issue. Our other Promoters have confirmed through their intent letter that they will (i) not subscribe to their Rights Entitlements in the Issue and will renounce full or in part of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company or third party investors; (ii)not subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement.

The allotment of Equity Shares of the Company subscribed by the Promoter in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover

Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of Financial Information

Following are the details as per the Consolidated Financial Information as at and for the Financial Years ended on March 31, 2023, and 2024 and the Limited Reviewed Financial Information for the six months period ended September 30, 2024:

(₹ in lakhs)

S. No.	Particulars	September 30, 2024	March 31, 2024	March 31, 2023
1.	Share Capital	3,242.09	3,242.09	3,242.09
2.	Net Worth	40,583.15	39,929.36	42,078.67
3.	Revenue from operations*	45,154.22	1,26,458.17	1,42,105.07

**includes revenue from both continuing operations and discontinued operations*

Summary of outstanding litigation and defaults

A summary of outstanding legal proceedings involving our Company and our Subsidiary as on the date of this Draft Letter of Offer is set forth in the table below:

Litigations Against Our Company

Nil

Litigations By Our Company

Nature of Cases	Number of Cases	Amount Involved (₹ in lakhs)
Criminal Complaints	45	Refer to the breakdown mentioned below*
Total	**45**	**763.41**

***Breakdown of Amounts Involved in Criminal Complaints**

Here is a detailed breakdown of the amounts involved in each criminal complaint lodged by the company:

(₹ in lakhs)

Filed Against	Amount Involved
Tharun Textiles, Tiruppur	6.16
SKD Exports, Tiruppur	43.71
Roots Inc, Tirupur	38.46
Sri Muruga Tex	39.54
Pranav Export, Tirupur	8.76
KG Exim's, Tirupur	9.85
Kumaran Knit Wear, Tirupur	7.43
Callisto Garments, Tiruppur	59.48
Vikram Fashions, Tiruppur	10.00
Mayura Garments, Tirupur	9.78
Frank Export, Tiruppur	35.98
Sri Saravana Textiles, Tirupur	14.57
ESS ESS Clothing, Tiruppur	19.96
Asia Pacific International, Tiruppur	17.27
Sri Visweshwara Knits, Tiruppur	13.15
Jawahar Paul Raj, Coimbatore	77.77
Sidharth Silk Mills, Mumbai	5.41
Sidharth Apparels, Tiruppur	23.71
Sierra Sourcing, Tiruppur	48.90
Primo Fashion, Tiruppur	11.22

Primo Fashion, Tiruppur	16.08
Brahmma Creation, Tiruppur	7.65
Mayura Garments, Tiruppur	13.86
JK Fashion, Tiruppur	14.71
Savela Garments, Tiruppur	22.39
Adventure Clothing Creation, Tiruppur	11.91
Jayarupa Apparels, Tiruppur	4.81
Sri Nivi Impex, Tiruppur	9.14
Centaures Lifestyle Brands (P) Limited	9.14
Jay Vishnu Textiles, Tiruppur	8.79
RBR Garments (P) Limited, Tiruppur	5.71
Hindas Motors, Kollam	8.01
Arasu Texport, Tirupur	20.29
CEE DEE Garments, Tirupur	8.25
Gurunanak Apparels, Ludhiana	1.55
Lifetime Enterprise, Vizak	1.62
Ishan General Stores, Jammu	1.00
Success Kurtis, Jaipur	0.71
Shree Riddhi Siddhi, Lalpur	1.31
Meeakshi Tex, Tirupur	7.78
Hanuman Knit Fashion, Tirupur	25.30
Naren Garments, Tirupur	8.82
Tharun Knit Wear, Tirupur	5.75
MS Tex, Tirupur	28.32
Dinesh Sharma	19.38

Risk Factors

Please see the chapter titled "**Risk Factors**" beginning on page **24** of this Draft Letter of Offer.

Contingent liabilities

For details regarding our contingent liabilities as per Ind AS 37 for the Financial Years 2024 and 2023, see "***Financial Statements***" beginning on page ***101*** of this draft letter of offer.

Related Party Transactions

For details regarding our related party transactions as per Ind AS 24 entered into by us for Year ended March 31 2024 and Year ended March 31 2023, see notes 42 for Year ended March 31 2024 and 2023, respectively, in the notes to the Audited Consolidated Financial Statements in "***Financial Statements***" beginning on page ***101*** of this draft letter of offer.

Issue of Equity Shares for consideration other than cash

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing this Draft Letter of Offer.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, Directors or their relatives have financed the purchase by any other person of securities of our Company, during the period of six months immediately preceding the date of this Draft Letter of Offer.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a **high degree of risk**. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in **'Our Business'**, **'Industry Overview'**, and **'Financial Statements'** beginning on pages ***79, 67 and 101*** respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; **additional risks and uncertainties** not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer; the trading price and the value of your investment in our Equity Shares might decline, and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Draft Letter of Offer also contains **forward-looking statements** that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to 'we', 'us', 'our' refers to our Company.

INTERNAL RISK FACTORS

1. ***There are outstanding litigations involving our Company which, if determined against us, may adversely affect our business and financial condition.***

   As on the date of this Draft Letter of Offer, our Company is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, or that no further liability will arise out of these proceedings. Additionally, we may be forced to incur significant expenses in such legal proceedings, and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition. For further details, please refer to the section titled "***Outstanding Litigations and Material Developments***" on page ***119*** of this Draft Letter of Offer.

   A summary of the pending tax proceedings and other material litigations involving our Company are provided below:

   Litigations Against Our Company

   Nil

   Litigations By Our Company

Nature of Cases	Number of Cases	Amount Involved (₹ in lakhs)
Criminal Complaints	45	For breakdown, kindly refer to the summary of draft letter of offer
Total	**45**	**763.41**

2. ***Related Party transactions and other transactions.***

   We have in the past entered into related party transactions and we may continue to do so in the future.

   As per the unaudited Financial Statements and audited Financial Statements, we have entered into several related party transactions with entities under common control and our directors. In addition, we have in the past also entered into transactions with other related parties. For further details, kindly refer to the chapter titled as *'Financial Statements'* beginning on page ***101*** in this Draft Letter of Offer.

While we state that all our related party transactions have been conducted on arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

3. ***We have incurred losses in the recent past. Continuous financial losses incurred by us may be perceived adversely by external parties such as clients and bankers, which could affect our results of operation, financial condition, reputation and overall business.***

Our Company has incurred losses in the recent past, the details of which are provided below:

(₹ in lakhs)

Particulars	**Consolidated**		
	Six months period ended September 30, 2024	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Net loss after tax	-	(2197.02)	(2959.50)

There can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our business or reputation as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers, which could affect our reputation.

4. ***Our Subsidiary have a negative Net Worth in recent years.***

Our Subsidiary have a negative Net Worth due to the losses reported by them, details of which are provided below:

(₹ in lakhs)

Negative Net Worth of Subsidiary			
Name of the entity	**Consolidated**		
	Six months period ended September 30, 2024	**As at March 31, 2024**	**As at March 31, 2023**
Bannari Infotech Private Limited *(Formerly known as Bannari Amman Infinite Trendz Private Limited)*	(763.68)	(687.13)	(535.49)

There can be no assurance that our Subsidiary will not have a negative Net Worth in any of the future years as well.

5. ***Our success depends upon our Management team and Skilled Personnel and our ability to attract and retain such persons.***

Our future performance will be influenced by the continued service of our Management team and Skilled Personnel. We face a continuing challenge to recruit and retain suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we need in the future. The loss of key personnel may have a material and adverse effect on our result of operation future financial performance and overall business and therefore our ability to grow in line with our future plans and strategy.

6. ***Our ability to pay Dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay Dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive, and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. For further details, kindly refer to the chapter titled as *'**Financial Statements**'* beginning on page ***101*** in this Draft Letter of Offer.

7. ***A part of the Issue proceeds will be utilized by our Company for part- repayment or prepayment of inter-corporate deposits availed from one of our Corporate Promoter, Murugan Enterprise Private Limited***.

   One of the Objects of this Issue is to partly repay or prepay the inter-corporate deposits amounting to ₹500 lakhs availed by our Company from our Corporate Promoter, Murugan Enterprise Private Limited. These inter-corporate deposits have been utilized by our Company towards partial repayment of our secured loans and augmentation of working capital requirements. Out of the Issue proceeds, we intend to utilize ₹500 lakhs for part repayment or pre-payment of inter-corporate deposits availed by our Company from our Corporate Promoter. For further details, please see the chapter titled "***Objects of the Issue***" beginning on page ***52*** of This Draft letter of Offer

8. ***The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled 'Objects of the Issue'.***

   As the Rights Issue size shall be less than ₹10,000 Lakhs, under Regulation 41 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoter shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

   For further details, please refer to the chapter titled ***'Objects of the Issue'*** beginning on page ***52*** of This Draft letter of Offer.

9. ***Our Company requires significant amount of working capital for a sustained continuous growth. In the case of our inability to meet our working capital requirements, there may be an adverse effect on the results of operations.***

   Our business requires a significant amount of working capital. Our main raw material cotton is an agricultural product and is available in the required quantity and quality during the particular season. We are also required to transport the main raw material namely cotton form production centre to our factories involving efforts and transportation cost. Additionally, we are also required to import those special variety of cotton which are not locally available. Because of these reasons our operations are working capital intensive. Further as per industry practices, we might be required to extend advances to raw material suppliers but at the same time we are required to extend credit to our customers. Our inability therefore to arrange timely and adequate working capital requirements may adversely affect our results of operations and financial condition.

10. ***We require certain approvals and licenses in the ordinary course of business, and any failure to obtain or retain such approvals in a timely manner, or comply with applicable laws, may materially and adversely affect our business, financial condition, results of operations and prospects.***

    We require certain approvals, licenses, registrations and permissions for operating our business in India; if we fail to apply, obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. We cannot assure you that we will receive all the required certifications or that we will be able to maintain the validity of the quality certifications that have previously been awarded. Further, government approvals and licenses are subject to numerous conditions, of which some may be onerous and may require us to undertake substantial compliance-related expenditure. Changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in geographies in which we currently operate may make compliance with all applicable laws and regulations more challenging and could affect us adversely by tightening restrictions, reducing our freedom to do business, increasing our costs of doing business, or reducing our profitability.

Failure to comply with applicable laws or regulations, obtain and maintain any licenses, permits and approvals necessary to operate our business or non-compliance with any conditions imposed thereunder can lead to civil and/or administrative and/or criminal penalties, including but not limited to fines or the revocation of permits and licenses that may be necessary for our business activities.

11. We have not commissioned an industry report for the disclosures made in the section titled 'Industry Overview' and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled ***'Industry Overview'*** of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context. They are also welcomed and encouraged to carry out independent verification of the same.

12. If we are unable to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner, the demand for our products may decline, which may have an adverse effect on the results of operations prospects and business.

Our Company is engaged in the business of manufacturing of Cotton Yarn, Woven and Knitted Fabrics, processing of Knitted Fabric and Home Textiles products. Our results of operations are dependent on our ability to anticipate, gauge and respond to changes in customer preferences and design of new products or modifying our existing products in line with changes in fashion trends as well as customer demands and preferences. If we are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose, or fail to attract customers, our inventory may become obsolete, and we may be subject to pricing pressure to sell our inventory at a discount. A decline in demand for our products or a misjudgement on our part could lead to lower sales, excess inventories and higher markdowns, each of which may have an adverse effect on our results of operations and financial condition. Further, our process for designing our products is a key aspect of our operations for which we rely heavily on data analysis and the study of industry and fashion trends to introduce new and original concepts. We incur expenses in the design and development of our products, and we cannot assure you that our current portfolio of designs and any products we launch, will be well received by our customers, or that we will be able to recover costs we incurred in designing and developing such products. If the products that we launch are not as successful as we anticipate, our business, results of operations and prospects may be adversely affected.

13. Our Company is significantly reliant on the revenues earned from our Spinning Division. Any downturn in our ability to increase or effectively manage our sales could have an adverse impact on our Company's business and results of operations.

Since inception, our Company has been engaged in the business of spinning of cotton yarn. We have set up two manufacturing units in Tamil Nadu for carrying out the business activities under our spinning division. The spinning division contributed 64.68%, 46.84%, and 47.68% towards our revenue from operations (includes revenue from both continuing operations and discontinued operations)for the six months period ended September 30, 2024, and the Year ended March 31, 2024 and 2023, respectively. Our revenues are highly dependent on the customer base of our spinning division and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations.

The organised and unorganised textile industry is fragmented and inherently competitive with several regional brands and retailers present in local markets across the country. In the event, our customers substitute our products with that of our competitors due to difference in price and/or quality of the products, it may have an adverse impact on the demand for our products. Similarly, in the event our competitors who are larger than us or develop alliances to compete against us may be able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer high quality products at lower price and our Company may be unable to effectively react to such developments which may affect our revenues and profitability. Furthermore, our competitors may be able to with-stand industry downturns better than us or provide customers with products at more competitive prices; thereby impacting our revenues and profitability adversely.

14. ***Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.***

We are like any other industry, exposed to payment delays and/or defaults by/ from our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products directly to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments by our customers may require our Company to make additional working capital arrangements. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it may have a material adverse effect on our Company's results of operations and financial condition. Even though we have availed trade credit insurance policy (domestic and export risk) to insure our Company against the risk of commercial default insolvency and protracted default, we cannot assure you that the said policy will provide adequate cover towards the losses which may be incurred due to the defaults committed by our customers. For the Year ended March 31, 2024, and 2023 our trade receivables were ₹ 23,379.48 lakhs and ₹ 21,294.15 lakhs, respectively, out of which, debts amounting to ₹ 1,934.38 lakhs and ₹ 2,444.11 lakhs were outstanding for a period exceeding six months.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payment for the supplies/services provided by us, on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults, but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. All of these factors may result, or have resulted, in increase in the number of receivables and short-term borrowings.

15. ***Our business depends upon on a few customers of our products, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our results of operations and business.***

Our Company is engaged in the business of manufacturing of Cotton Yarn, Woven and Knitted Fabrics, processing of Knitted Fabric and Home Textiles products. In the Six months period ended September 30, 2024, and the Year ended March 31, 2024 and 2023, 13.61%, 30.37% and 33.75% respectively, of our revenue from operations (includes revenue from both continuing operations and discontinued operations) were derived from our top five customers (in the respective Fiscals). Our business operations are highly dependent on our customers, especially those serviced by our spinning division and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations.

While we typically have long term relationships with our customers, we have not entered into any long terms legal /contractual agreements with our customers and the success of our business are accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long-term agreements. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing our products. If there occurs any change in the market conditions, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our operations, revenues, cash flows and business.

16. ***We do not own certain premises used by our Company. Sudden or abrupt disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.***

As on the date of this Draft Letter of Offer, our Registered Office, the land on which our processing unit is situated, manufacturing unit for home textiles, warehouses, godowns and stockyards have been taken on lease by our Company from related parties or third parties. There is no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there is no assurance that we will not face any sudden or abrupt disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee might adversely affect our business operations.

17. **Non-Subscription by Promoters**

As stated elsewhere in the draft letter of offer, our company has individual as well as corporate promoter shareholders. Like all other shareholders these shareholders also have right of renunciation and may renounce in full or a portion of their Rights Entitlements in favour of the other Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company or third party investors. This decision may lead to a reduction in the overall shareholding and control of promoters in the Company, which might impact the Company's governance structure and market perception. Additionally, the subscription by third parties, particularly those outside the promoter group, would result in a change in the shareholder base and potential dilution of existing shareholders' interests, which may affect the market price of the Company's shares. Therefore, investors should carefully consider this potential change in the Company's ownership structure when making their investment decisions.

18. ***If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.***

Our current name and logo are not owned or registered as a trade name or trademark by our Company under the provisions of the Trademarks Act, 1999 and therefore may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. Further, our Company does not enjoy the statutory protections accorded to a registered trademark. There can be no assurance that we will be able to register the trademark and the logo or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. If any of our unregistered trademarks or proprietary rights are registered by a third party, we may not be able to make use of such trademark or proprietary rights in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with our Company. We can neither assure you that we will be successful in such a challenge nor guarantee that eventually our name and logo will be registered in our name under the provisions of the Trademarks Act, 1999. As a result, we may not be able to prevent acts of counterfeiting or imitation of our name and logo and a passing off action may not provide sufficient protection until such time that registration is granted.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our brand names. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may or may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving. This could be an expensive and time-consuming effort and therefore could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on results of operations, cash flows, financial condition and overall business.

Furthermore, our efforts to protect our intellectual property may not be adequate and may affect our operations and lead to erosion of our business value. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming, costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which might adversely affect results of operations, financial condition and overall business.

19. ***We could be harmed by employee misconduct/ misdemeanour that are difficult to detect, and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our results of operations, financial condition, business and goodwill could be adversely affected.

20. ***Our Company does not have any documentary evidence for the educational qualifications of one of our Directors.***

Our Independent Directors, Shanmugavelayutham Sihamani and Chellamuthu Sivasamy is unable to trace documents evidencing their educational qualifications. Due to lack of documents and relevant information from the aforementioned Directors, we have not disclosed details of their educational qualifications in their biography in the chapter titled "***Our Management***" as is required under the SEBI ICDR Regulations. For further details, please refer to the chapter titled "***Our Management***" on page ***92*** of this Draft Letter of Offer.

21. ***We are highly dependent on availability of quality raw materials and suppliers who help us procure the same. Our Company has not entered into long-term agreements with its suppliers for supply of raw materials. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our, results of operations, financial condition and overall business may be adversely affected***.

Our Company is engaged in the business of manufacturing of Cotton Yarn, Woven and Knitted Fabrics, processing of Knitted Fabric and Home Textiles products and cotton is used as the primary raw material during our manufacturing process in all our divisions. Therefore, we are highly dependent on cotton and it forms the most important and primary component of our manufacturing process. Our top five suppliers accounted for 33.05%, 15.86%, and 22.61% of our expenses towards the purchase of raw materials (includes both continuing operations and discontinued operations) for the Six months period ended September 30, 2024 and the Year ended March 31, 2024 and 2023, respectively. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find alternate suppliers, in a timely manner and at reasonable costs, or at all.

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. In the six months period ended September 30, 2024 and the Year ended March 31, 2024 and 2023, the cost of raw material consumed, Purchase of Stock-in-Trade, and Changes in inventories of finished goods and work-in-progress aggregated to 73.83%, 69.65% and 72.86% of our total revenue (includes revenue from both continuing operations and discontinued operations) respectively. Our Company maintains a list of registered and unregistered suppliers from whom we procure the raw materials on order basis. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. We rely on pre-booking capacity with our suppliers, based on our demand projections. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors or anyone else. Non-availability or inadequate quantity of raw material or supply of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our operations. Further, any discontinuation or a failure of these suppliers to adhere to the delivery schedule or failure to deliver the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

Further, the quantity of raw materials procured and the price, at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of raw materials required by us may be subject to a number of factors beyond our control, including seasonal factors, environmental factors, economic factors and changes in government policies and regulations, including those relating to the industry in general. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Further, we also cannot assure you with a reasonable certainty that the raw materials that we would procure in the future will not be defective. In the absence of formal agreements, should we receive any defective raw materials, we may not be in a position to recover advance payments or claim compensation from our suppliers consequently increasing the manufacturing costs or reducing the realisation of our finished products. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect results of operations, financial condition and our business.

22. ***In the past, there have been instances of delayed or erroneous filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC by our Company and our Subsidiary*.**

In the past, there have been certain instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company and our Subsidiary. Further, there have been instances of erroneous filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act 1956 and Companies Act, 2013 by our Subsidiary.

No show cause notice in respect to the above has been received by our Company or our Subsidiary till date and except as stated in this Draft Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

23. ***As the securities of our Company are listed on BSE Limited and National Stock Exchange of India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on BSE and NSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner.

Though our Company endeavours to comply with all such obligations/reporting requirements, there may be inadvertent non-disclosures/delayed/erroneous disclosures and/or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and Rules and Regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

24. ***Our Company has experienced negative cash flow in the past and may do so in the future, which could have a material adverse effect on our results of operations, cash flow, financial condition Prospects and overall business.***

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

(₹ in lakhs)

Particulars	Six Months period ended September 30, 2024	For the year ending March 31, 2024	For the year ending March 31, 2023

Net Cash Flow from/ (used in) Operating Activities	-*	-*	-*
Net cash generated from/ (used in) investing activities	-*	(686.21)	(4,757.05)
Net Cash Flow from/ (used in) Financing Activities	(6,444.03)	(11,261.87)	-*

**Indicates positive cash flow.*

We may incur negative cash flows in the future which could have a material adverse effect on our results of operations, financial condition, prospects and overall business.

25. ***Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.***

Our products might have certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented comprehensive quality control processes for our raw materials, every stage of production and finished goods on the basis of our internal and industry quality standards. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production process of our products due to failure of our quality control procedures, negligence, human error or otherwise, may damage our products and result in deficient products. It is imperative for us to meet the international quality standards set by our international customers and agencies as deviation from the same may cause them to reject our products and cause damage to our reputation, market standing and brand value.

In the event the quality of our products is declared sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Such quality lapses may strain our longstanding relationship with our domestic and international customers and our reputation and brand image may suffer, which in turn may adversely affect our results of operations, financial condition and business. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

26. ***Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, please see the section titled "***Financial Information***" at page ***101*** of this Draft Letter of Offer.

27. ***Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

After the completion of the Issue, our Promoters and the members of the Promoter Group will hold approximately [●] % of the paid-up equity share capital of our Company assuming their full or partial subscription to the Rights Entitlement in the Issue. Our Promoters and the members of the Promoter Group holding Equity Shares in our Company, have undertaken to fully or partly subscribe for their Rights Entitlement. They reserve the right to subscribe for their Rights Entitlement pursuant to any renunciation made by any member of the Promoter Group to another member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters' shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

28. ***We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities actually materialize and devolve as actual liabilities.***

The statement of contingent liabilities of our Company as on March 31, 2024 and March 31, 2023 are as mentioned in the table below:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
i) Contingent liabilities:		
A) Claims against the Company not acknowledged as debts: -		
a) TANGEDO demands, pending in appeal	1,505.18	1,386.44
b) Income tax demands (already adjusted against refund)	5.12	-
c) Service Tax	75.08	75.08
d) Town Planning Authority	79.60	79.60
e) Employee Provident Fund	77.91	77.91
B) Contingent Liabilities on Account of Guarantees: -		
a) Guarantees issued to bankers	18.74	18.74
b) corporate guarantee given for loans to Bank	5,500.00	-
c) Guarantee issued in favour of supplier	112.46	112.46
ii) Commitments:		
Estimated number of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	1,429.67	1,125.73

For further details of contingent liability, see the section titled — "***Financial Information***" on page ***101*** of this Draft Letter of Offer. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

29. ***We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations may adversely affect our results of operation, financial Condition and business.***

All our manufacturing units, warehouses, godowns, stockyards and other utilities are located in Tamil Nadu. To ensure smooth functioning of our manufacturing operations, we need to maintain continuous supply and transportation of the raw materials required from the supplier to our manufacturing units or warehouses and transportation of our products from our units or warehouses to our customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our customers. Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products is likely to have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in a timely, efficient and reliable manner may adversely affect our business, results of operations and financial condition.

Further, we have not entered into any long-term agreements with our transporters for any of our manufacturing units and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transport agencies would fulfill their obligations or would not commit a breach of the understanding with us. In the event that the finished goods or raw materials suffer damage or are lost during transit, we may not able to prosecute the agencies due to lack of formal agreements. Further, the transport agencies are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which might adversely affect our business, results of operations and financial condition.

30. ***Our continued operations are critical to our business and any shutdown of our manufacturing unit might adversely affect our business, results of operations and financial condition. Further, our manufacturing unit, our warehouses, godowns and all our facilities are currently located in one geographical area. The loss of, or shutdown of, our operations at this manufacturing or any disruption in the operation of our warehouses will adversely affect our results of operations, financial Condition and business.***

Our manufacturing units are located in Tamil Nadu and any local social unrest, natural disaster or breakdown of services and utilities in these areas might have material adverse effect on the results of our operations, financial Condition and business. Our current manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

In the event, we are forced to shut down our manufacturing units for a prolonged period, it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiralling cost of living around our units may push our manpower costs in the upward direction, which might reduce our margin and cost competitiveness. For instance, due to the ongoing pandemic and the nationwide lockdown which was imposed by the Central Government and various state governments, we had to shut down all our manufacturing units. Pursuant to various notifications issued by Ministry of Home Affairs, Government of India, all our manufacturing units were allowed to start their operations subject to the conditions prescribed therein. With the onslaught of a second wave of Coronavirus, a further lockdown might be imposed or if for other unforeseeable reasons, we might have to halt the operations in our manufacturing units, which might cause an adverse impact on our business operations, revenue, results of operations and financial conditions.

All our manufacturing units along with our windmill units are located in Tamil Nadu. Any significant interruption or loss or shutdown of operations at our manufacturing units would adversely affect our business. Our manufacturing, processing and other business activities might be subject to unexpected interruptions, including natural or man-made disasters. Our facilities and operations might be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities.

All our facilities namely, spinning, knitting, processing, weaving, home textiles, windmills and other utilities are located in the State of Tamil Nadu where our warehouses and godowns are also located. Any significant disruption, including social, political or economic factors or natural calamities or civil disruptions, impacting this region might adversely affect operations. Any failure of our systems or any shutdown of any of our manufacturing unit and facilities for any reason might result in significant increase of costs and delays in execution of orders. We do not have a diversified base of manufacturing operations, and local disturbances which would have a material adverse effect on our business, and consequently on our operations and financial condition. Further, our warehouses are subject to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Any disruption of operations of our warehouses might result in delayed delivery of our product, which might lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines our business, financial condition and prospects might be adversely affected.

Furthermore, any significant interruption to our operations directly or indirectly as a result of any industrial accidents, severe weather or other natural disasters might materially and severely affect our results of operations, financial Condition and business. Similar adverse consequences could follow if war, or war-like situation were to prevail, terrorist attacks were to affect our related infrastructure, or if the Government of India were to temporarily take over the facility during a time of national emergency. In addition, any disruption in basic infrastructure, such as in the supply of electricity may substantially increase our manufacturing costs. Any disruption of our existing supply of infrastructure services such as power or water, our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us. In such situations, our production capacity may be materially and adversely impacted. In the event our facilities are forced to shut down for a significant period of time, our earnings, financial condition and results of operation would be materially and adversely affected.

EXTERNAL RISK FACTORS

1. ***Global economic, political, and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

   Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, imposition of tariff and non-tariff barriers, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

2. ***The occurrence of natural calamities or man-made disasters could have a negative effect on the Indian economy and cause our business to suffer.***

   India has experienced natural calamities such as earthquakes, tsunami, floods, drought, fires, explosions, tornadoes, pandemic disease and man-made disasters including acts of terrorism and military actions in the past few years. The extent and severity of these natural and man-made disasters determines their effect on the Indian economy. The erratic progress of a monsoon in a particular year, would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

   We are incorporated in India, and all our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

   Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

3. ***Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

   The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

   The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, China and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business.

   Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

   There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is uncertain whether these measures will continue to be in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

4. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI, or any other government agency can be obtained on any particular terms or at all.

5. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our results of operations and business prospects.***

The regulatory and policy environment in which we operate is evolving and is subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (hereinafter referred to as 'GST') regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

The Government of India has issued a notification dated September 29, 2016, notifying Income Computation and Disclosure Standards ("**ICDS**"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

The General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant variations in taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to,

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India.

ISSUE SPECIFIC FACTORS

1. ***Our Company will not distribute the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.***

   Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the ***'Offering Materials'***) to such shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

2. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, and April 22, 2021 and Master circular dated November 11, 2024 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Draft Letter of Offer.***

   The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, and April 22, 2021 and Master circular dated November 11, 2024 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For further details, please refer to the section titled ***'Terms of the Issue'*** beginning on page ***136*** of this Draft Letter of Offer.

   In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, Master Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[•]) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

3. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Shareholders who fail (or are not able) to exercise their Rights Entitlements will therefore be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "***Terms of the Issue***" on page ***136***.

Investors shall not have the option to receive Right Shares in physical form.

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, Master Circular, the credit of Rights Entitlement and Allotment of Right Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

4. ***SEBI has recently, by way of Rights Issue Circulars and Master Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see ***'Terms of the Issue'*** on page ***136*** of This Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or Equity Shares held in the account of IEPF authority; or the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or Credit of the Rights Entitlements returned/reversed/failed; or the ownership of the Equity Shares currently under dispute, including any court proceedings.

5. ***The entitlement of Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.***

In accordance with the SEBI (ICDR) Regulations, the option to receive the Right Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI (ICDR) Regulations, i.e., May 10, 2019. Since, the Right Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Right Shares to be Allotted to the Applicants who have applied for Allotment of the Right Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 03, 2018, issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

6. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular SEBI/IHO/ICFD/DIL2/CIR/IP/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

7. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will therefore be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements

8. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

9. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Right Shares and Rights Entitlement.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 (Twelve) months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

10. ***You may not receive the Equity Shares that you subscribe in the Issue until 15 (fifteen) days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

11. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with applicable laws and regulations and the requirements of the stock exchanges, in principle and final approvals for listing and trading of the Right Shares issued pursuant to this Issue will not be applied for or granted until after the Right Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Right Shares to be submitted. Accordingly, there could be a delay in listing the Right Shares on the stock exchanges. If there is a delay in obtaining such approvals, we may not be able to credit the Right Shares allotted to the Investors to their depository participant accounts or assure ownership of such Right Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Right Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled ***'Terms of the Issue'*** beginning on page ***136*** of this Draft Letter of Offer.

12. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

13. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid after obtaining necessary approvals in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

14. ***Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian Company than as shareholder of a corporation in another jurisdiction.

SECTION III– INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on November 14, 2024, pursuant to Section 62(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ["SEBI ICDR Regulations"], Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ["SEBI LODR Regulations"], subject to the approvals and consents as may be necessary from Securities and Exchange Board of India ["SEBI"], Reserve Bank of India ["RBI"], Stock Exchanges and any other competent authority. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled "***Terms of the Issue***" on page ***136*** of this Draft Letter of Offer.

Particulars	**Details of Equity Shares**
Equity Shares outstanding prior to the Issue	6,48,41,871 Fully Paid-up Equity Shares
Right Shares offered in the Issue	Up to [●] Rights Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Fully Paid-up Equity Shares
Rights Entitlement	Up to [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than or not in multiples of [•] ([•]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹ 5/-
Issue Price per Rights Equity Shares	[●]
Issue Size	Up to [●] Equity Shares of face value of ₹ 5 each for cash at a price of ₹ [●] (Including a premium of ₹ [•]) per Rights Equity Share not exceeding an amount of ₹ 5,000 lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank paripasu in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	6,48,41,871 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Fully Paid-up Equity Shares
Money payable at the time of Application	₹ [•]
Security Code/ Scrip Details	**ISIN**: INE186H01022 **BSE**: 532674 **NSE**: BASML
ISIN for Rights Entitlements	[•]
Use of Issue Proceeds	For details, please refer to the chapter titled ***"Objects of the Issue"*** on page ***52*** of this Draft Letter of Offer.
Terms of the Issue	For details, please refer to the chapter titled ***"Terms of the Issue"*** on page ***136*** of this Draft Letter of Offer.

Please refer to the chapter titled "***Terms of the Issue***" on page ***136*** of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[•]
Last Date for On Market Renunciation of Rights	[•]
Issue Closing Date*	[•]

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

GENERAL INFORMATION

Our Company was incorporated as '*Shiva Textiles (CBT) Limited*' on July 10, 1989, as a Public Limited Company under the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu, Madras and consequently a certificate of incorporation dated July 10, 1989, and a certificate of commencement of business dated September 14, 1989, were issued to our Company. The name of our Company was changed to "*Bannari Amman Spinning Mills Limited*", pursuant to a special resolution of our Shareholders passed in an extra-ordinary general meeting dated September 30, 1991, and a fresh certificate of incorporation dated October 11, 1991, consequent to such name change was issued to our Company by the Registrar of Companies, Tamil Nadu, Coimbatore. The Corporate Identification Number *("CIN")* of our Company is L17111TZ1989PLC002476.

Our Company was listed on BSE Limited, bearing Scrip ID '**BASML**', Scrip Code '**532674**', and ISIN '**INE186H01022** 'and on NSE Limited, bearing Scrip ID '**BASML**'.

Registered Office

Bannari Amman Spinning Mills Limited
252, Mettupalayam Road,
Coimbatore - 641 043,
Tamil Nadu, India.
Telephone: +91 422 2435555
Facsimile: N.A.
E-mail: shares@bannarimills.com
Website: www.bannarimills.com
Registration Number: 18-17665 of 1989
CIN: L17111TZ1989PLC002476

The Registrar of Companies

Our Company is under the jurisdiction of the Registrar of Companies, Tamil Nadu, Coimbatore situated at the following address:

The Registrar of Companies,
No. 7, AGT Business Park, Phase II,
1st Floor, Civil Aerodrome Post,
Avinashi Road, Coimbatore – 641 014,
Tamil Nadu, India.
Telephone: +91 422 2629 640, 2628 170
Facsimile: +91 422 2628 089
E-mail: roc.coimbatore@mca.gov.in

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Sangampalayam Vedanayagam Arumugam	75	Chairman and Managing Director	69/1-2, Bharathi Park Crossroad No 7, Coimbatore 641011	00002458
Tharanipathy Rajkumar	58	Independent Director	705-D3, Avinashi Road, Coimbatore – 641018	00048665
Sangampalayam Kandasami Sundararaman	51	Non- Executive Non-Independent Director	96, West Periyasamy Road, R S Puram, Coimbatore – 641002	00002691
Kollengode Padmanabhan Ramakrishnan	70	Independent Director	Flat No. K - 402, PNR Tripti Apartments, Coimbatore – 641006	07029959
Priya Bhansali	58	Independent Director	"Amrit", New No. 43 (Old No. 24A), Bharathi	00195848

			Park, Road No. 2, Coimbatore – 641043	
Sadhana Vidhyashankar	52	Independent Director	“Brindavan,” 152, Kalidas Road, Ramnagar, Coimbatore – 641009	10753375
Shanmugavelayutham Sihamani	71	Independent Director	Flat 1-F, Block B-1, Sunny Side Apts, Ramlakshman Nagar, Coimbatore – 641028	06945399
Kulandai Samy Gounder Sadhasivam	77	Non- Executive Non-Independent Director	Attayampalayam, Gangapuram Post, Chittodu (Via), Erode – 638102	00610037
Chellamuthu Sivasamy	68	Independent Director	49, Bharathiyar Street, Krishnapuram, Coimbatore 641035	00002921

For detailed profile of our directors, please refer to the chapter titled “***Our Management***” on page ***92*** of this Draft Letter of Offer.

Chief Financial Officer

Srinivasan Seshadri is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

252, Mettupalayam Road,
Coimbatore - 641043,
Tamil Nadu, India.
Telephone: +91 422 2435555
E-mail:seshadri@bannarimills.com

Company Secretary and Compliance Officer

Nachimuthugounder Krishnaraj, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

252, Mettupalayam Road,
Coimbatore - 641043,
Tamil Nadu, India.
Telephone: +91 422 2435555
E-mail: krishnaraj@bannarimills.com

Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager to the Issue

Saffron Capital Advisors Private Limited
605, Center Point, 6th floor,
Andheri-Kurla Road, J. B. Nagar,
Andheri (East), Mumbai - 400059,
Maharashtra, India.
Telephone: +91 22 49730394
Facsimile: NA
E-mail: rights.issue@saffronadvisor.com
Website: www.saffronadvisor.com
Investor grievance: investorgrievance@saffronadvisor.com
Contact Person: Gaurav Khandelwal/Sachin Prajapati
SEBI Registration Number: INM000011211

Registrar to the Issue

Link Intime India Private Limited
C – 101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400083,
Maharashtra, India
Telephone: +91 81081 14949
Facsimile: NA
E-mail: bannari.rights2024@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance: bannari.rights2024@linkintime.co.in
Contact person: Shanti Golapakrishnan
CIN: U67190MH1999PTC118368
SEBI Registration No: INR000004058

Statutory and Peer Review Auditor of our Company

M/s. P. N. Raghavendra Rao & Co,
Chartered Accountants
Address: 23/ 2, Viswa Paradise Apartment, II nd Floor,
Kalidas Road, Ramnagar, Coimbatore-641009
Telephone: +91 422 223 2440, 223 6997
Email: info@pnrandco.in
Contact Person: P.R. Vittel
Membership No: 018111
Firm Registration No: 0033288
Peer Review Certificate No: 014475

Bankers to the Issue/ Refund Bank/ Escrow Collection Bank/ Allotment Bank

Banker(s) to the Issue/ Refund Bank will be appointed at the time of filing the Letter of Offer.

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On Allotment, the amount will be unblocked, and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Statement of responsibilities of Lead Manager to the Issue

Saffron Capital Advisors Private Limited, being the sole Lead Manager, will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of responsibilities is not required.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received written consent dated December 21, 2024 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) report dated May 29, 2024 on our Audited

Financial Statements for the financial year ended March 31, 2024; (ii) limited review report dated November 14, 2024 on our Limited Review Financial Results for the six month period ended September 30, 2024; and (iii) Statement of Special Tax Benefits dated December 21, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process. For details on the ASBA process, please refer to the section titled ***'Terms of the Issue'*** beginning on page ***136*** of this Draft Letter of Offer.

Credit Rating

As the Issue comprises an issue of the Rights Equity Shares on a rights basis to the Eligible Equity Shareholders, there is no requirement for a credit rating for the Issue.

Debenture Trustees

As the Issue comprises an issue of the Rights Equity Shares on a rights basis to the Eligible Equity Shareholders, the appointment of debenture trustee is not required.

Monitoring Agency

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, had amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with BSE Limited and National Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Changes in Auditors during the period of 3 (three) years preceding the Date of This Draft Letter of Offer

Name of Auditor	Address and E-mail	Period of Appointment	Reason
P. N. Raghavendra Rao & Co.	No. 23/2, Viswa Paradise Apartments, IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641009. Email: info@pnrandco.in	April 01, 2022, to March 31, 2027	Not Applicable

Deloitte Haskins & Sells LLP	7th Floor, Times Square, Door no. 62, A.T.T. Colony Road, Coimbatore - 641018, Tamil Nadu, India. Email: crajagopal@deloitte.com	April 01, 2017, to March 31, 2022	Completion of the tenure

Underwriting Agreement

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Last Date for credit of the Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

 # Eligible Equity Shareholders are requested to ensure that renunciation through off -market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as may be permitted as per applicable law. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar at www.linkintime.co.in. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see ***"Terms of the Issue - Process of making an Application in the Issue"*** beginning on page *137*.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.linkintime.co.in in after keying in their respective details along with other security control measures implemented thereat. For further details, see ***"Terms of the Issue"*** beginning on page ***136***.

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Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the premium paid to acquire the Rights

Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

Minimum Subscription

In accordance with Regulation 86(1) of the SEBI ICDR Regulations, our Company is required to achieve minimum subscription for the Rights Issue on account of the following reasons:

Objects of the Rights Issue are for a purpose which is other than financing a capital expenditure for a project; andVide letter dated December 14, 2024 (the **"Subscription Letters"**), Our Promoters and Promoter Group have confirmed that they may (i) subscribe to their Rights Entitlements in the Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company or third party investors; (ii) subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement acquired through renunciation, either individually or jointly and/ or severally with the Promoter(s) or any other members of the Promoter Group. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with SEBI, Stock Exchanges. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue

In the event the Promoters decide to renounce its Right Entitlement in the favor of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws. The above is subject to the terms mentioned under "***Terms of Issue***" on page 136 of this Draft Letter of Offer.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Draft Letter of Offer, prior to and after the proposed Issue, is set forth below:

(₹ in Lakhs)

S. No.	*Particulars*	*Aggregate nominal value*	*Aggregate value at Issue Price#*
A	**Authorised Share Capital** 15,00,00,000 Equity Shares of face value of ₹ 5 each	7,500.00	NA
B	**Issued, Subscribed and fully Paid-Up Share Capital before this Issue** 6,48,41,871 Equity Shares of face value of ₹ 5 each	3,242.09	NA
C	Money received towards allotment of 42,25,806 Equity Share Warrants, (face value of ₹ 5 each), being 25% of issue price of ₹ 62 per share warrant[(a)]	52.82	654.99
D	**Present Issue in terms of this Draft Letter of Offer** [(b) (c)] Up to [●] Equity Shares of ₹ 5 each, each at a premium of ₹ [●] per Equity Share, at an Issue Price of ₹ [●] per Equity share	[●]	[●]
E	**Issued, Subscribed and Paid-Up Share Capital after the Issue** [●] Equity Shares of face value of ₹ 5 each	[●]	[●]
F	**Securities Premium Account*** Before the Issue[(d)]: After the issue [(e)]:	 16,731.21 [●]	 [●]

 # To be updated upon finalisation of the Issue Price.
**Securities Premium Account Includes premium received towards equity shares and warrants pending conversion into equity shares*

Notes:

*(a) The terms of the issue of share warrants and other details are covered under "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" at page number 105.*
(b) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on November 14, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act 2013 and applicable SEBI regulations.
(c) Assuming full subscription for allotment of Right Shares.
(d) As on date of this Draft Letter of Offer
(e) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

Notes To Capital Structure

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer.

2. The Equity Shares warrants of our Company are partly paid-up as on the date of this Draft Letter of Offer.

3. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

4. As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights.

5. As on the date of the Draft Letter of Offer Company have issued 42,25,806 convertible warrants, outstanding, the said warrants shall be converted into equity shares within a period of 18 months from the date of allotment i.e. November 04, 2024.

6. Intention and Extent of Participation by Promoters and Promoter Group in the Issue.

SUBSCRIPTION TO THE ISSUE BY THE PROMOTERS AND THE PROMOTER GROUP

Our Promoters and Promoter Group members, vide their letters dated December 14, 2024 had informed us that they may renounce their full or partly Right Entitlement to the extent in favour of third parties.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

7. The ex-rights price of the Rights Equity Shares arrived in accordance with the formula prescribed as per Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection is ₹ [●]/- per equity share.

8. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

   The Equity Shares warrants of our Company are partly paid-up as on the date of this Draft Letter of Offer. The terms of the issue of share warrants and other details are covered under ***"Management's Discussion and Analysis of Financial Conditions and Results of Operations"*** at page 105.

9. **Details of Equity Shares and share warrants held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

   As on the date of this Draft Letter of Offer, our promoters are holding 3,58,80,124 equity shares and 32,25,806 warrants convertible into equity shares, out of which 3,51,91,255 shares has been under lock-in from September 03, 2024 to March 10,2025 and 32,25,806 warrants are under lock-in for 90 days from the date of allotment i.e., November, 04, 2024. Other than this no other shares are lock-in, pledge of and encumbrance on such equity shares.

10. **Details of Equity Shares acquired by the Promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer**

Sr. No	Name of the Promoter and member of the Promoter Group	Details of Acquisition			Post-transaction holding of Equity Shares	
		Date of Acquisition	Number of equity shares acquired	Percentage of Equity shares acquired	Number of Equity Shares post-transaction	Percentage of Equity Shares post-transaction
1.	Nil	Nil	Nil	Nil	Nil	Nil

11. **Details of Convertible Shares warrants into equity shares acquired by the Promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer.**

Name of the Promoter and member of the Promoter Group	Details of Acquisition	
	Date of Acquisition	Number of share warrants acquired
Murugan Enterprise Private Limited	November 04, 2024	32,25,806

12. **Shareholding Pattern of our Company as per the last filing made with Stock Exchanges**

The shareholding pattern of our Company as on September 30, 2024, i.e., per the last filing with Stock Exchanges are in compliance with the provisions of SEBI (LODR) Regulations, which can be accessed on its website is specifically mentioned as follows:

Particulars of statement showing shareholding pattern of	**URL or Stock Exchanges Website**
The Company	https://www.bseindia.com/stock-share-price/bannari-amman-spinning-mills-ltd/basml/532674/shareholding-pattern/ https://www.nseindia.com/get-quotes/equity?symbol=BASML
The Promoter and Promoter Group	https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532674&qtrid=123.00&QtrName=September%202024 https://www.nseindia.com/get-quotes/equity?symbol=BASML
The Public shareholder	https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532674&qtrid=123.00&QtrName=September%202024 https://www.nseindia.com/get-quotes/equity?symbol=BASML
The Non-Promoter – Non-Public shareholder	https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=532674&qtrid=123.00&QtrName=September%202024 https://www.nseindia.com/get-quotes/equity?symbol=BASML
Disclosure by Trading Members (TM) holding 1.00% (One Percent) or more of the Total number of Equity Shares	https://www.bseindia.com/corporates/shpdrPercnt.aspx?scripcd=532674&qtrid=123.00&CompName=BANNARI%20AMMAN%20SPINNING%20MILLS%20LTD.&QtrName=September%202024&Type=TM https://www.nseindia.com/get-quotes/equity?symbol=BASML s

13. **Details of the shareholders holding more than one per cent of the share capital of the issuer as on September 30, 2024:**

Sr. No.	**Name of Shareholders**	**No. of Equity Shares**	**% of Pre-Issue Equity Share Capital**
1	Murugan Enterprise Private Limited	3,51,91,255	54.27
2	Kiran Singla	8,00,151	1.23
3	Sangampalayam Vedanayagam Arumugam	6,88,869	1.06
	Total	**3,66,80,275**	**56.56%**

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Part Repayment or pre-payment of certain borrowings availed from Lenders by our Company.
2. Part Repayment or pre-payment of Inter-Corporate Deposit availed by our Company from Murugan Enterprise Private Limited, one of the Promoters of our Company; and
3. General Corporate purposes.

(collectively, referred to hereinafter as the "**Objects**")

Our company intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the abovementioned Objects.

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association and powers under the Articles of Association enable us to undertake: (i) our existing business activities and other activities set out therein and (ii) the loans proposed to be repaid or pre-paid from the Net Proceeds of the issue.

Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from the Issue*	5,000.00
Less: Estimated Issue related expenses**	[●]
Net Proceeds from the Issue**	[●]

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted as per the Rights Entitlement ratio.*
*** To be determined at the time of filing the Letter of offer.*

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

(₹ in lakhs)

Particulars	Amount
Part Repayment or prepayment of certain borrowing availed from Lenders by our Company	3,250.00
Part Repayment or prepayment of Inter- Corporate Deposit availed by our Company from Murugan Enterprise Private Limited, one of the Promoters of our Company	500.00
General Corporate Purposes	[●] *
Issue related expenses	[●]
Net proceeds from the Issue**	**[●]**

**Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*
***Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Utilization of Net Proceeds

Our Company intends to utilize the Net Proceeds for the following objectives:

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount to be Utilized
1.	Part Repayment or prepayment of certain borrowings availed from Lenders by our Company	3,250.00
2.	Part Repayment or prepayment of Inter- Corporate Deposit availed by our Company from Murugan Enterprise Private Limited, one of the Promoters of our Company	500.00
3.	General Corporate Purpose*	[●]
	TOTAL**	[●]

**To be determined on finalization of the Issue Price and the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.*
***Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Proposed Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Amount to be deployed from Net Proceeds for the year 2024-25
1	Part Repayment or prepayment of certain borrowings availed from Lenders by our Company	3,250.00	3,250.00
2	Part Repayment or prepayment of Inter- Corporate Deposit availed by our Company from Murugan Enterprise Private Limited, one of the Promoters of our Company	500.00	500.00
3	General Corporate Purposes#	[●]	[●]
Total Net proceeds from the Issue*		[●]	[●]

#The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds;
**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio;*

Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Issue

1. ***Part Repayment or pre-payment of certain borrowings availed from Lenders by our Company***

Our Company proposes to utilise an aggregate amount of ₹ 3,250.00 lakhs from the Net Proceeds for part repayment or pre-payment of the borrowings availed by our Company. The selection and extent of loans proposed to be repaid from our Company's loans mentioned below will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant loan, the amount of the loan outstanding, the remaining tenor of the loan, presence of onerous terms and conditions under the facility, levy of any prepayment penalties and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of pre-payment to lenders, if any and mix of credit facilities provided by lenders.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to allotment. However, the aggregate amount to be utilized from the Net Proceeds towards prepayment or repayment of loans in part or full, would not exceed ₹ 3,250.00 lakhs. The repayment or pre-payment will help to reduce our outstanding in indebtedness and debt servicing costs, assist us in maintaining a favorable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources at more favorable terms in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

I. Breakup of Identified Loans proposed to be repaid:

Secured Loans availed from Banks, and which are proposed to be repaid, partly or fully are tabulated below

(₹ in lakhs)

Name of the lender and date of last renewal	***Purpose/ type of loan****	***Amount sanctioned***	***Amount outstanding as on September 30, 2024***	***Rate of interest (per annum) %***	***Pre-payment penalty***
Indian Bank October 19, 2024	Working Capital	5,200	2,317.39	OCC/WCDL-One-year MCLR + Spread 3.70%	2.3% of the outstanding or drawing limit whichever is higher
Karur Vysya Bank Limited July, 30, 2024	Working Capital	1,250	339.91	Repo rate + Spread 4.75%	3 % of the amount prepaid
DCB Bank Limited February 09, 2024	Working Capital	2,500	712.92	OCC-6 months MCLR + Spread 0.41% WCDL-As per mutual agreement	-
Bank of Maharashtra March 31, 2023.	Working Capital	500	148.56	One-year MCLR + Spread 0.50% + 2.75%	2% of the sanctioned limit in case of takeover by another Bank.
Indian Overseas Bank July 05, 2024	Working Capital	12,500	8,902.54	OCC- One-year MCLR + Spread 3.25% WCDL-To be decided by funds committee based on market movement PCFC- at the rate stipulated by the Bank on the due date of disbursement	At the discretion of the Bank.
Union Bank of India June 10, 2024	Working Capital	7,485	2,851.74	One-year MCLR + Spread 1.95%	-
Punjab National Bank October 17, 2024	Working Capital	8,400	1,036.50	One-year MCLR + Spread 4.50%	-
ICICI Bank Limited May 28, 2024	Working Capital	4,000	3,668.84	OCC - 6-month MCLR+ Spread 3.20%; Short term loan - 6 months MCLR + Spread 2.50% PCFC- at the rate stipulated by the Bank on the due date of disbursement	0.25% of the Principal amount
Total		**41,835**	**19,978.40**		

Loans proposed to be repaid:

Secured Loans availed from Banks, and which are proposed to be repaid, partly or fully are tabulated below:

(₹ in Lakhs)

Name of the lender	*Date of Sanction*	*Purpose/ type of loan**	*Amount sanctioned*	*Amount outstanding as on September 30, 2024*	*Rate of interest (per annum) %*	*Pre-payment clause/ penalty (if any)*	*Repayment Schedule*
Indian Bank Term Loan IV (TUF Fresh & Non-TUF Fresh)	February 04, 2014	Project Loan	9,357.00	4,359.51	1-year MCLR+ 3.70%	2%	Quarterly instalments with last due in May'26
Indian overseas Bank Term loan 1	April 06, 2017	Project Loan	2,960.00	2,376.83	1-year MCLR+ 2.70%	At the discretion of the Bank	Quarterly instalments with last due in Feb'28

**Our Statutory auditors have provided a report of factual findings dated December 21, 2024 in connection with agreed-upon procedures related to the statement of loan availed.*
*** For the working capital facilities, the dates mentioned are latest renewal dates of the respective facilities.*

Our Company may avail further loans after the date of filing of this Draft Letter of Offer. If at the time of utilization of the Net Proceeds, any of the above mentioned loans are repaid in part or full or refinanced or if any additional amounts are drawn down on the working capital borrowing or if the limits under the working capital borrowing are increased, then the Company will utilize the Net Proceeds to repay or pre-pay such refinanced or additional debt, not exceeding ₹ 3,250.00 lakhs.

2. Part Repayment or prepayment of Inter- Corporate Deposit availed by our Company from Murugan Enterprise Private Limited, one of the Promoters of our Company

Our Company has availed Inter-Corporate Deposit from Murugan Enterprise Private Limited, one of the Promoters of our Company. Our Company intends to utilize ₹ 500 lakhs of the Net Proceeds towards Part repayment or pre-payment of these ICDs. The following table provides details along with the terms on which the ICDs have been availed by our Company, as on September 30, 2024, which are proposed to be repaid from the Net Proceeds:

(₹ in lakhs)

Name of the Entity	**Outstanding ICDs as on September 30, 2024**	***Purpose of availing as ICDs**	**Interest rate (%) p.a.**	**Proposed repayment or pre-payment from Net Proceeds**
Murugan Enterprise Private Limited	1,700	Partial repayment of loan and augmentation of working capital requirements	10 %	500.00
Total	**1,700**			**500.00**

**Our Statutory auditors have provided a report of factual findings dated December 21, 2024 in connection with agreed-upon procedures related to the statement of loan availed*

Given the nature of these borrowing facilities and the terms of repayment, the aggregate outstanding ICDs amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail ICDs. In such cases or in case any of the above ICDs are paid or further ICDs have been availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards repayment of such additional ICDs.

Our promoter and holding company, Murugan Enterprise Private Limited will be subscribing to their rights entitlement in full or partly in the issue. Our other Promoters have confirmed through their intent letter that they will (i) not subscribe to their Rights Entitlements in the Issue and will renounce full or in part of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company or third party investors; (ii)not subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, or subscription pursuant to Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Our Promoter and Promoter Group members vide letter date December 14, 2024 had informed us that they may renounce their Right Entitlement to full or partly to the extent in favour of third parties. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 is ₹ [●].

3. **General Corporate Purposes**

In terms of Regulation 62(2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds of ₹ [●] lakhs proposed to be used for general corporate purposes which shall not exceed 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes to meet any expenses on a day-to-day basis by our Company and its Subsidiary, including but not restricted to salaries and wages, administration expenses, insurance related expenses, duties & taxes, contingencies which may not be foreseen, meeting of expenses which our Company and its Subsidiary may face in the business on a day to day basis and discharging obligations (if any) of the company and its Subsidiary.

Our management will have flexibility in utilizing any amount for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount* (₹ in lakhs)	As a percentage of total expenses*	As a percentage of Issue size*
Fees payable to the Lead Managers	[●]	[●]	[●]
Fees payable to Legal Advisors	[●]	[●]	[●]
Fees payable to Statutory Auditors	[●]	[●]	[●]
Fees payable to Practicing Company Secretary	[●]	[●]	[●]
Fees payable to Independent Chartered Accountant	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Advertising, marketing and shareholder outreach expenses	[●]	[●]	[●]
Fees payable to regulators, including Stock Exchanges, SEBI, Depositories and other statutory fees	[●]	[●]	[●]
Printing and stationery, distribution, postage, etc.	[●]	[●]	[●]
Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total Estimated Issue expenses	[●]	[●]	[●]

**Includes applicable taxes. Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the Application Money.*

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Appraisal and Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Since the Issue is for an amount not exceeding ₹10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI (LODR) 2015, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulation 18 of the SEBI (LODR) 2015, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI (LODR) 2015, we will furnish to the Stock Exchanges on a quarterly basis a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Draft Letter of Offer. Further, this information shall be furnished with the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

No part of the Net proceeds of the Issue will be paid by our Company to our Promoter, our Promoter Group, our Directors or our Key Managerial Personnel or Senior Management, except for the part of the Net Proceeds that will be utilized towards the repayment/pre-payment of certain ICDs availed by our Company from Murugan Enterprise Private Limited, one of the Promoters of our Company. Such payments or repayments are made in the ordinary course of business and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoter, Promoter Group, Directors, Key Managerial Personnel, Senior Management or associate companies (as defined under the Companies Act, 2013).

Our Company does not require any material government and regulatory approvals in relation to the objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO BANNARI AMMAN SPINNING MILLS LIMITED AND ITS SHAREHOLDERS

To
The Board of Directors
Bannari Amman Spinning Mills Ltd.
252, Metttupalayam Road,
Coimbatore – 641 043,
Tamil Nadu, India.

Saffron Capital Advisors Private Limited
605, Centre Point, Sixth Floor,
Andheri - Kurla Road, J.B. Nagar
Andheri (East), Mumbai - 400 059.

(Saffron Capital Advisors Private Limited referred to as the "**Lead Manager**")

Dear Sirs,
Re: Proposed issue of equity shares of Face value of Rs. 5 each of Bannari Amman Spinning Mills Limited ("the Company") with an overall subscription up to Rs. 5,000.00 lakhs ("the Issue") on a right issue basis to the existing equity shareholders of the company.

We, **P N RAGHAVENDRA & CO,** Chartered Accountants, Statutory Auditors of the Company, have been requested by the Company to issue a report on the special tax benefits available to the Company and shareholders of the Company in respect of the issue for inclusion in the draft letter of offer/letter of offer ("**Offer Documents**") prepared by the Company to be filed with Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), (together, the "**Stock Exchanges**") in connection with the Issue.

The accompanying Statement of Possible Tax Benefits (hereinafter referred to as "the Statement") in **Annexure I** states the possible tax benefits available to the Company and the Shareholders of the Company under the Income Tax Act, 1961 (read with Income Tax Rules, circulars and notifications), as amended by the Finance Act, 2024 and presently in force in India (hereinafter referred to as the "**IT Act**").

The preparation of the Statement is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making judgement that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities. The statement is also based on the management's understanding of the business activities and operations of the company.

It is our responsibility to examine whether the Statement prepared by the Company, in all material respects, reflects the current position of possible tax benefits available to the Company and its shareholders in relation to the Issue.

It is also our responsibility to conduct our examination in accordance with the '*Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)*' and *'Guidance Note on the Reports in Company Prospectuses (revised 2019)'* ('**the Guidance Notes**') issued by the Institute of Chartered Accountants of India ('**ICAI**'). The Guidance Notes require that we comply with ethical requirements of the *Code of Ethics* issued by the ICAI.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

For this purpose, we have read the Statement as given in **Annexure I** and evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect as amended by the Finance Act, 2024 and presently in force in India for the purpose of inclusion in the Offer Documents, in connection with the Issue.

Our work is performed solely for the Management of the Company in meeting their responsibilities in relation to statutory and other compliances in connection with the Issue.

We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of these benefits are dependent on the Company or its Shareholders fulfilling the stipulated conditions prescribed under the relevant provisions of the Indian Income Tax Regulations and the eligibility thereon. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilment of such conditions, which based on business imperatives the Company faces in the future, the Company or its Shareholders may or may not choose to fulfil. The benefits discussed in the enclosed statement are not exhaustive and conclusive. Further, any benefits available under any other law/s have not been examined and covered by this statement.

The statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

Further, we do not express any opinion or provide assurance as to whether:

i. the Company or its Shareholders will continue to obtain these benefits in future;
ii. the conditions prescribed for availing the benefits have been/would be met with.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Offer Documents and submission of this statement to the stock exchanges, in connection with the Issue, as the case may be.

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

P R Vittel
Partner
ICAI Membership Number: 018111
UDIN: 24018111BKGENA1812

Date: 21.12.2024
Place: Coimbatore

Encl: As above
CC:
Legal counsel to the Issue

SINGHANIA & CO. LLP
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ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO BANNARI AMMAN SPINNING MILLS LIMITED AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax benefits available to Bannari Amman Spinning Mills Limited ("the Company") and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current Tax Laws presently in force in India

The tax benefits stated below are as per the Income Tax Act, 1961 ("IT Act") as amended from time to time and applicable for financial year 2024-25 relevant to assessment year 2025-26 (AY 2025-26).

1. **Special tax benefits under the IT act in the hands of BANNARI AMMAN SPINNING MILLS LIMITED and the shareholders of the company:**

a) **Special direct tax benefits available to the Company under the IT Act:**
There are no special tax benefits available to the company in respect of the Issue.

b) **Special direct tax benefits available to the Shareholders of the company under the IT Act:**

i) Dividend Income:

In the case of domestic company- Deduction under section 80M of the IT Act:

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the IT Act, and section 80M of the IT Act inter - alia provides that where the gross total income of a domestic company in any previous year includes any dividends income from any other domestic or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date.

The "due date" means the date one month prior to the date for furnishing the return of income under sub - section (1) of section 139 of the IT Act.

In the case of individuals/HUF/AOP/BOI/AJP:

There is no special tax benefits available to the Shareholders. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates (Ref: Note1).

However, the maximum rate of surcharge would be restricted to 15%, irrespective of amount of dividend.

In the case of Non-residents - Treaty Benefit:

In respect of non - resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non - resident has domicile in the respective financial year and fulfilment of other conditions to avail the treaty benefit.

ii) Capital Gains:

Tax on Long - term Capital Gain (LTCG) - Section 112A of the IT Act:

As per the provisions of section 2(29AA) of the IT Act, read with section 2(42A) of the IT Act, a listed equity shares is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

In the case of domestic company:
As per Section 112A of the IT Act and Vide Finance (No 2) Bill 2024, long - term capital gains arising from transfer of equity shares, or a unit of an equity - oriented fund shall be taxed at 12.5% (without

indexation) of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares and on the transfer of unit of an equity - oriented fund.

However, no tax under the said section shall be levied where such capital gains does not exceed Rs. 1,25,000 in a financial year.

Tax on Short - term Capital Gain (STCG) – Section 111A of IT Act:

As per Section 111A of the IT Act, short - term capital gains arising from transfer of an equity share, or a unit of an equity - oriented fund or a unit of a business trust shall be taxed at 20% (plus applicable surcharge and cess).

Adjustment of LTCG, STCG against the basic exemption limit:

Where the total income as reduced by the capital gains is below the maximum amount which is not chargeable to income-tax, then, such capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such capital gains shall be computed at the rate as applicable.

Adjusted Total Income for Chapter VIA Deduction

Where the gross total income of an Individual or HUF includes any income arising from the transfer of a long-term capital asset, the gross total income shall be reduced by the amount of such income and the deduction under Chapter VI-A shall be allowed as if the gross total income as so reduced were the gross total income of the Individual or HUF.

Tax on Buy-back of Shares – Section 46A and 2(22)(f) of the IT Act

As per section 2(22)(f) of the IT Act, if the shareholder receives any consideration on buy-back of shares, it is treated as dividend and taxed in the hands of the shareholders under the head Income from Other Sources.

As per Section 46A of the IT Act, where the shareholder receives any consideration of the nature referred to in sub-clause (f) of clause (22) of section 2 from any company, in respect of any buy-back of shares, then for the purposes of this section, the value of consideration received by the shareholder shall be deemed to be nil for the purpose of computing capital gain.

The cost of acquisition of such shares would result in capital loss in the hands of shareholder. Such loss can be adjusted against any other capital gain similar to any other capital loss.

Set Off and Carry Forward of Capital Loss under the IT Act:

As per Section 74 of the IT Act, short-term capital loss arising on transfer of listed equity shares during the year is allowed to be set-off against short-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long term capital gains.

Long-term capital loss arising on transfer of listed equity shares and buy-back of shares during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

Exemptions from Capital Gain:

Exemptions u/s 54F:

As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long-term capital asset (not being residential house) arising to Shareholder who is an Individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of one residential house or for construction of a residential house within three years from the date of transfer.

If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

This exemption is available, subject to the condition that the Shareholder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of Capital Gains tax exempted earlier would become chargeable to tax as Long-Term Capital Gains in the year in which such residential house is transferred.

Similarly, if the Shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as Capital Gains in the year in which the additional residential house is acquired.

If the Shareholder could not utilise the sale consideration to purchase or construct a residential house by the due date of filing the return of income, the Shareholder may deposit the amount in Capital Gain Account Scheme to claim the exemption from capital gains. The amount deposited in the Capital Gains Account Scheme has to be utilised within the specified period mentioned above for the purchase/construction of the residential house.

Profit and gains from business or profession:

In case the Shares are held as stock in trade, the income on transfer of Shares would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act. Further, where the Shares are sold by the Shareholders before maturity, the gains arising there from are generally treated as capital gains or business income as the case may be.

In such a scenario, the gains from the business of investing in the Shares may be chargeable to tax on a 'net' basis (that is, net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act.)

The "Profits and Gains from Business" so computed, as reduced on account of set-off of losses in accordance with Chapter VI of the IT Act and unabsorbed allowances, if any, would go to form part of the gross total income of the investor.

The gross total income would be reduced by deductions, if any, available under Chapter VI-A of the IT Act and the resultant total income would be subject to tax at the tax rates as applicable to the investor (Refer Note 1 and Note 2). The deductions are however subject to the provisions of Section 115BAC of the IT Act.

Based on Section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e., cash or mercantile).

Note 1: TAX RATES

Individual, HUF, AOP, BOI and AJP:

1. The Finance Act 2023 has amended Section 115BAC of the IT Act by, inter alia, inserting sub-section (1A) thereto to provide that the tax regime provided under Section 115BAC of the IT Act shall be the default tax regime applicable in case of an individual, HUF, AOP (other than a co-operative society), body of individuals or artificial juridical persons, beginning with the financial year 2023-24. If the tax payer wants to opts out of new tax regime, he has to exercise option u/s 115BAC(6) of the IT Act.

Default Tax Regime		**Old Tax regime**	
Net Income Range	**Tax rate***	**Net Income Range**	**Tax rate***

Upto Rs. 3,00,000	Nil	Up to Rs. 2,50,000	Nil
From Rs. 3,00,001 to Rs. 7,00,000	5%	Rs. 2,50,000 to Rs. 5,00,000	5%
From Rs. 7,00,001 to Rs. 10,00,000	10%	Rs. 5,00,000 to Rs. 10,00,000	20%
From Rs. 10,00,001 to Rs. 12,00,000	15%	Above Rs. 10,00,000	30%
From Rs. 12,00,001 to Rs. 15,00,000	20%		
Above Rs. 15,00,000	30%		

2. The tax rates under New tax regime ("the Default regime") and Old tax regime are as follows for the Financial year 2024-25:

   The above tax rates under old tax regime are applicable to HUF, AOP, BOI, AJP and Individuals other than resident senior citizen and super senior citizen. The tax rates for Resident Senior and Super senior citizen are as follows:

Resident Senior Citizen (who is 60 years or more but less than 80 years at any time during the previous year)		**Resident Super Senior Citizen (who is 80 years or more at any time during the previous year)**	
Net Income Range	**Tax rate***	**Net Income Range**	**Tax rate***
Up to Rs. 3,00,000	Nil	Up to Rs. 5,00,000	Nil
Rs. 3,00,000 to Rs. 5,00,000	5%	Rs. 5,00,000 to Rs. 10,00,000	20%
Rs. 5,00,000 to Rs. 10,00,000	20%	Above Rs. 10,00,000	30%
Above Rs. 10,00,000	30%		

*plus, surcharge if applicable – Refer below and a health and education cess of 4 % on the amount of tax plus surcharge, if applicable.

SURCHARGES

Surcharge is levied on the amount of income-tax at following rates if total income of an assessee exceeds specified limits:

Default Tax regime		**New Tax regime**	
Range of Income	**Tax rate**	**Range of Income**	**Tax rate**
Rs. 50 Lakhs to Rs. 1 Crore	10%	Rs. 50 Lakhs to Rs. 1 Crore	10%
Rs. 1 Crore to Rs. 2 Crores	15%	Rs. 1 Crore to Rs. 2 Crores	15%
Exceeding Rs. 2 crores	25%	Rs. 2 Crore to Rs. 5 Crores	25%
		Exceeding Rs. 5 crores	37%

Notes:
The maximum rate of surcharge on tax payable on dividend income or capital gain referred to in Section 111A, Section 112, Section 112A or Section 115AD shall be 15%. However, the above surcharges are subject to marginal relief.

Partnership Firm and Local Authority:
A partnership firm (including LLP) and local authority is taxable at 30%.
Add: **Surcharge**

Income slab	**Rate of Surcharge**
Where total income is upto one crore rupees	Nil
Where total income exceeds one crore rupees	12%

However, the surcharge shall be subject to marginal relief (where income exceeds one crore rupees, the total amount payable as income-tax and surcharge shall not exceed total amount payable as income-tax on total income of one crore rupees by more than the amount of income that exceeds one crore rupees).
Add: ***Health and Education Cess*** 4% on income-tax and surcharge (where applicable)

Alternate Minimum Tax (AMT)
A partnership firm and Local authority is liable to pay Alternative Minimum Tax where tax payable by it, on total income computed as per normal provisions of the IT Act, is less than 18.5% of 'adjusted total income'. In such a case the 'adjusted total income' is taken as the income of the firm and it shall be liable to pay tax at the rate of 18.5% of such 'adjusted total income'.

However, AMT is levied at the rate of 9% (plus surcharge and cess as applicable) in case of an assessee other than a company, being a unit of an International Financial Services Centre and deriving its income solely in convertible foreign exchange.

Domestic Company:

Normal Income-tax rates applicable in case of domestic companies for assessment year 2025-26 are as follows:

Income Slab	Tax rate
Where its total turnover or gross receipt during the previous year 2022-23 does not exceed Rs. 400 crore	25%
Any other domestic company	30%

Add: ***Surcharge***

Income slab	Rate of Surcharge
Where total income is upto one crore rupees	Nil
Where total income exceeds one crore rupees but not exceeding ten crore rupees	7%
where total income exceeds ten crore rupees	12%

The surcharge shall be subject to marginal relief, which shall be as under:

(*i*) Where income exceeds Rs. 1 crore but not exceeding Rs. 10 crores, the total tax payable including surcharge shall not exceed total tax payable on total income of Rs. 1 crore by more than the amount of income that exceeds Rs. 1 crore.

(*ii*) Where income exceeds Rs. 10 crores, the total tax payable including surcharge shall not exceed total tax payable on total income of Rs. 10 crores by more than the amount of income that exceeds Rs. 10 crores.
Add: **Health and Education Cess** @ 4% on income-tax and surcharge.

Minimum Alternate Tax (MAT)

A domestic company is liable to pay Minimum Alternate Tax where tax payable by it, on total income computed as per normal provisions of the IT Act, is less than 15% of 'book profit'. In such a case the 'book profit' is taken as the income of the company and it shall be liable to pay tax at the rate of 15% of such 'book profit'.

However, MAT is levied at the rate of 9% (plus surcharge and cess as applicable) in case of a company, being a unit of an International Financial Services Centre and deriving its income solely in convertible foreign exchange.

Special Income-tax rates applicable in case of domestic companies for assessment year 2025-26 are as follows:

New regime	Tax rate
Where it opted for section 115BA	25%
Where it opted for Section 115BAA	22%
Where it opted for Section 115BAB	15%

Surcharge : The rate of surcharge in case of a company opting for taxability under Section 115BAA or Section 115BAB shall be flat 10% irrespective of amount of total income.

Health and Education Cess: 4% on income-tax and surcharge.

MAT : The domestic company who has opted for special taxation regime under Section 115BAA & 115BAB is exempted from provision of MAT. However, no exemption is available in case where section 115BA has been opted.

Foreign Company:
Income of Foreign company is taxable @ 35%.

Add: Surcharge

Income Slab	Tax rate
where taxable income upto Rs. 1 crore	Nil
where taxable income exceeds ₹ 1 crore but does not exceed ₹ 10 crore	2%
where taxable income exceeds ₹ 10 crore	5%

However, the surcharge shall be subject to marginal relief, which shall be as under:
(i) Where income exceeds one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge shall not exceed total amount payable as income-tax on total income of one crore rupees by more than the amount of income that exceeds one crore rupees.
(ii) Where income exceeds ten crore rupees, the total amount payable as income-tax and surcharge shall not exceed total amount payable as income-tax on total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

Add: Health and Education Cess @ 4% on income-tax and surcharge.

Minimum Alternate Tax (MAT)
A foreign company is liable to pay Minimum Alternate Tax where tax payable by it, on total income computed as per normal provisions of the Act, is less than 15% of 'book profit'. In such a case the 'book profit' is taken as the income of the company and it shall be liable to pay tax at the rate of 15% of such 'book profit'.
However, the provisions of MAT do not apply in case of foreign companies if it does not have permanent establishment (PE) in India or opts for presumptive taxation scheme of Section 44B, Section 44BB, Section 44BBA or Section 44BBB.

Other Notes to Statement:

(i) The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares.

(ii) The above statement covers only certain relevant benefits under the IT Act and does not cover benefit under any other law.

(iii) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her/its holding in the Shares of the Company.

(iv) The stated benefits will be available only to the sole/first named holder in case the Share is held by joint holders.

(v) In respect of non-residents, the tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

(vi) In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty/DTAA.

(vii) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views expressed herein are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. No responsibility is assumed to update the views consequent to such changes.

(viii) Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A/195 of the IT Act.

(ix) The above Statement of possible tax benefits is as per the current direct tax laws (with the amendments made by the FA 2024) relevant for the Assessment year 2025-26 i.e. Financial Year 2024-25. Several of these benefits are dependent on the Company or its Share Holders fulfilling the conditions prescribed under the relevant tax laws.

(x) This Statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them.

(xi) This Statement does not cover analysis of provisions of Chapter X-A of the IT Act dealing with General Anti- Avoidance Rules and provisions of Multilateral Instruments.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company nor any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

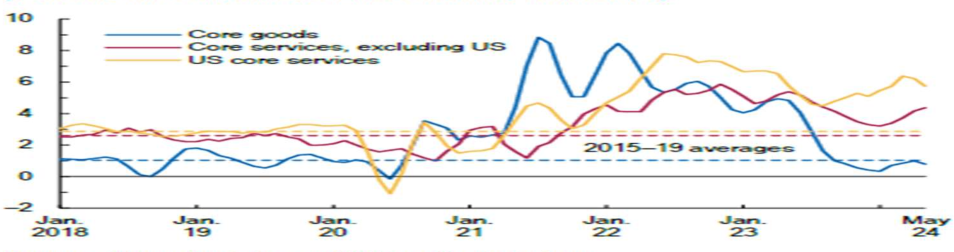
GLOBAL OUTLOOK

Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. However, varied momentum in activity at the turn of the year has somewhat narrowed the output divergence across economies as cyclical factors wane and activity becomes better aligned with its potential. Services inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher for even longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. The policy mix should thus be sequenced carefully to achieve price stability and replenish diminished buffers.

Global activity and world trade firmed up at the turn of the year, with trade spurred by strong exports from Asia, particularly in the technology sector. Relative to the April 2024 WEO, first quarter growth surprised on the upside in many countries, although downside surprises in Japan and the United States were notable. In the United States, after a sustained period of strong outperformance, a sharper-than-expected slowdown in growth reflected moderating consumption and a negative contribution from net trade. In Japan, the negative growth surprise stemmed from temporary supply disruptions linked to the shutdown of a major automobile plant in the first quarter. In contrast, shoots of economic recovery materialized in Europe, led by an improvement in services activity. In China, resurgent domestic consumption propelled the positive upside in the first quarter, aided by what looked to be a temporary surge in exports belatedly reconnecting with last year's rise in global demand. These developments have narrowed the output divergences somewhat across economies, as cyclical factors wane and activity becomes better aligned with its potential.

Meanwhile, the momentum on *global disinflation* is slowing, signaling bumps along the path. This reflects different sectoral dynamics: the persistence of higher-than-average inflation in services prices, tempered to some extent by stronger disinflation in the prices of goods (Figure 1). Nominal wage growth remains brisk, above price inflation in some countries, partly reflecting the outcome of wage negotiations earlier this year and short-term inflation expectations that remain above target. The uptick in sequential inflation in the United States during the first quarter has delayed policy normalization. This has put other advanced economies, such as the euro area and Canada, where underlying inflation is cooling more in line with expectations, ahead of the United States in the easing cycle. At the same time, a number of central banks in emerging market economies remain cautious in regard to cutting rates owing to external risks triggered by changes in interest rate differentials and associated depreciation of those economies' currencies against the dollar.

Figure 1. Sequential Core Inflation
(Percent; three-month-over-three-month, annualized)



Sources: Haver Analytics; and IMF staff calculations.
Note: The two aggregates are the purchasing-power-parity-weighted averages. Sample includes 11 advanced economies and 9 emerging market and developing economies that account for approximately 55 percent of 2021 world output at purchasing-power-parity weights.

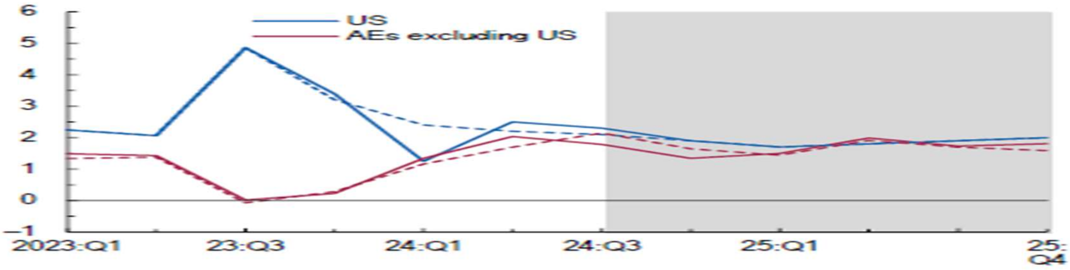
Global financial conditions remain accommodative. Although longer-term yields have generally drifted upward, in tandem with the repricing of policy paths, buoyant corporate valuations have kept financial conditions accommodative, broadly at the level of the April WEO (see Box 1). The increase in yields is likely to put pressure on fiscal discipline, however, which in some countries is already strained by the inability to rein in spending or raise taxes.

A Waxing and Waning Outlook

IMF staff projections are based on upward revisions to commodity prices, including a rise in nonfuel prices by 5 percent in 2024. Energy commodity prices are expected to fall by about 4.6 percent in 2024, less than projected in the April WEO, reflecting elevated oil prices from deep cuts by OPEC+ (the Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) and reduced, but still present, price pressure from the Middle East conflict. Monetary policy rates of major central banks are still expected to decline in the second half of 2024, with divergence in the pace of normalization reflecting varied inflation circumstances.

Growth is expected to remain stable. At 3.2 percent in 2024 and 3.3 percent in 2025, the forecast for global economic growth is broadly unchanged from that in April (Table 1). Under the hood, however, offsetting growth revisions have shifted the composition. Among advanced economies, growth is expected to converge over the coming quarters (Figure 2). In the United States, projected growth is revised downward to 2.6 percent in 2024 (0.1 percentage point lower than projected in April), reflecting the slower-than-expected start to the year. Growth is expected to slow to 1.9 percent in 2025 as the labour market cools and consumption moderates, with fiscal policy starting to tighten gradually. By the end of 2025, growth is projected to taper to potential, closing the positive output gap. In the euro area, activity appears to have bottomed out. In line with the April 2024 projection, a modest pickup of 0.9 percent is expected for 2024 (an upward revision of 0.1 percentage point), driven by stronger momentum in services and higher-than-expected net exports in the first half of the year; growth is projected to rise to 1.5 percent in 2025. This is underpinned by stronger consumption on the back of rising real wages, as well as higher investment from easing financing conditions amid gradual monetary policy loosening this year. Continued weaknesses in manufacturing suggest a more sluggish recovery in countries such as Germany. In Japan, the strong shunto wage settlement is expected to support a turnaround in private consumption starting in the second half. But the expectation for 2024 growth is revised downward by 0.2 percentage point, with the downward adjustment largely reflecting temporary supply disruptions and weak private investment in the first quarter. The forecast for growth in emerging market and developing economies is revised upward; the projected increase is powered by stronger activity in Asia, particularly China and India. For China, the growth forecast is revised upward to 5 percent in 2024, primarily on account of a rebound in private consumption and strong exports in the first quarter. In 2025, GDP is projected to slow to 4.5 percent, and to continue to decelerate over the medium term to 3.3 percent by 2029, because of headwinds from aging and slowing productivity growth. The forecast for growth in India has also been revised upward, to 7.0 percent, this year, with the change reflecting carryover from upward revisions to growth in 2023 and improved prospects for private consumption, particularly in rural areas.

Figure 2. Growth Revisions since April
(Percent; solid = July 2024 WEO Update, dashed = April 2024 WEO)



Source: IMF staff calculations.
Note: Shaded areas denote projections. Data for 2024:Q2 are estimates. AEs = advanced economies; WEO = *World Economic Outlook*.

With regard to Latin America and the Caribbean, growth has been revised downward for 2024 in Brazil, reflecting the near-term impact of flooding, and in Mexico, due to moderation in demand. However, growth has been revised upwards in 2025 for Brazil to reflect reconstruction following the floods and supportive structural factors (for example, acceleration in hydrocarbon production). For the Middle East and Central Asia, oil production and regional conflicts continue to weigh on prospects. The growth forecast for 2024 in Saudi Arabia has been revised downward by 0.9 percentage point; the adjustment reflects mainly the extension of oil production cuts. Projected growth in Sudan is revised markedly downward, as persisting conflict takes a larger toll on the economy. The forecast for growth in sub-Saharan Africa is revised downward, mainly as a result of a 0.2 percentage point downward revision to the growth outlook in Nigeria amid weaker than expected activity in the first quarter of this year.

Trade makes a recovery. World trade growth is expected to recover to about 3¼ percent annually in 2024–25 (from quasi stagnation in 2023) and align with global GDP growth again. The uptick in the first quarter of this year is expected to moderate as manufacturing remains subdued. Although cross border trade restrictions have surged, harming trade between geopolitically distant blocs, the global trade-to-GDP ratio is expected to remain stable in the projection.

Global inflation will continue to decline. In advanced economies, the revised forecast is for the pace of disinflation to slow in 2024 and 2025. That is because inflation in prices for services is now expected to be more persistent and commodity prices higher. However, the gradual cooling of labour markets, together with an expected decline in energy prices, should bring headline inflation back to target by the end of 2025. Inflation is expected to remain higher in emerging market and developing economies (and to drop more slowly) than in advanced economies. However, partly thanks to falling energy prices, inflation is already close to pre pandemic levels for the median emerging market and developing economy.

Future-Proofing the Economy

As output gaps start to close and inflation recedes, policymakers face two tasks: persevering with restoring price stability and addressing the legacies of recent crises, including replenishing lost buffers and durably uplifting growth. In the near term, this will require careful calibration and sequencing of the policy mix. In countries where upside risks to inflation—including those arising through external channels—have materialized, central banks should refrain from easing too early and remain open to further tightening should it become necessary. Where inflation data encouragingly signal a durable return to price stability, monetary policy easing should proceed gradually, which would simultaneously provide room for the required fiscal consolidation to take place. Fiscal slippages over the past year in some countries could require a stance significantly tighter than envisaged. As the space for fiscal manoeuvre narrows, commitments to achieving fiscal consolidation targets should be earnestly adhered to, aided by sound fiscal frameworks and resource mobilization (see Chapter 1 of the April 2024 *Fiscal Monitor*).

In emerging market and developing economies, recent policy divergences highlight the need to manage the risks of currency and capital flow volatility. Given that economic fundamentals remain the main factor in dollar appreciation, the appropriate response is to allow the exchange rate to adjust, while using monetary policy to keep inflation close to target. Foreign reserves should be used prudently and preserved to deal with potentially worse outflows in the future, in line with the IMF's Integrated Policy Framework. To the extent possible, macroprudential policies should mitigate vulnerabilities from large exposures to foreign-currency-denominated debt.

Near-term challenges aside, policymakers must act *now* to revitalize declining medium-term growth prospects. Striking differences in productivity trends across countries since the pandemic suggest that not all factors are cyclical and that decisive policy action is needed to enhance business dynamism and reduce resource misallocation to arrest weaknesses (see Chapter 3 of the April 2024 WEO). Further boosting labor supply, especially by better integrating women and immigrants—key segments contributing to economic resilience in advanced economies—will mitigate demographic pressures, adding to potential growth gains. While emigration of the young and educated population can take a toll on source countries, the costs can be mitigated. Policies that help leverage diaspora networks, maximize the benefits from remittances, and expand domestic labor market opportunities are possible avenues (see Chapter 4 of the October 2016 WEO).

Finally, the misuse of inward and domestically oriented policies compromises the ability to tackle global challenges such as climate change in regard to which multilateral cooperation and trade are vital. These policies are also often inadequate to address domestic issues, as they increase fiscal pressures and risk further distortions such as resource misallocation. All countries should thus scale back on use of trade-distorting measures and strive instead to strengthen the multilateral trading system.

Table 1. Overview of the *World Economic Outlook* Projections
(Percent change, unless noted otherwise)

	Year over Year						Q4 over Q4 2/		
			Projections		Difference from April 2024 WEO Projections 1/			Projections	
	2022	2023	2024	2025	2024	2025	2023	2024	2025
World Output	**3.5**	**3.3**	**3.2**	**3.3**	**0.0**	**0.1**	**3.3**	**3.2**	**3.2**
Advanced Economies	**2.6**	**1.7**	**1.7**	**1.8**	**0.0**	**0.0**	**1.7**	**1.8**	**1.8**
United States	1.9	2.5	2.6	1.9	–0.1	0.0	3.1	2.0	1.8
Euro Area	3.4	0.5	0.9	1.5	0.1	0.0	0.2	1.5	1.5
Germany	1.8	–0.2	0.2	1.3	0.0	0.0	–0.2	0.8	1.7
France	2.6	1.1	0.9	1.3	0.2	–0.1	1.2	0.8	1.5
Italy	4.0	0.9	0.7	0.9	0.0	0.2	0.7	0.5	1.3
Spain	5.8	2.5	2.4	2.1	0.5	0.0	2.1	2.3	2.1
Japan	1.0	1.9	0.7	1.0	–0.2	0.0	1.2	1.6	0.3
United Kingdom	4.3	0.1	0.7	1.5	0.2	0.0	–0.2	1.5	1.6
Canada	3.8	1.2	1.3	2.4	0.1	0.1	1.0	2.2	2.2
Other Advanced Economies 3/	2.7	1.8	2.0	2.2	0.0	–0.2	1.7	1.9	2.8
Emerging Market and Developing Economies	**4.1**	**4.4**	**4.3**	**4.3**	**0.1**	**0.1**	**4.7**	**4.3**	**4.4**
Emerging and Developing Asia	4.4	5.7	5.4	5.1	0.2	0.2	5.9	5.3	5.0
China	3.0	5.2	5.0	4.5	0.4	0.4	5.4	4.6	4.9
India 4/	7.0	8.2	7.0	6.5	0.2	0.0	7.8	6.5	6.5
Emerging and Developing Europe	1.2	3.2	3.2	2.6	0.1	–0.2	4.1	2.3	3.7
Russia	–1.2	3.6	3.2	1.5	0.0	–0.3	4.8	1.8	1.7
Latin America and the Caribbean	4.2	2.3	1.9	2.7	–0.1	0.2	1.5	2.5	2.5
Brazil	3.0	2.9	2.1	2.4	–0.1	0.3	2.2	2.9	2.0
Mexico	3.7	3.2	2.2	1.6	–0.2	0.2	2.3	3.0	1.1
Middle East and Central Asia	5.4	2.0	2.4	4.0	–0.4	–0.2	...	...	...
Saudi Arabia	7.5	–0.8	1.7	4.7	–0.9	–1.3	–4.3	2.6	4.3
Sub-Saharan Africa	4.0	3.4	3.7	4.1	–0.1	0.1	...	...	...
Nigeria	3.3	2.9	3.1	3.0	–0.2	0.0	2.8	3.3	2.7
South Africa	1.9	0.7	0.9	1.2	0.0	0.0	1.3	1.3	0.9
Memorandum									
World Growth Based on Market Exchange Rates	3.0	2.7	2.7	2.8	0.0	0.1	2.8	2.7	2.8
European Union	3.7	0.6	1.2	1.8	0.1	0.0	0.5	1.7	1.8
ASEAN-5 5/	5.5	4.1	4.5	4.6	0.0	0.0	4.2	5.5	2.9
Middle East and North Africa	5.4	1.8	2.2	4.0	–0.5	–0.2	...	...	...
Emerging Market and Middle-Income Economies	4.0	4.4	4.2	4.2	0.1	0.1	4.7	4.3	4.4
Low-Income Developing Countries	4.2	3.9	4.4	5.3	–0.3	0.1	...	...	...
World Trade Volume (goods and services) 6/	**5.6**	**0.8**	**3.1**	**3.4**	**0.1**	**0.1**	...	...	...
Advanced Economies	6.2	0.1	2.5	2.8	0.3	–0.1	...	...	...
Emerging Market and Developing Economies	4.5	2.0	4.2	4.5	–0.1	0.5	...	...	...
Commodity Prices									
Oil 7/	39.2	–16.4	0.8	–6.0	3.3	0.3	–4.4	–2.4	–5.7
Nonfuel (average based on world commodity import weights)	7.9	–5.7	5.0	1.6	4.9	2.0	–0.2	7.7	0.5
World Consumer Prices 8/	**8.7**	**6.7**	**5.9**	**4.4**	**0.0**	**–0.1**	**5.8**	**5.5**	**3.6**
Advanced Economies 9/	7.3	4.6	2.7	2.1	0.1	0.1	3.1	2.5	1.9
Emerging Market and Developing Economies 8/	9.8	8.3	8.2	6.0	–0.1	–0.2	8.0	8.0	4.9

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during April 23–May 20, 2024. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = *World Economic Outlook*.
1/ Difference based on rounded figures for the current and April 2024 WEO forecasts. Countries for which forecasts have been updated relative to April 2024 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.
2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies) output at purchasing-power-parity weights.
3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.
4/ For India, data and projections are presented on a fiscal year (FY) basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 7.3 percent in 2024 and 6.5 percent in 2025 based on calendar year.
5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.
6/ Simple average of growth rates for export and import volumes (goods and services).
7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of May 20, 2024), is $81.26 in 2024 and $76.38 in 2025.
8/ Excludes Venezuela.
9/ The assumed inflation rate for the euro area is 2.4% in 2024 and 2.1% in 2025, that for Japan is 2.4% in 2024 and 2.0% in 2025, and that for the United States is 3.1% in 2024 and 2.0% in 2025.

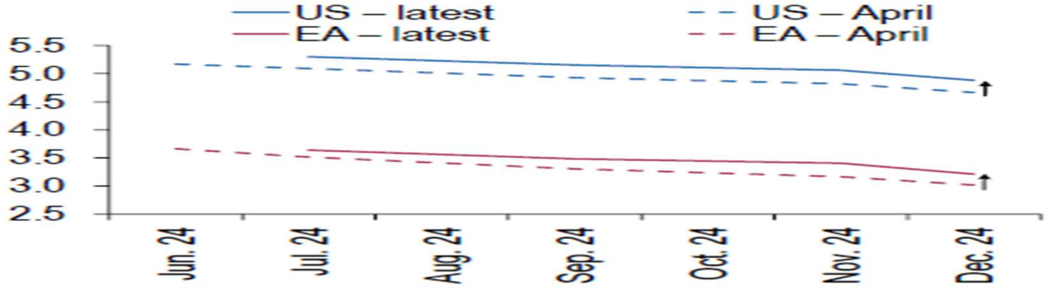
***(Source**: https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024)*

Global Financial Stability Update

Persistently elevated uncertainty around the inflation outlook has led central banks in major advanced economies to become somewhat more cautious about the pace of policy easing, compared with their positions at the end of the first quarter.

Consequently, markets' expectations of the number of policy rate cuts to be delivered in 2024 have been revised downward (Figure 1.1).1 Longer-term yields have generally moved in tandem with repricing of policy paths. In the US, however, medium- to long term yields have remained unchanged, on net, since April. Over this period, these yields have seen transitory bouts of upward pressure exerted via moves in real rates, a consequence of, in part, fluctuations in demand for Treasuries, given structural shifts in the Treasuries market's investor base (see the April 2024 *Global Financial Stability Report*). That said, uncertainty around the path of long-term US real rates measured by the level of the real risk premium 2 remains elevated compared with the historical average. Developments in interest rates have also led to gyrations of the exchange rate for the US dollar against major advanced economy currencies since April. The Japanese yen has seen sustained depreciation pressures against the dollar over this period, characterized by excessive moves in the currency and subsequent market interventions by the authorities.

Figure 1.1. Market-Implied Policy Rates
(Percent)



Sources: Bloomberg L.P.; and IMF staff calculations.
Note: "April" refers to April 1, 2024. The European Central Bank announced a policy rate cut on June 5, 2024. EA = euro area.

Emerging market economies have been resilient overall, although the performance of emerging market currencies has varied some.

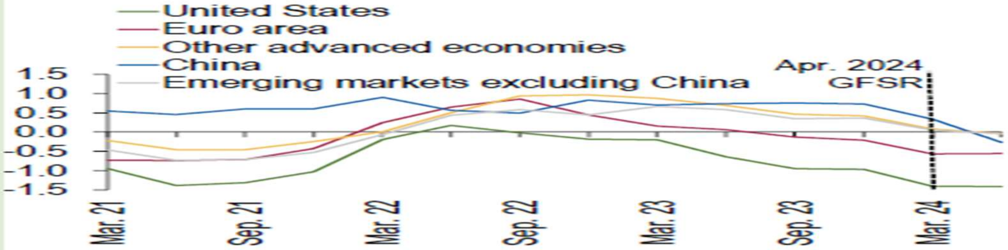
Broadly speaking, emerging market currencies have been subject to depreciation pressures.[3] Furthermore, emerging markets have experienced net capital outflows[4] since April, while showing some sensitivity to changes in expectations for the US policy path. Even as international sovereign bond issuance has slowed, a few frontier markets have been prefinancing redemptions due in the next quarter despite elevated financing costs to mitigate the much-anticipated refinancing risk.

Risk assets have appreciated from elevated levels of the first quarter, driven in part by resilient corporates. Solid corporate profits have driven valuations in US and euro area equities higher, as companies in most sectors have posted upside earnings surprises. Equity valuations in major emerging markets have been mixed, while corporate spreads continue to remain tight across most regions.

Overall, buoyant corporate valuations have kept financial conditions accommodative

(Figure 1.2). However, a slower pace of policy easing in the US and other advanced economies, amid continued uncertainty around the global economic outlook, could exacerbate financial market volatility and challenge these valuations. In addition, emerging market currencies may come under further pressure with narrowing of interest rate differentials against the US.

Figure 1.2. Financial Conditions Index
(Number of standard deviations from the mean)



Sources: Bloomberg Finance L.P.; Haver Analytics; national data sources; and IMF staff calculations.
Note: GFSR = Global Financial Stability Report.

This box was prepared by the Monetary and Capital Markets Department's Global Markets Analysis division. It provides an update on market developments since the April 2024 Global Financial Stability Report.

1. A cut is assumed to be of the magnitude of 25 basis points.
2. The real risk premium component of real rates reflects the compensation investors require for bearing uncertainty around the future path of interest rates and economic outlook (see the October 2023 Global Financial Stability Report for more details; see also Tobias Adrian, Vitor Gaspar, and Pierre-Olivier Gourinchas, "The Fiscal and Financial Risks of a High-Debt, Slow-Growth World," IMF Blog, March 28, 2024).

3. Currencies of some emerging markets with relatively more robust economic outlooks, or of those exporting commodities like copper that are used in hardware enabling artificial intelligence technology, have been able to offset depreciation pressures.
4. A narrow definition of capital flows is used here, restricted to portfolio flows only, owing to lags in official data availability.

Selected Economies Real GDP Growth
(Percent change)

			Projections		Difference from April 2024 WEO Projections 1/	
	2022	2023	2024	2025	2024	2025
Argentina	5.0	−1.6	−3.5	5.0	−0.7	0.0
Australia	3.9	2.0	1.4	2.0	−0.1	0.0
Brazil	3.0	2.9	2.1	2.4	−0.1	0.3
Canada	3.8	1.2	1.3	2.4	0.1	0.1
China	3.0	5.2	5.0	4.5	0.4	0.4
Egypt 2/	6.7	3.8	2.7	4.1	−0.3	−0.3
France	2.6	1.1	0.9	1.3	0.2	−0.1
Germany	1.8	−0.2	0.2	1.3	0.0	0.0
India 2/	7.0	8.2	7.0	6.5	0.2	0.0
Indonesia	5.3	5.0	5.0	5.1	0.0	0.0
Iran 2/	3.8	4.6	3.3	3.1	0.0	0.0
Italy	4.0	0.9	0.7	0.9	0.0	0.2
Japan	1.0	1.9	0.7	1.0	−0.2	0.0
Kazakhstan	3.3	5.1	3.5	4.6	0.4	−1.0
Korea	2.6	1.4	2.5	2.2	0.2	−0.1
Malaysia	8.9	3.6	4.4	4.4	0.0	0.0
Mexico	3.7	3.2	2.2	1.6	−0.2	0.2
Netherlands	4.3	0.1	0.7	1.5	0.1	0.2
Nigeria	3.3	2.9	3.1	3.0	−0.2	0.0
Pakistan 2/	6.2	−0.2	2.0	3.5	0.0	0.0
Philippines	7.6	5.5	6.0	6.2	−0.2	0.0
Poland	5.6	0.2	3.1	3.5	0.0	0.0
Russia	−1.2	3.6	3.2	1.5	0.0	−0.3
Saudi Arabia	7.5	−0.8	1.7	4.7	−0.9	−1.3
South Africa	1.9	0.7	0.9	1.2	0.0	0.0
Spain	5.8	2.5	2.4	2.1	0.5	0.0
Thailand	2.5	1.9	2.9	3.1	0.2	0.2
Türkiye	5.5	4.5	3.6	2.7	0.5	−0.5
United Kingdom	4.3	0.1	0.7	1.5	0.2	0.0
United States	1.9	2.5	2.6	1.9	−0.1	0.0

Source: IMF staff calculations.
Note: The selected economies account for approximately 83 percent of world output.
1/ Difference based on rounded figures for the current and April 2024 WEO forecasts.
2/ Data and forecasts are presented on a fiscal year basis.

*(*Source: *https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024* *)*

INDIAN ECONOMY OVERVIEW

The real GDP growth rate is estimated to be 8.2% in FY24 compared to the growth rate of 7.0% in FY23, while the real GDP in fourth quarter of 2023-24 is estimated to grow by 7.8%, indicating the sustenance of growth momentum in the financial year. These estimates reaffirm the ability of the Indian economy to grow on the robustness of its domestic demand even when a rise in global uncertainties slows global output.

The nation has shifted to a modern economy, demonstrating increased global integration, and exporting a fifth of its output, a significant rise from one-sixteenth at independence. The demographic transition, marked by a lower infant mortality rate and a consistent growth in literacy rates, further enhances India's advantageous position. With improved income distribution, heightened employment rates, and globally competitive social amenity provisions, there is potential for India's per capita GDP to expand in the next 25 years, mirroring the growth seen in the preceding 75 years.

In the fiscal year 2024-25 (Union Budget Estimate), there has been a 11.1% increase in the allocation for capital expenditure, rising from ₹ 10 lakh crore (US$ 120.6 billion) in the previous year (2023-24) to ₹ 11.11 lakh crore (US$ 134 billion). The strong growth of the Indian economy in the first half of FY24 has surpassed that of major economies, contributing to the reinforcement of macroeconomic stability.

Recently, in 2023-24, the following key indicators highlighted improved performances:

- Private consumption stood at 57.9% of the nominal GDP in fourth quarter of FY24, compared to 63.5% in the previous quarter. The growth in the private consumption remained muted mainly due to the factors like subdued monsoon and persistent food inflation.
- The agricultural sector maintains robust growth, showing positive advancements in Rabi sowing, where the cultivated area has expanded from 709.09 lakh hectares in 2022-23 to 709.29 lakh hectares in 2023-24 (as on February 1, 2024). To enhance production and bolster farmers' income, elevated Minimum Support Prices (MSPs) have been declared for the upcoming Rabi Marketing Season (RMS 2023-24), ranging from 2.0 to 9.1%. The area sown under the kharif crops also expanded by 8.9% compared to the same period last year, as of May 10, 2024. Crops like rice, Shree anna, coarse cereals, pulses and oilseeds contributed to this increase, which might lead to rise in the production.
- CPI inflation decreased to 3.54% in July 2024 from 5.08% in June 2024.
- PMI Services increased to the levels of 61.1 in July 2024 as compared to 60.5 in June 2024.
- The consumption of petroleum products during FY25 (April-July 2024) stood at 80.889 MMT in volume terms.
- Quick Estimates for India's Index of Industrial Production (IIP) for June 2024 stood at 150.0 against 154.2 for May 2024.
- The combined index of eight core industries stood at 163.6 for FY25 (April-June) against 154.8 for FY24 (April-June).
- Cargo traffic handled at major ports stood at 278.51 million tonnes (MMT) during April-July FY25.
- Railway freight traffic stood at 135.46 million tonnes during June 2024.
- During April-June 2025, air freight movement increased by ~13.9% to 906.39 thousand tonnes compared to 795.70 thousand tonnes in April-June 2024.
- A total of 10.5 crore e-way bills were raised in July 2024.
- India registered a broad-based expansion of 7% in FY23, supported by robust domestic demand and upbeat investment activity. Sectoral analysis reveals that growth was driven by demand from the services sector, and enhanced agriculture export activity was aided by increased infrastructure investment. Private consumption has peaked, marking the highest level during all second quarters in the last 11 years, accounting for 60.6% of the Gross Domestic Product (GDP). The investment rate also rose to be the highest among all the second quarters since 2012-13 at 34.6% of GDP, hinting at the beginnings of an investment cycle.
- In July 2024, Gross GST revenue collection reached 1.82 lakh crore (US$ 21.87 billion), marking a 14.4% year-on-year growth; positive trends were observed across components including CGST, SGST, IGST, and Cess collections, with significant inter-governmental settlements contributing to revenue distribution among states/UT.
- In July 2024, the Indian basket of crude oil reached US$ 84.15 a barrel, compared to US$ 82.55 in June.
- In July2024, UPI volume stood at 14,435.55 million transactions worth ₹ 20.64 lakh crore (US$ 248.02 billion).
- Merchandise exports during FY25 (April-July 2024) stood at US$ 261.47 billion.
- The average daily net injection under the liquidity adjustment facility (LAF) stood at ₹ 1.52 lakh crore (US$ 18.26 billion) during July 16 to August 6, 2024.
- In FY25, as of August 9, 2024, foreign exchange reserves in India stood at US$ 670.12 billion.
- As of August 9, 2024, the currency in circulation (CIC) registered ₹ 34.90 lakh crore (US$ 419.37 billion).
- Rupee strength reached ₹ 83.87/US$ as of August 23, 2024.
- The total foreign direct investment (FDI) equity inflow received by India in FY24 (April to March 2024) amounted to US$ 44.42 billion.
- According to RBI:
  Bank credit stood at ₹ 168.80 lakh crore (US$ 2.02 trillion) as of June 28, 2024.
  Credit to non-food industries stood at ₹ 168.46 lakh crore (~US$ 2.0 trillion) as of June 28, 2024.

  India's economy outpaced other economies during the first half of FY24, propelled by robust demand and increased investment. As of June 2024, the annual retail price inflation in India rose to 5.08%, an increase from the previous month, staying within the tolerance band set by the Reserve Bank of India (RBI). The real investment rate during Q2 of FY23, prevailing at a high level of 34.6%, demonstrates the Government's continued commitment towards asset creation.

An overall rise in Rabi coverage with adequately filled irrigation reservoirs played a pivotal role in the agricultural output growth in 2022-23. An increase in minimum support prices for both Kharif and Rabi crops in 2022-23 and progress in rice procurement have already been supplementing rural incomes in the country. Higher incomes have further resulted in an increase in sales of passenger vehicles, two and three-wheelers, and tractors by a good year-on-year margin in January. The increase in GST collection, the strong generation of e-way bills, and the growth in e-toll collection serve as reaffirmations of the resilience within economic activity.

In addition, steady growth momentum in service activity continues with healthy PMI levels during October to January, attributing to the growth in output and accommodating demand conditions, leading to a sustained upturn in sales. The growth impetus in rail freight and port traffic remains upbeat, with further improvement in the domestic aviation sector. Strong growth in fuel demand, domestic vehicle sales, and high UPI transactions also reflect healthy demand conditions.

Capital expenditure by the Government during April-February FY24 amounted to ₹ 8.1 lakh crore (US$ 97.03 billion).

The Interim Budget for FY25 emphasizes four pivotal areas: (i) Empowering the poor ("Garib Kalyan, Desh ka Kalyan"), elevating them from poverty, reaching marginalized groups, including street vendors, tribal communities, artisans, and transgender persons, to ensure inclusive growth and leave no one behind; (ii) Welfare of farmers ("Annadata") by providing direct financial aid, fostering inclusive growth and productivity through farmer-centric policies, income support, risk coverage, and technology promotion; (iii) Empowering the youth ("Amrit Peedhi, the Yuva") for nation's prosperity by focusing on quality education, holistic development, and fostering entrepreneurial aspirations; and (iv) Empowerment of women ("Momentum for Nari Shakti") through ease of living, increased participation in workforce and facilitating entrepreneurship.

Strengthening the banking and financial sector is evident, given the stability in foreign direct investment (FDI) inflows, a resurgence in Foreign Portfolio Investment (FPI) inflows, and ample foreign exchange reserves providing a robust import cover of 9 months. The external front remains resilient, contributing to the commendable performance of the INR compared to other Emerging Market Economies (EMEs).

India's services exports demonstrated robust performance during April-July period of FY25 with an estimated value of services export amounting to US$ 117.35 billion, registering ~9.88% growth compared to the same period of previous fiscal year. This growth is predominantly fuelled by the software and business services sector. With a projected 8% increase in global IT spending for 2024, India's services exports outlook remains favourable. The narrowing merchandise trade deficit and the upward trajectory of net services receipts are anticipated to contribute to an enhancement in India's current account deficit.

As we move ahead in 2024, the global economic landscape is anticipated to introduce further complexities, necessitating sustained vigilance to uphold India's external resilience. It is important for India to address medium-term challenges, including securing technology and resources for energy transition and skill development for the 21st-century economy. Concurrently, maintaining fiscal consolidation at the general government level is crucial.

The Indian economy shows promising signs with the RBI forecasting a 7.2% real GDP growth for FY25, supported by the prospects of robust rabi harvesting, manufacturing profitability, and resilient services. While risks such as geopolitical tensions and supply chain disruptions persist, lower input prices and moderated food inflation are expected to positively impact output growth and export prospects. With efforts to enhance export competitiveness and stable inflation rates, the outlook for India's economic growth remains favourable.

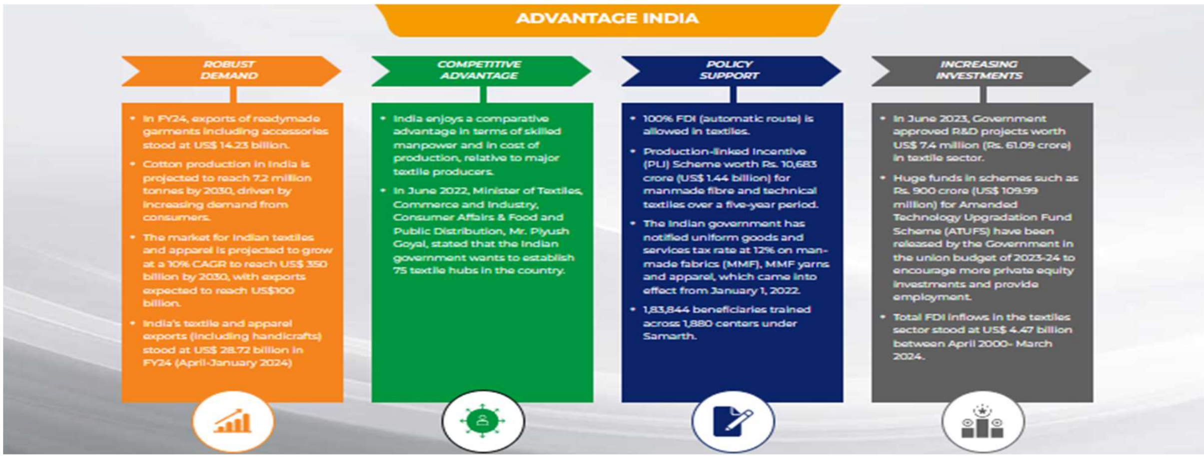
The collective efforts invested over the past several years have laid a robust foundation, providing a sturdy platform upon which the framework of a middle-income economy can be built.

(Source: https://www.ibef.org/economy/monthly-economic-report)

INDIAN TEXTILES INDUSTRY

Introduction

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.



The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India’s textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

(Source: https://www.ibef.org/industry/textiles)

Market Size

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US$100 billion.

The textiles and apparel industry contributes 2.3% to the country’s GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

Textile manufacturing in India has been steadily recovering amid the pandemic. The Manufacturing of Textiles Index for the month of April 2024 is 105.9.

Global apparel market is expected to grow at a CAGR of around 8% to reach US$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US$ 1.2 trillion by 2030.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India's sportech industry is estimated around US$ 1.17 million in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US$ 9.71 million in 2022 and is expected to grow at 15% to reach US$ 22.45 million by 2027.

The Indian composites market is expected to reach an estimated value of US$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US$ 138 billion to US$ 195 billion by 2025.

During FY24, the total exports of textiles (including handicrafts) stood at US$ 35.9 billion. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US$ 35.90 billion in FY24. In FY24, exports of readymade garments including accessories stood at US$ 14.23 billion. India's textile and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24.

Exports for 247 technical textile items stood at ₹ 5,946 crore (US$ 715.48 million) between April-June (2023-24).

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

(Source: https://www.ibef.org/industry/textiles)

Investment

Total FDI inflows in the textiles sector stood at US$ 4.47 billion between April 2000- March 2024.

The textile sector has witnessed a spurt in investment during the last five years.

(Source: https://www.ibef.org/industry/textiles)

Government Initiatives

Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

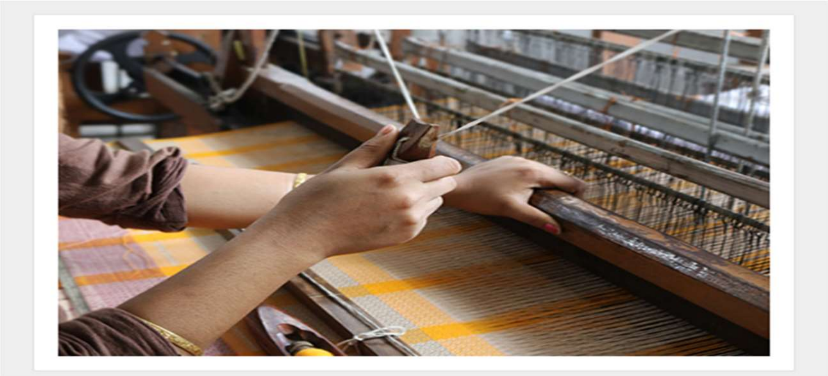
Initiatives taken by Government of India are:

- Secretary of the Ministry of Textiles, Ms. Rachna Shah, announced that India's technical textile market has great potential, with a notable growth rate of 10% and ranking as the 5th largest in the world.
- A tripartite Memorandum of Understanding (MoU) was signed by the Textiles Committee under the Ministry of Textiles, the Government e Marketplace (GeM) under the Ministry of Commerce and Industry, and the Standing Conference of Public Enterprises (SCOPE) to promote upcycled products made from textile waste and scrap.
- Piyush Goyal also discussed the roadmap to achieve the target of US$ 250 billion in textiles production and US$ 100 billion in exports by 2030.
- In July 2023, 43 new implementing partners were empaneled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated.
- 1,83,844 beneficiaries trained across 1,880 centres under Samarth.
- In June 2023, the Government approved R&D projects worth US$ 7.4 million (₹ 61.09 crore) in the textile sector.
- In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was ₹ 4,389.24 crore (US$ 536.4 million). Out of this, ₹ 900 crore (US$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), ₹ 450 crore (US$ 54.99 million) for National Technical Textiles Mission, and ₹ 60 crore (US$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US$ 75.74 million (₹ 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US$ 541.82 million (₹ 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for specialty fibre and technical textiles valued at US$ 28.27 million (₹ 232 crore) were approved. 31 new HSN codes have been developed in this space.

(Source: https://www.ibef.org/industry/textiles)

Road Ahead

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.



Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population, and increasing demand by sectors like housing, hospitality, healthcare, etc.

The technical textiles market for automotive textiles is projected to increase to US$ 3.7 billion by 2027, from US$ 2.4 billion in 2020.

Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US$ 2 billion in 2020 to US$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US$ 209 billion by 2029.

References: *Ministry of Textiles, Indian Textile Journal, Department of Industrial Policy and Promotion, Press Information Bureau, Union Budget 2023-24*

(Source: https://www.ibef.org/industry/textilesx)

OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read **"Risk Factors"** on page **24**, for a discussion of the risks and uncertainties related to those statements, as well as **"Financial Information"** and **"Management's Discussion and Analysis of Financial Conditions and Results of Operations"** on pages **101** and **105**, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Standalone Financial Statements.*

Our Company is one of the flagship companies of Bannari Amman Group located in South India which offers a wide spectrum of manufacturing, trading, distribution and service-related activities in sectors like textiles, food processing, automobile distribution, etc. Our Company was incorporated in the year 1989 and has emerged as a fully vertically integrated textile company engaged in the business of manufacturing, spinning, weaving and processing of cotton yarn. Our Company is also engaged in the business of manufacturing woven and knitted fabrics and wind power generation. Our principal line of business is manufacturing and marketing cotton yarn, woven and knitted fabrics, home textile products along with processing of fabrics. Our Company manufactures cotton yarn and fabrics which are in turn used as a raw material in manufacturing of knitted and woven garments.

Moreover, all our manufacturing units and facilities are situated in the state of Tamil Nadu, India. Apart from manufacturing products for direct sales to our customers, to ensure the full utilization of the installed capacity of our manufacturing units, we are also engaged in carrying out various textile processes for third parties on a job work basis. We procure cotton bales from domestic and international markets and sell cotton yarn, finished woven and knitted fabrics, home textiles to various manufactures. Our strict compliance with the internal quality control and international standards of quality, has enabled us to expand our operations internationally to countries including United States of America, Italy, Turkey, Bangladesh, Sri Lanka, etc.

Our Company is an integrated textile company and offers a diverse set of products which cater to various segments of the textile industry such as spinning, weaving, knitting, processing and home textiles. The Company has also installed wind power generators to augment the power requirements of the aforesaid manufacturing facilities thereby reducing the usage of fossil fuel. To ensure that we supply quality products which meet the applicable standards, we have set up quality control facilities at each unit, which consists of our quality assurance and quality control teams who check and conduct various tests on the products at various stages starting from the raw materials procured to the finished products manufactured by us. All our facilities are supplemented by our utilities, such as water, power, effluent treatment plant, etc. Which makes it an important link between all our facilities. The details of our manufacturing facilities are provided below:

Manufacturing Units	Products/Facilities	Capacities
Nadukadanur Pirivu, Morepatty Post, Vadamadurai, Dindigul - 624802 Tamil Nadu	Spinning -I	30,240 Spindles
Velvarkottai, Dindigul-Trichy NH-45, Vedasandur Taluk. Dindigul - 624803 Tamil Nadu	Spinning -II	1,15,200 Spindles
Karanampet - Paruvai Road, Paruvai Post, Coimbatore - 641658 Tamil Nadu	Weaving	153 Looms
Plot No.: H-11 & E-12 SIPCOT Industrial Growth Estate Perundhurai, Erode - 638052 Tamil Nadu	Processing	5,400 Tonnes of fabric per annum
Velvarkottai, Dindigul-Trichy NH-45 Vedasandur Taluk. Dindigul - 624803 Tamil Nadu	Knitting	6,000 Tonnes of Knitted fabric per annum
Irukandurai & Dhanakarkulam Village Radhapuram Taluk Tirunelveli District Tamil Nadu	Windmills (4 units) 1250 KW each	5.00 MW
Chinnapudur Village Dharapuram Taluk, Erode District Tamil Nadu	Windmills (14 units) 800 KW each	11.20 MW
Melkaraipatti & Kottathurai Villages Palani Taluk, Dindigul District Tamil Nadu	Windmills (9 units) 800 KW each	7.20 MW

 # Company has sold part of knitting machinery due to which the capacity has come down from 7,200 tonnes to 6,000 tonnes.

Our Company commenced its spinning operation in our manufacturing unit situated at Dindigul in the year 1995. During the year 2005, we expanded our spinning operations by setting up an additional manufacturing unit resulting in a total installed capacity of 1,45,440 spindles for manufacturing combed knitted yarn and compact yarn for weaving. The spinning units are equipped with modern spinning machinery purchased from LMW Coimbatore, Rieter Switzerland, Schlafhorst Germany, Trutzchler Germany, etc. and contains a full range of testing equipment's form Uster Switzerland. The weaving unit, established in the year 2005 specializes in manufacturing grey fabric, which is the primary raw material for woven garment units and the home textile products. The facility is equipped with Sulzer wider width jumbo looms and Sulzer Airjet looms which enable manufacturing of ultra-fine count fabric in narrow or wider width. The knitting unit established in 2011, manufactures single jersey, interlock and rib fabrics in diameter ranging from 20" to 36". In 2013, our Company acquired its fabric processing unit. The processing unit provides quality solutions for textile dying, printing as well as finishing needs of our Company. The home textile facility produces wide range of home textile products viz., bed linens, bed sheets, blankets, mattress covers, hand towels, to name a few. The wind power generated is captively consumed by our spinning units and thereby it aids in meeting our significant power requirement.

Since incorporation, it was our Company's vision and focus to manufacture and supply superior quality products to our customers, which has enabled us to expand our business operations globally. We have set up a quality control facility ("**Quality Control Facility**") in all our manufacturing units which carries out all the required tests on the materials received including raw materials which are used in the manufacturing process and also on the final products. Our Quality Control Facility also carries out tests on all the stages of our manufacturing processes to ensure that the quality is built through the process.

We work under the guidance of our Promoter and Managing Director, Sangampalayam Vedanayagam Arumugam, who has an experience of more than 3 (three) decades in the textile industry and been associated with our Company since its incorporation and is one of our founding members. He has been instrumental in evolving our business operations, growth and future prospects.

Revenue from operations (includes revenue from both continuing operations and discontinued operations) for Limited review for six-month period ended September 30, 2024, and audited standalone financial statements for Year ended March 31, 2024 and 2023 were ₹ 45,154.22 Lakhs, ₹ 96,108.86 Lakhs and ₹ 1,09,513.71 Lakhs respectively. EBITDA (includes both continuing operations and discontinued operations*)* for the limited review for the six months period ended September 30, 2024, and audited standalone financial statements for Year ending March 31, 2024 and 2023 were ₹ 7,292.83 lakhs, ₹ 4,549.44 lakhs and ₹ 2,633.93 lakhs respectively. Profit after Tax (includes both continuing operations and discontinued operations) for Limited review for six-month period ended September 30, 2024 and audited standalone financial statements Years ended March 31, 2024 and 2023 were ₹ 3,385.41 lakhs, ₹ (2,623.43) lakhs and ₹ (3,482.97) lakhs respectively. For further details, please refer to the section titled "***Financial Information***" on page ***101*** of this Draft Letter of Offer.

Corporate Structure

We are a subsidiary of Murugan Enterprise Private Limited, which is also our Corporate Promoter, holding 54.27% of our paid-up Equity Share capital. Our Company at meeting held on December 4, 2023, has approved the MOU for sale of its entire shareholding in Young Brand Apparel Private Limited (YBAPL), subsidiary of the Company and for sale of its Garment unit at Palladam and land at SIPCOT, Perundurai to SP Apparels Limited. The Company obtained the approval from the Shareholders of the Company through the Postal Ballot on March 10, 2024, for the disinvestment of shares held in subsidiary company. The sale transaction was completed on June 21, 2024. Transaction in respect of Sale of Assets yet to be completed.

In the year 2005, our Company pursuant to an initial public offering of 70 Lakhs Equity Shares of ₹10/- each at an issue price of ₹ 135/-per Equity Shares aggregating to ₹ 9,450 Lakhs, listed its Equity Shares on BSE and NSE. The market capitalization *(full float)* of our Company as of December 20, 2024 was ₹ 3,502.00 Lakhs.

OUR FINANCIAL PERFORMANCE

Our financial performance of unaudited financial results limited review for Six-month period ended September 30, 2024, and audited standalone financial statements for Year ending March 31, 2024 and 2023 are summarized below:

(₹ in lakhs)

Particulars	Six months period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023

Revenues from operations	45,154.22	96,108.86	1,09,513.71
EBITDA	7,292.83	4,549.44	2,633.93
Net Profit/Loss after Tax	3,385.41	(2,623.43)	(3,482.97)

Note: *All the figures in the above table includes both continuing and discontinued operations*

Revenue Break-up

Our revenue breaks up on unaudited financial results limited review for Six-month period ended September 30, 2024 and audited standalone financial statements revenues from operations for year ending March 31, 2024 and 2023 is as follows:

(₹ in lakhs)

S. No.	Particulars	For Six Month period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Domestic	41,044.71	85,507.18	98,977.16
2.	Exports	4,109.51	10,601.68	10,536.55
	Total	**45,154.22**	**96,108.86**	**1,09,513.71**

Note: *All the figures in the above table includes both continuing and discontinued operations*

Our Competitive Strengths

We are a textile manufacturer with long-standing market presence.

We have a legacy of approximately 3 (three) decades in the textile industry wherein we manufacture diverse products such as cotton yarn, woven fabrics, knitted fabrics and home textile products, etc. which cater to various segments of this industry. The success of our business largely depends on our dedicated team of professionals overseeing the production, marketing and selling our products along with our Quality Control facility, which ensures that we manufacture defect-free quality products. Owing to our Individual Promoter's extensive experience in the textile industry, we have expanded and diversified our business to cater to domestic as well as international markets. Our core competencies lie in our deep understanding of customers' buying preferences and behavior for about three decades across the Indian and international markets. We believe, being an integrated manufacturer, we have a competitive advantage to cater to diversified and varied segments of the textile industry and customize our products as per the specific requirements of our customers and even manufacture and deliver quantities.

We ensure strict compliance with the internal quality control and international standards of quality by updating our technology and machinery on a regular basis and also improving our products and manufacturing processes on the basis of feedback received from our customers. Our consistent efforts towards maintaining the quality of our products have enabled us to expand our operations internationally to countries such as United States of America, Italy, Turkey, Bangladesh, Sri Lanka, etc. We believe that our relationships with customers and suppliers coupled with our innovative and cost-effective manufacturing process makes us well positioned to benefit from this positive trend and continue to expand our operations.

Long-standing relationship with our customers.

Our Company has strong customer base in both domestic and international markets. Over a past period of time, our Company has built-up a track record of manufacturing and marketing quality products with ensuring timely completion of orders to its customers. Our long-standing relationship with our customers to whom we supply the diverse products manufactured in various facilities of our Company is a testimonial for the quality of our products.

Our marketing team closely interacts with the customers, understands their requirements of the customers which helps us in delivering products as per their specific requirements of the customers, thereby ensuring higher customer satisfaction. Overall, understanding the customer requirements and their future plans better, enabling us to forecast, plan and manufacture our products accordingly, thereby resulting in business optimization, improved productivity, efficiency and margins. Our track record of consistent delivery of quality and cost-effective products and solutions through our strategic alignment with our key customers' goals and specifications over the years. Our efficient manufacturing processes coupled with consistent delivery of quality has helped us develop and maintain long-term relationships with a number of our customers.

Comprehensive product portfolio enables us to serve in diverse segments of the textile industry.

Our Company is an integrated textile company and offers a diverse set of products which cater to various segments of the textile industry. Our business consists of facilities, such as spinning, weaving, knitting, processing and wind power generation. The diverse and integrated manufacturing facilities help us in manufacturing, marketing and selling of products produced in different facilities of our Company. For instance, we market and sell, cotton yarn which is manufactured in the spinning facility cotton yarn is also used as a raw material in other facilities such as Weaving and Knitting units for production of Fabrics. All our products have diverse and varied applications in this industry. Our diverse product portfolio and wide-scale applications of our products has paved our way to expand our business and operations domestically and internationally.

Established Marketing Setup

Our Company commenced its operations in the year 1995 and has emerged as a fully vertically integrated textile Company engaged in the business of manufacturing, spinning, weaving and processing of cotton yarn. Our Company is also engaged in the business of manufacturing woven and knitted fabrics and wind power generation. Over the years, we have established a strong customer base. Our Company has sufficient marketing expertise and marketing network across domestic and international markets.

Cost effective production and timely fulfilment of orders

Increase in competition has encouraged the players in our industry to find the innovative ways to reduce the cost and increase the overall efficiency. We have taken various steps in order to ensure adherence to timely fulfilment of orders and to achieve greater cost efficiency at our existing manufacturing units. These steps include identifying raw material suppliers (which forms a bulk of our raw material cost), smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. We cater to various domestic as well as international customers and try to provide customer-specific solutions and offer our products not only in a standard but also in customized manner so as to best suit their requirements. Easy and timely procurement of primary raw material for our products helps us in achieving timely fulfilment of our orders resulting in customer satisfaction.

Green Power

Power is an important factor in every manufacturing facility. Considering the power requirements of our manufacturing facilities and as a part of environmentally sustainable measures for reducing our carbon footprint, our Company has installed windmills with a total capacity of 23.40 MW. These windmills are located in Tirupur, Dindigul and Tirunelveli districts of Tamil Nadu. These windmills help us in getting power supply at a lower cost. Moreover, the Company has entered into a captive power supply arrangement with solar power generator for supply of 12 MW of solar power.

Quality standards and Assurance

Quality Assurance and Quality Control are an integral part of our manufacturing operations. We believe that quality is an ongoing process of building and sustaining relationships with customers. Owing to the expertise of our experienced and trained team all our products are manufactured strictly as per the domestic and international standards laid down by our customers and regulatory bodies.

All our manufacturing facilities have a fully equipped Quality Control facility with experienced and qualified staff to carry out quality checks and inspections at all stages of our manufacturing process. The quality control and quality assurance checks are carried out on raw materials procured and finished products manufactured by us to match the quality standards as specified by the relevant international regulatory body and customers.

Our Company adhere to quality standards as prescribed by our customers. All products that leave the factory premises are inspected by the Quality Control Department. Further, quality checks are done at every stage of manufacturing to ensure the adherence to the desired specifications. Since, our Company is dedicated towards quality of products, processes and inputs we get repetitive orders from our buyers, as we are capable of meeting their quality standards, which enables them to maintain their brand image in the market.

Experienced and Qualified Management

We are led by team of eminent persons, having proven background and rich experience in the industry. Our Promoter and Managing Director has been associated with us since the inception and has experience of more than three decades in the textile industry. He is one of our founding members and is actively involved in strategic decision making for the Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. He has been instrumental in developing our business activities, growth and future prospects.

We have an experienced and professional management team with strong asset management, execution capabilities and considerable experience in this industry. The team is comprised of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is well qualified and experienced in the textile industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our management team and our Key Managerial Personnel and Senior Management Personnel, please refer the chapter titled **"*Our Management*"** beginning on page ***92*** of this Draft Letter of Offer.

Vertical integration of products

Our Company is a vertically integrated textile company and offers a diverse set of products which cater to various segments of the textile industry, from start to finish such as spinning, processing, weaving, knitting, etc. In addition to above, we are also engaged in manufacturing cotton yarn, grey woven and knitted fabrics, processed fabrics, home textiles products and wind power generation. All the processes involved in manufacturing and processing of cotton yarn, fabrics such as, preparatory functions such as cotton mixing, blow room, carding, combing, drawing and spinning, all the way through weaving/knitting ending with bleaching, dyeing and finishing of apparel, etc., are independently carried out in our manufacturing units.

Our Business Strategy *to develop export opportunities for our products*

We currently export our products to various countries such as United States of America, Italy, Bangladesh, Turkey, Sri Lanka etc. and plan to expand our export operations of our company globally. India is one of the major exporters of textile products while developed economies such as US and Europe are major importers of textile products. Our product portfolio is primarily focused on offering differentiated products based on the customer's requirements. Through a combination of increased capacities, reduced costs, wider range of products and services adhering to global standards, marketing initiatives, competitive pricing and more efficient use of our resources, we intend to expand our global footprint and become a preferred exporter of textiles.

Enhanced focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth.

We will continue to leverage technology for better demand planning, replenishment and in season management activities. This will help us improve sales and sell through, allowing us to increase sales and minimize markdowns on our inventory. These actions are expected to improve margins, reduce costs and also reduce our overall inventory levels. With a strong focus on cash generation, we are also rationalizing and reducing our exposure to customer segments and channels that require us to maintain high levels of inventory or have longer payment cycles. We believe our focus on costs; network efficiency and asset turns will help us improve our profitability and return on capital employed.

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach.

Our Company believes in long-term client relationships. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely. We intend to focus on expanding our customer base and forming new long-term relations with our customers by catering to their needs and demands in a timely, efficient and cost-effective manner.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We intend to strengthen our existing marketing team by inducting personnel with expertise in the textile industry, who will supplement our existing marketing strategies in the domestic and international markets. We have already started out on our journey as a supplier and exporter of our existing products in the international market, by supplying products in conformity with the international standards, which makes the quality of our products, our biggest marketing technique. Our international operations have enabled us to learn and follow the global trends, improve our efficiency, quality and trend analysis and better customer servicing, which shall in the future help us in penetrating global markets with a wide market reach.

DETAILS OF OUR BUSINESS

PRODUCTS AND SERVICES

We are in the business of manufacturing and marketing of cotton yarn, woven and knitted fabrics, home textiles products, processing of fabrics and Wind power generation. Our Company manufactures cotton yarn and fabrics predominately for knitted garments also for woven garments and wind power generation.

Our Product Portfolio is as follows:

Product	Description
Cotton Yarn	Yarn is a long continuous length of interlocked fibres, suitable for use in the production of fabric
Knitted Fabric	Knitted fabric is a textile product that results from knitting, the process of inter-looping of yarns or inter-meshing of loops. Its properties are distinct from woven fabric in that it is more flexible and can be more readily constructed into smaller pieces, making it ideal for socks and hats
Woven Fabric	Woven fabric is any textile product formed by weaving. Woven fabrics are often created on a loom and made of many threads woven on a warp and a weft. Technically, a woven fabric is any fabric made by interlacing two or more threads at right angles to one another
Home Textiles Products	Various products of home textiles are Flat Sheet, Fitted Sheet, Duvet Cover, Valance, Pillowcase, Sheet Set.
Wind power generation	Power generated from Wind source.

MANUFACTURING PROCESS

The products manufactured by us must go through various machines and undergo a number of processes, which are detailed below.

Raw Material Procurement

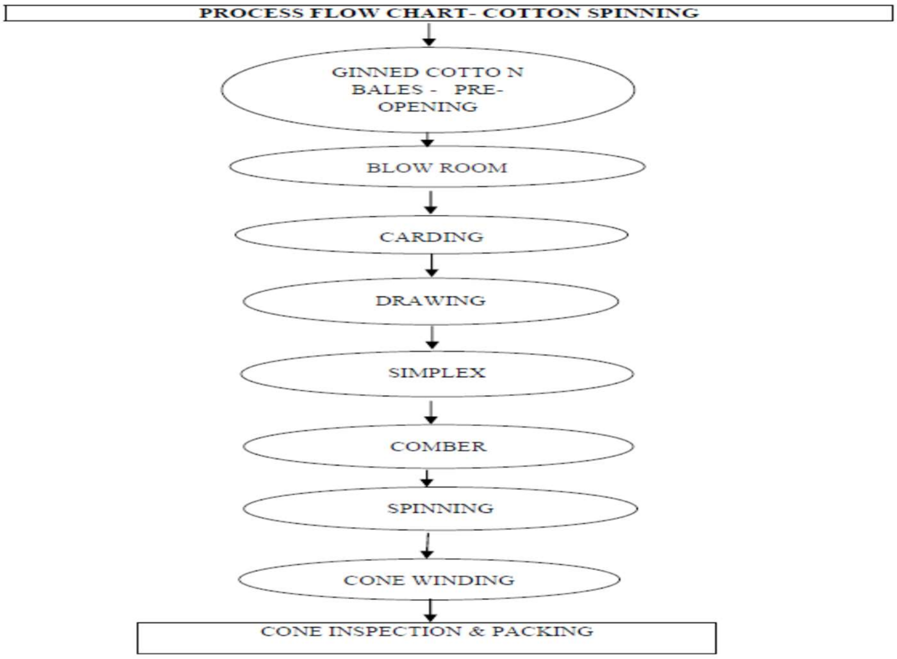
Cotton is the most vital raw material used in our manufacturing process for all our products specially, cotton yarn, as we process cotton yarn to manufacture our finished products. Our Quality Control facility ensures that the quality of all our raw materials is maintained in order for us to manufacture quality fabric.

I. Spinning Facility:

The manufacturing process involved in our spinning facility has been broadly mentioned below:

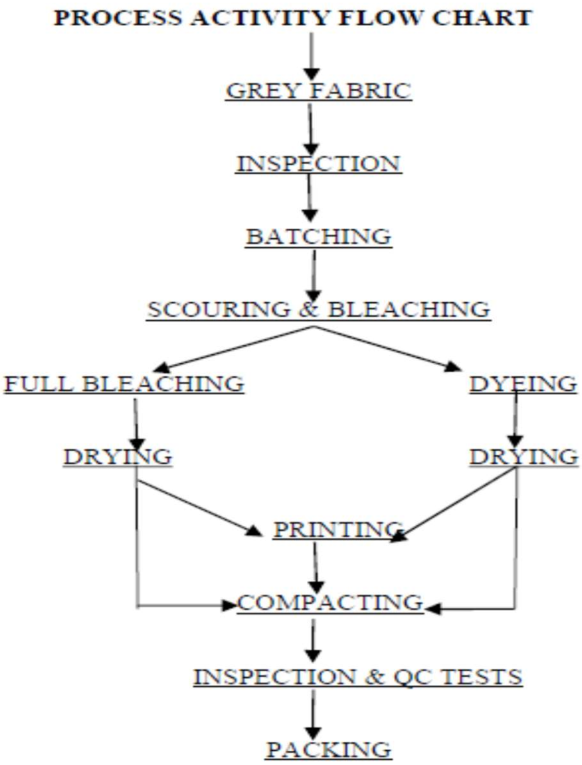
S. No.	Sequence of Process & Machine Name	Function	Out put
1.	Mixing (Manual)	Varieties of Cotton are mixed according to quality parameters to avail the best of the characteristics of different varieties and more importantly to average out the cost. Conditioning oil with water sprayed over the stack mixing to enable the cotton to retain the moisture for better processing.	-
2.	Blow Room (Opening & Cleaning M/cs)	Sequence of opening and cleaning machinery are used for thorough opening of the cotton and to remove heavy trash and foreign materials.	Opened and cleaned tufts of cotton
3.	Carding (Carding M/c)	Thorough cleaning of cotton is done by individualization of fibers. Fine trash, Seed coats and short fibers are removed	Sliver
4.	Drawing (Draw Frame)	Card Slivers are evened out by doubling and drafting process	Evened Sliver
5.	Lap Forming (Simplex)	No. of carded slivers are combined and material is formed in sheet form to feed to combers	Lap of determined length & weight
6.	Combing (Combers)	Short fibers and neps are removed to add spin value and luster	Combed Sliver
7.	Finisher Drawing (Auto-leveler Draw Frame)	Number of Combed Slivers are combined and drafted to get uniform sliver through electronic measuring and leveling	Sliver
8.	Roving (Fly Frame / Simplex)	Sliver is drafted to determined level, twisted and roving thus formed is wound on bobbins	Roving Bobbin
9.	Spinning (Ring Frame)	Roving material is drafted, twisted and the yarn thus formed is wound on bobbins	Cops
10.	Winding (Automatic Winders)	The yarn from Ring Frame cops is wound on large package of weight as per end use. During winding, yarn faults are removed by electronic yarn clearers as per the set value	Cones
11.	Packing (Manual / Mechanical)	Cones are packed in Bags (or) Cartons (or) Pallets to scatter to Domestic (or) Export markets	Packages of determined weight

The process flow chart followed for cotton spinning has been provided below:



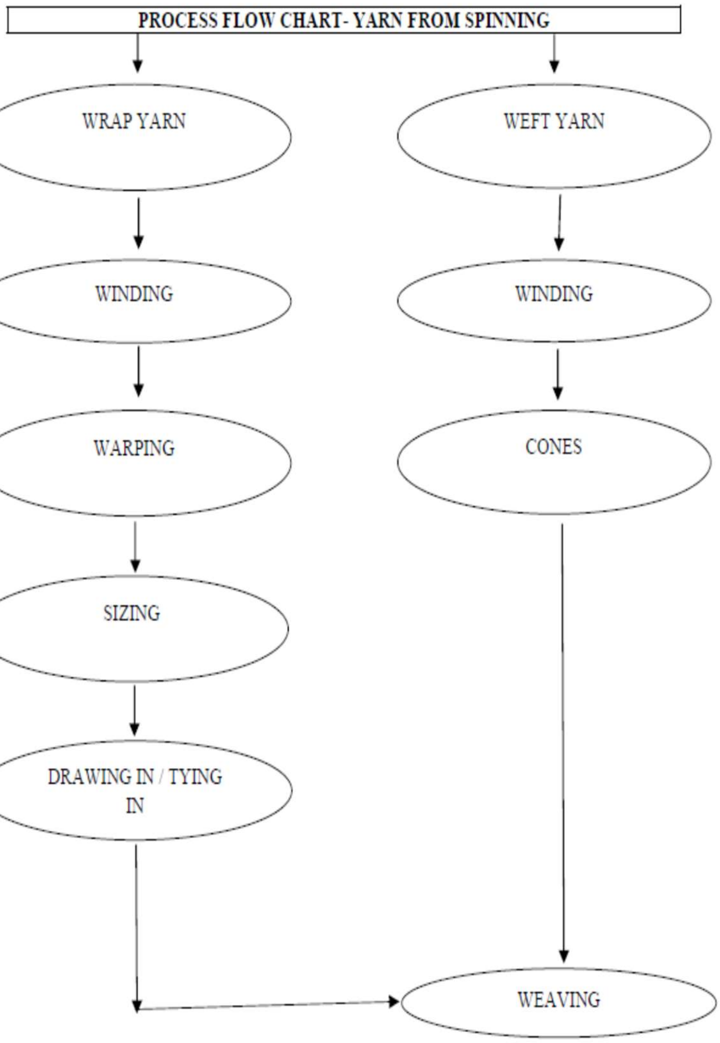
II. Processing Facility:

The manufacturing process involved in processing of knitted fabrics has been broadly provided below:



III. WEAVING:

The manufacturing process involved in our weaving facility has been broadly provided below:



Quality control and tests at each stage in the manufacturing process:

The raw materials procured, and the finished products manufactured are checked and inspected by the Quality Control facility to ensure that the desired quality is achieved. All the units have comprehensive testing facilities for assessing the quality parameters of raw material/input, in process materials and finished goods. Corrective action, if any, is taken on the basis of the tests carried out to ensure that the final products adhere to the desired quality standards.

PLANT AND MACHINERY

All our manufacturing units are equipped with various machinery, technology and equipment for the purpose of effectively carrying out our manufacturing process.

Our Major Customers

We majorly sell our finished products to various manufacturers. Apart from manufacturing products for direct sales to our customers, to ensure the full utilization of the installed capacity of our manufacturing units, we are also engaged in carrying out various textile processes for third parties on a job work basis.

The following is the breakup on unaudited financial results limited review for Six months period ended September 30, 2024 and audited standalone financial statements revenues from operations for year ending March 31, 2024 basis of the five and top ten customers of our Company are as follows:

(₹ in lakhs)

Particulars	Six months ended September 30, 2024		For the year ending March 31, 2024	
	Amount	Percentage of total revenue	Amount	Percentage of total revenue
Top 5 customers	6,144.57	13.61	12,850.17	13.37
Top 10 customers	9,726.61	21.54	19,557.10	20.35

Utilities:

Power

Our manufacturing units receive power supply from TANGEDCO to carry out our manufacturing process. Further, we utilise our wind power generation facilities for a significant portion of our power requirement. In addition to the above, we also have arrangements for regular supply of power at our manufacturing units through group captive power, third party arrangements.

Fuel

Our Company does not require fuel in the manufacturing process except for running the diesel generating sets at the time of shutdown. The requirement of fuel for diesel generating sets is met from local third-party suppliers. Our processing facility uses coal for the steam boilers installed therein for generating steam required for carrying out the manufacturing process.

Water

Our Company's water requirement for the manufacturing process is met both from borewells in our manufacturing units and also from third-party water suppliers.

Waste Management

Our Company's manufacturing units are equipped with suitable in-house waste disposal and treatment systems, in compliance with the applicable environmental laws and regulations. Furthermore, our processing facility is equipped with a zero-discharge effluent treatment plant for treating the wastes generating during the dying process.

Capacity Installed and Capacity Utilisation

Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for the unaudited financial results limited review for six months period ended September 30, 2024 and audited Standalone financial statements revenues from operations for Year ending March 31, 2024 and 2023.

Spinning -I		
Financial Year	**Installed Capacity (in Spindles)**	**Percentage of utilization (%)**
Period ended September 30, 2024	30,240	98.06
2024	30,240	97.25
2023	30,240	96.40
Spinning –II		
Financial Year	**Installed Capacity (in Spindles)**	**Percentage of utilization (%)**
Period ended September 30, 2024	1,15,200	97.85
2024	1,15,200	96.21
2023	1,15,200	95.60
Weaving		
Financial Year	**Installed Capacity (in Looms)**	**Percentage of utilization (%)**
Period ended September 30, 2024	153	91.33
2024	153	87.48
2023	153	78.79
Knitting		
Financial Year	**Installed Capacity (in machineries)**	**Percentage of utilization (%)**
Period ended September 30, 2024	127	19.30
2024	143	39.10
2023	143	30.69
Financial Year	**Processing Installed Capacity (in tonnes of fabric per annum)**	**Percentage of utilization (%)**
Period ended September 30, 2024	5,400	78.13
2024	5,400	68.23
2023	5,400	78.48
Wind Power		
Financial Year	**Installed Capacity (in MW)**	**Percentage of utilization (%) ***
Period ended September 30, 2024	23.40	-
2024	23.40	-
2023	23.40	-

**The percentage of utilization cannot be estimated*

COLLABORATIONS

We have not entered into technical, marketing or financial collaboration.

CORPORATE SOCIAL RESPONSIBILITY

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility ("**CSR**") initiatives towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. Our CSR strategies are aligned to national priorities to meet the basic needs of the local community. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable Act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with Indian legal requirements. In furtherance of the same, we endeavor to undertake CSR activities such as, basic education, basic health, early childhood care and education by supplementing the effort of Government and suitably identifying the critical gaps and addressing it squarely.

The Company is actively participating in integrated rural community development, in promotion of education particularly in rural areas where the facilities for students are inadequate. The company provides for construction of buildings and equipment to deserving schools, contributed equipment to the disabled kids like hearing materials and also contributes towards dispute children of Aids affected.

For the financial year 2023-24, the Company has spent an amount of ₹ 14.05 Lakhs on the CSR activities against the CSR obligation of ₹ 12.12 Lakhs and for the financial year 2022-23, the Company has spent an amount of ₹50.81Lakhs against the obligation of ₹49.53 Lakhs.

Insurance

We generally maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We have obtained certain policies such as Standard Fire and Special Perils Policy, Marine Cargo Open Policy, Group Janata Personal Accident Insurance Policy, Personal Accident Insurance (Group) Policy, Trade Credit Insurance Policy (Domestic and Export Risk), Etc. The Standard Fire and Special Perils Policy and Marine Cargo Open Policy Policies insure *inter alia* our raw materials that is, Stock of Cotton Bales, Yarn, Waste Cotton, Textile Machinery, Spares, Stock of Yarn Bags and Stock of Cotton Waste, Electrical Installations, Office Equipment, Computers and Accessories, Lab Equipment, Building, Plant and Machinery, Stock, Stock In Process, Finished Goods, Semi-Finished, Interior Decorations, Consumables, Chemicals, High Speed Diesel, Packing Materials, Traded Goods of Yarn and Fabric, etc. The Group Janata Personal Accident Insurance Policy, Personal Accident Insurance (Group) Policy insure our employees and workers, further the Trade Credit Insurance Policy (Domestic and Export Risk) insure our Company against the risk of commercial default insolvency and protracted default. Although we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

Marketing

We have a team of 45 members for marketing and sales dedicated towards supplying and marketing our products in the unorganized and the organized sector of the textile industry. Our marketing team constantly monitors and scours the trends in the market and prepares and updates our products accordingly. The cotton industry typically sells its products directly to the buyers and through agents' network also. Our company has also got network of agents throughout major markets in India like Tirupur, Mumbai, Calcutta and other up-country markets etc. Our Company's marketing department works in tandem with its agents in pro-active manners and constantly interacts with its agents so as to get the feedback on the quality of its yarn and improve the same as well.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. As on December 20, 2024, we have 3229 employees including our Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

The following is a department-wise employee break-up:

Department	Number of Employees
Top level management including Directors	31
Accounts	33
HR	53
Secretarial	4
Marketing & Sales	45
Cotton	13
Yarn	11
Administration	107
Production	2370
Maintenance & Electrical	393

Department	Number of Employees
Quality	123
Civil	3
IT	10
Legal	2
Store	27
Project	2
Internal Audit	2
Total	**3,229**

INTELLECTUAL PROPERTY RIGHTS

a) Trademark:

Our Company owns the following trademark:

Sr. No.	Description	Registration Number	Valid up to
1.	Bitz	3149196	January 01, 2026
2.	BITZ INDIA [word mark]	3602509	July 30, 2027
3.	BULL AND DEER [word mark]	3025938	August 06, 2025
4.	FEATHER BIRD [word mark]	2889191	January 27, 2035

Our current name and logo, is not owned or registered as a trade name or trademark by our Company under the provisions of the Trademarks Act, 1999, for risks relating to the same, please refer to **Risk Factors** on page number ***24*** – "***If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected***" in the chapter titled ***"Risk Factors"*** on s ***24*** of this Draft Letter of Offer**.**

COMPETITION

Textiles being a global industry, we face competition from organized as well as unorganized players in the textile industry in domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, processing flexibility and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in textile industry are price, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based company with industry expertise in providing variety of quality products.

HEALTH AND SAFETY

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, energy, occupational health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working under our management. We have implemented work safety measures to ensure a safe working environment, such measures include general guidelines for health and safety at our offices and warehouses, accident reporting, wearing safety equipment and maintaining clean and orderly work locations.

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, our Company currently has 9 (Nine) Directors on its Board, 1 (One) Managing Director, 6 (Six) Independent Director, out of which 3 (three) are women Directors and 2 (Two) Non-executive, Non-Independent Directors The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Letter of Offer:

Name of Director, DIN, Date of Birth, Designation, Address, Occupation, Term, Nationality and Age	Other Active Directorships
SANGAMPALAYAM VEDANAYAGAM ARUMUGAM **DIN**- 00002458 **Date of Birth** - March 14, 1949 **Designation** – Chairman and Managing Director **Address** - 69/1-2, Bharathi Park Crossroad No 7, Coimbatore 641 011 **Occupation** - Business **Term** - 5 Years W.E.F. June 26, 2023, to June 26, 2028 **Nationality** – Indian **Age (Years):** 75	1. Bannari Amman Flour Mill Private Limited 2. Bannari Infotech Private Limited *(Formerly known as Bannari Amman Infinite Trendz Private Limited)* 3. Senthil Infrastructure Private Limited 4. Anamallais Automobiles Private Limited 5. Anamallais Agencies Private Limited 6. Anamallais Motors Private Limited 7. Bannari Amman Retails Private Limited 8. Sakthi Murugan Transports Private Limited 9. Bannari Amman Properties Private Limited 10. State Industries Promotion Corporation of Tamil Nadu Limited 11. Murugan Enterprise Private Limited
THARANIPATHY RAJKUMAR **DIN** - 00048665 **Date of Birth** – October 25, 1966 **Designation** – Independent Director **Address** - 705-D3, Avinashi Road, Coimbatore – 641 018 **Occupation**: Business **Term** - 5 Years W.E.F. September 03, 2024 to September 02, 2029 **Nationality** – Indian **Age (Years): 58**	1. Akash Sakthi Dynamic Technologies Private Limited 2. NSDC International Limited 3. A B T Supply Chain Solutions Private Limited 4. Sakthi Indian Aviatech Private Limited 5. Akash Sakthi Aviation Private Limited 6. Lode Star Housing Private Limited 7. Mahasakthi Bio Enercon Private Limited 8. Gaya Greenway India Private Limited 9. Crystal Gas Private Limited 10. Spark Biogas Private Limited 11. First Key Developers Private Limited 12. Foundation One Infrastructures Private Limited 13. Senbagalakshmi Enterprises Private Limited 14. Shri Arumuga Enterprise Limited 15. Southern Pearl Refinery and Petrochemicals Private Limited 16. Sri Bhagavathi Textiles Ltd 17. Sri Mahasakthi Mills Private Limited 18. Colorglow Processing Mills Private Limited 19. Confederation of Indian Textile Industry 20. Sharadha India Foundation **Designated Partner –** Rukmani Offset Press LLP

SANGAMPALAYAM KANDASAMI SUNDARARAMAN **DIN** - 00002691 **Date of Birth** – April 15, 1973 **Designation** – Non- Executive Non-Independent Director **Address** - 96 West Periyasamy Road, R S Puram, Coimbatore – 641002 **Occupation**: Business **Term** - NA **Nationality** – Indian **Age (Years):** 51	1. Shanthi Gears Limited 2. Sundar Ram Enterprise Private Limited 3. Firebird Entrepreneurial Ventures Private Limited 4. Shiva Mills Limited 5. Confederation of Indian Textile Industry 6. Pricol Limited 7. S K S Agencies Limited 8. Abirami Distributors Private Limited 9. L K Distributors Private Limited 10. Abirami Ecoplast Private Limited 11. Vedanayagam Hospital Private Limited 12. Shiva Texyarn Limited 13. Srirangalakshmi Agro Private Limited
KOLLENGODE PADMANABHAN RAMAKRISHNAN **DIN**- 07029959 **Date of Birth** – October 16, 1954 **Designation** – Independent Director **Address** - Flat No. K - 402, PNR Tripti Apartments, 60 Feet Scheme Road, Narayanan Nagar, Ganapathy, Coimbatore – 641 006 **Occupation**: Business Advisor **Term** - 5 Years W.E.F. May 29, 2024, to May 28, 2029 **Nationality** – Indian **Age (Years):** 70	1. Sri Chamundeswari Sugars Limited 2. Sakthi Finance Limited 3. Think Capital Private Limited
PRIYA BHANSALI **DIN**- 00195848 **Date of Birth** -March 25, 1966 **Designation** – Independent Director **Address** - "Amrit", New No.43 (Old No24 A), Bharathi Park, Road No.2, Coimbatore – 641043 **Occupation**: Professional Term - 5 Years W.E.F. May 25, 2024, to May 28, 2029 **Nationality** - Indian	1. Salzer Electronics Limited 2. Sakthi Finance Limited 3. Kaycee Industries Limited 4. Sakthi Sugars Limited 5. Ishita Advisory Services Private Limited **Designated Partner -** Kumbhat and Co LLP

SADHANA VIDHYASHANKAR **DIN** - 10753375 **Date of Birth** - September 25, 1972 **Designation** – Independent Director **Address** - “Brindavan,”152 Kalidas Road, Ramnagar, Coimbatore – 641009 **Occupation**: Professional **Term** - 5 Years W.E.F. September 03, 2024, to September 02, 2024 **Nationality** – Indian **Age (Years):** 52	L G Balakrishnan & Bros Limited
SHANMUGAVELAYUTHAM SIHAMANI **DIN**- 06945399 **Date of Birth** – May 29, 1953 **Designation** – Independent Director **Address** - Flat1-F Block B1 Sunny Side Apts Ramlakshman Nagar, Coimbatore - 641028 **Occupation**: Business **Term** - 5 Years W.E.F. September 28, 2020, to September 27, 2025. **Nationality** – Indian **Age (Years):** 71	Nil
KULANDAI SAMY GOUNDER SADHASIVAM **DIN**– 00610037 **Date of Birth** – February 28, 1947 **Designation** – Non-Executive Non-Independent Director **Address** - Attayampalayam Gangapuram Post Chittodu (Via) Erode - 638102 **Occupation**: Business **Term** - NA **Nationality** – Indian	Bannari Infotech Private Limited *(Formerly known as Bannari Amman Infinite Trendz Private Limited)*

Age (Years): 77	
CHELLAMUTHU SIVASAMY **DIN** - 00002921 **Date of Birth** –August 13, 1956 **Designation** – Independent Director **Address** - 49 Bharathiyar Street, Krishnapuram Coimbatore 641035 **Occupation**: Business **Term** - 5 Years w.e.f. June 28, 2023, to June 27, 2028 **Nationality** - Indian **Age (Years):** 68	1. Shiva Cargo Movers Private Limited 2. Vedanayagam Enterprises Private Limited 3. Shiva Automobiles Private Limited 4. Bannari Amman Automobiles Private Limited 5. Shiva Mills Limited 6. Bannari Amman Food Products Private Limited 7. Annamallai Retreading Company Private Limited 8. Anamallais Cars Private Limited 9. Annamallai Infrastructures Private Limited

Brief Biographies / Experience of our Directors

Sangampalayam Vedanayagam Arumugam, Chairman & Managing Director and also the Promoter of the company, holds a bachelor's degree in science from University of Madras and also an associate member of the Institute of Chartered Accountants of India. He has overall 4 decades of industry experience and over 3 (three) decades of experience in the textile industry, focusing on planning, procurement, execution, and management. He served as the Vice Chairman of the Indian Wind Power Association, Chennai, and has previously held the position of Chairman of the Confederation of Indian Textile Industry (CITI) and the Southern India Mills Association (SIMA). He is also a past committee member of the Indian Cotton Mills Federation (ICMF) and presently he is also an independent director in State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT).

Tharanipathy Rajkumar, Independent Director, holds a master's degree in business administration and has been associated with the textile industry for over 2 (two) decades as an entrepreneur. He has also been involved with various textile industry bodies like SIMA and CITI. He previously served as the Chairman of CITI, SIMA and SIMA CDRA.

Dr. Sangampalayam Kandasami Sundararaman, Non-Executive, Non-Independent Director, possesses an MBBS Degree and a master's in business management from Cambridge University, U.K. With more than 2 decades of years of experience in textiles and business management, he specializes in technical textiles. He was the former Chairman of the Indian Technical Textile Association (ITTA) until September 2021 and is currently the Chairman of SIMA.

Kollengode Padmanabhan Ramakrishnan, Independent Director, holds a B. Tech degree in Metallurgy and has nearly 4 (four) decades of experience in the banking sector, serving in various capacities including Chief Risk Officer at IDBI.

Priya Bhansali, Independent Director, holds a bachelor's degree in commerce and she is a fellow member of the Institute of Chartered Accountants of India with over 3(three) decades of experience. She is a Managing partner at M/s. Kumbhat & Co. LLP, specializing in direct taxes, management assurance audit, joint ventures, FDI, and international taxation.

Sadhana Vidhyashankar, Independent Director, is a corporate civil lawyer having over 3(three) decades of experience at the Bar, specializing in trial work, arbitration, commercial litigation, property due diligence, and documentation.

Shanmugavelayutham Sihamani Independent Director has been engaged in social welfare activities for nearly 2 (two) decades and has been associated with the company since 2014.

Kulandai Samy Gounder Sadhasivam, Non-Executive, Non-Independent Director, holds a bachelor's degree in science from the University of Madras and brings with him an extensive experience of over 5 (five) decades in the transport business.

Chellamuthu Sivasamy, Independent Director, boasts over 4 (four) decades of experience in automobiles and general administration.

Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been or were suspended from being traded on any of the Stock Exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer**.**

Past Directorships in delisted companies

Further none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

Relationship between Directors under Companies Act

None of the Family members between any of the directors or any of the directors and key managerial personnel or senior management are related to each other under the Companies Act.

Arrangement or understanding with major Shareholders, customers, suppliers, or others.

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors.

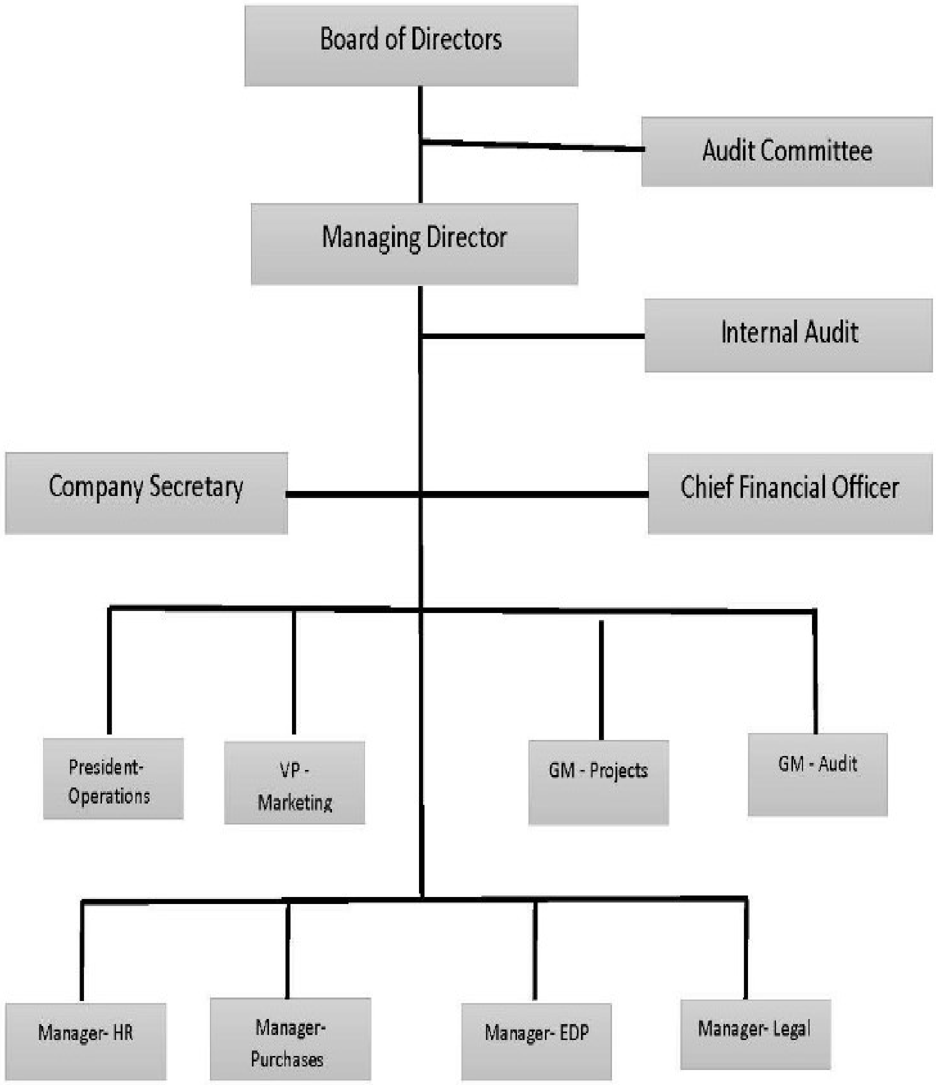
Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

Management Organization Structure

Below is the organization structure of our Company:

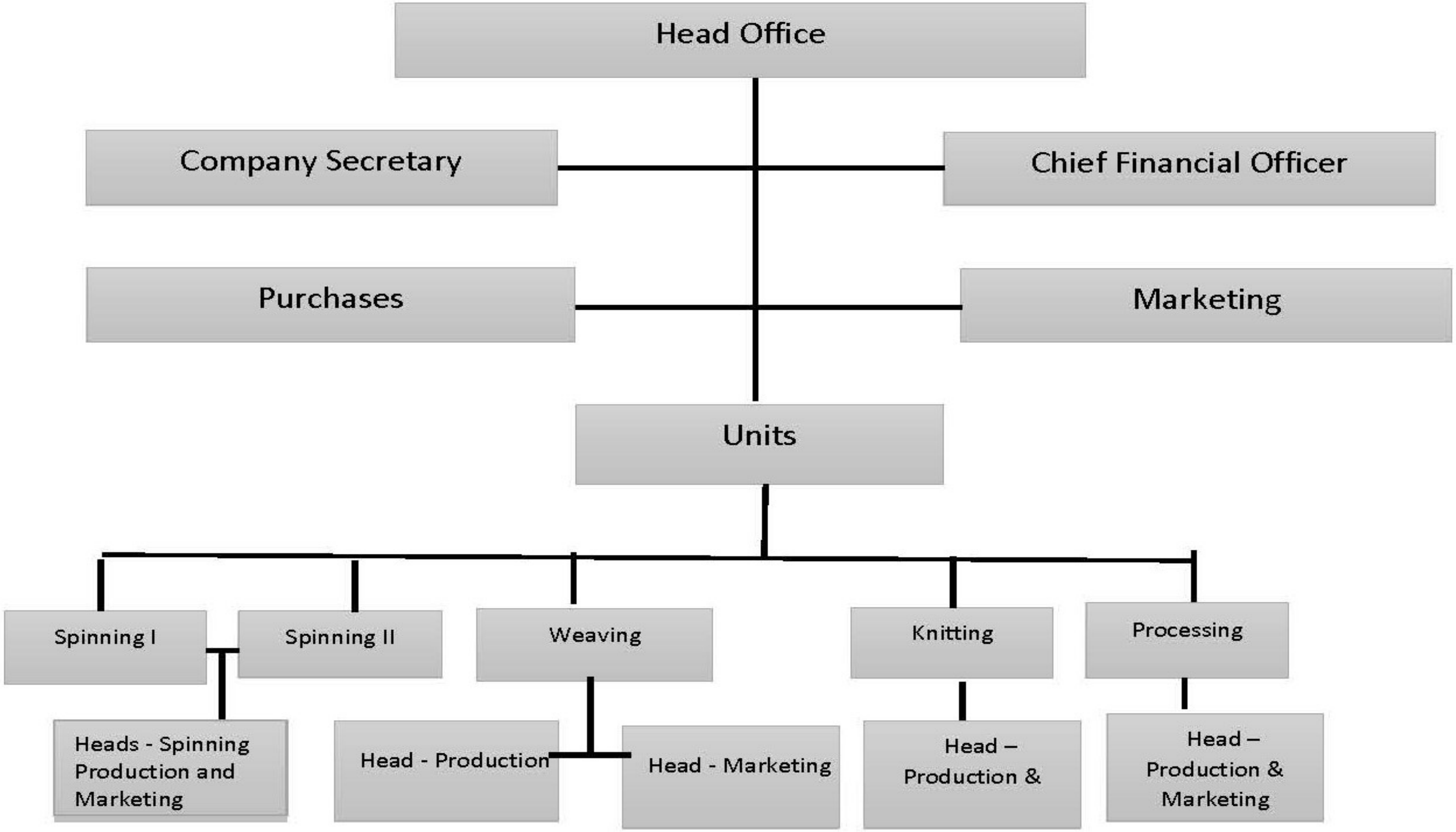
BANNARI AMMAN SPINNING MILLS LIMITED

ORGANISATION STRUCTURE



BANNARI AMMAN SPINNING MILLS LIMITED

ORGANISATION UNITS STRUCTURE



Director Compensation

Sangampalayam Vedanayagam Arumugam the Chairman and Managing Director entered into a contract on May 30, 2023, with regard to annual compensation. He is entitled to the following compensation in terms of same:

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

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

III. **OTHER PERQUISITES:**

   a. Contribution to Provident Fund as per rules of the Company, to the extent the same is not taxable under the Income Tax Act, 1961.

   b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

   c. Encashment of leave as per rules of the Company.

   d. Remuneration would be limited to 10% (Ten Percent) of the Net Profits of the Company computed under the relevant provisions of the Companies Act, 2013, as overall remuneration:

IV. **COMMISSION:** Balance of overall remuneration remaining after payment of the above Salary and Perquisites at the end of each financial Year. During the last financial year, he was paid a minimum remuneration payable under the aforesaid contract amounting to ₹ 60,00,000.

Notes:

a) There were no benefits in kind in the last financial year.
b) There were no contingent or deferred compensation accrued for the year.
c) This compensation contract was not considered as a part of material Contracts

Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act regarding corporate governance are applicable to us.

We comply with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act, and the SEBI (ICDR) Regulations, concerning corporate governance, including the constitution of our Board and its Committees. Our corporate governance framework is based on an effective independent Board, separating the Board's supervisory role from the executive management team, and constituting the Board Committees as required by law.

Our Board undertakes to take all necessary steps to continue complying with all requirements of the SEBI Listing Regulations and the Companies Act. The Board functions either directly or through various committees established to oversee specific operational areas.

Our Senior Management and Key Managerial Personnel

In addition to our Managing Director, whose details have been provided in the section titled 'Brief Profile of our Directors,' below are the details of our other Key Managerial Personnel as of the date of this report:

Srinivasan Seshadri, aged about 65 years, serves as the Chief Financial Officer. He holds a Bachelor of Science degree, and he is also an Associate member of Institute of Chartered Accountants of India. He joined our Company on June 27, 2018, and has accumulated 32 years of experience in finance and accounts.

Nachimuthugounder Krishnaraj, aged about 61 years, is the Company Secretary. He possesses a Bachelor of Commerce degree and is an Associate member of the Institute of Company Secretaries of India. He has been with us since August 3, 2007, bringing with him 37 years of expertise in secretarial matters, corporate governance matter and other regulatory compliances.

Muthiah Siva Balasubramanian, aged about 64 years, is the President - Spinning. He holds a B. Tech in Textile Engineering and an MBA. He joined the Company with over 41 years of experience in spinning operations.

Subban Shankar Kumar, aged about 60 years, serves as the Vice President - Marketing. He holds a B. Tech (textile) degree and an MBA, contributing 35 years of experience in spinning and knitting marketing with us.

Ramalingam Raveeswaran, aged about 52 years, is the Assistant General Manager - Processing. He holds a master's degree in science, and he has experience of nearly 25 years, focusing on processing operations.

Joseph Annaraj, aged about 67 years, is the General Manager – Production and Marketing. He holds a Diploma in Textile Technology and has been with us for 19 years, overseeing weaving and home textile production. He has overall experience of 4 (four) decades in weaving industry.

All our Key Managerial Personnel are permanent employees of our Company.

None of them are entitled to receive any termination or retirement benefits except as outlined in the company's agreed terms and rules.

Relationship Among Key Managerial Personnel

None of the key managerial personnel are related to each other.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

P.N. RAGHAVENDRA RAO & CO
Chartered Accountants
Founder P.N. Raghavendra Rao
No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009
: 0422 2232440, 2236997 : info@pnrandco.in : www.pnrandco.in

Ref. No. .... Date : ....

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 namely, Young Brand Apparel Private Limited, Bannari Amman Infinite Trendz Private Limited and Young Brand Global Private Limited (Subsidiary of Young Brand Apparel Private Limited) (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, 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 material 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 2024, 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

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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 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.

Description of Key Audit Matter	Description of Auditors' Response
Inventory of Raw Material, Work-in-Progress and Finished Goods	
We draw attention to Note no 49 on Valuation of Inventories in Consolidated Financial Statements of the Company read with the Accounting Policy No. 2.3. The inventory of Raw Material, Work-in-progress and Finished Goods are valued at the lower of cost and net realizable value. With respect to Work-in-progress and Finished Goods, cost include weighted average of cost of inputs, conversion costs and appropriate share of overheads incurred in bringing Work-in-progress and Finished Goods to their present location and condition. The Holding Company is an integrated textile manufacturer and the inventory primarily comprises of diversified	Audit Procedure included, but not limited to the following: • Assessing the appropriateness of the accounting policy for inventories with relevant accounting standards. • Obtaining an understanding of the Holding Company's process of valuation of the stock, which is done through the computer software. • Evaluating the design and implementation of the Holding Company's key internal financial controls over valuation of inventories and testing the operating effectiveness of such controls for selected samples.

range and quality of yarn, fabric and garments, 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. The Holding Company maintains its inventory levels based on forecast demand and expected future selling prices. Considering that the Holding Company is having substantial inventory, the carrying value of which is material in the context of total assets of the Holding Company 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.	• 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 Raw Material, Work-in-progress and Finished Goods 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.

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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 the 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.

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Ref. No. .... Date : ....

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 Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

Ref. No. .... Date : ....

(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 information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial 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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

✆ : 0422 2232440, 2236997 ✉ : info@pnrandco.in 🌐 : www.pnrandco.in

Ref. No. .... Date : ....

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/financial information of one subsidiary namely Bannari Amman Infinite Trendz Private Limited whose financial statements/financial information reflect the total assets of Rs. 344.55 Lakhs as at March 31, 2024, Nil total revenues and net cash outflows of Rs. 1.09 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 auditor.

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 auditor on the financial statements of the subsidiary company.

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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

: 0422 2232440, 2236997 : info@pnrandco.in : www.pnrandco.in

Ref. No. .... Date : ....

20. 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 of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors of the entities included in the Consolidated financial statements, as on March 31, 2024, audited by us taken on record by the respective Board of Directors and the reports of the other auditors of the subsidiary company none of the directors of the Group companies are disqualified as on March 31, 2024 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 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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

(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 Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - 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.

P.N. RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

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 (e), as provided under (a) and (b) above, contain any material mis-statement.

(v) The Holding company has not declared or paid any dividend during the year. The interim dividend declared and paid during the year by the subsidiary 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 auditor of the subsidiary company, no dividend has been declared or paid during the year by the subsidiary company not audited by us.

(vi) a) Based on our examination which included test checks, the company and its subsidiary has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail function has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

b) According to the information and explanations given to us, and based on the reports issued by other auditor of the subsidiary company not audited by us, the feature of recording audit trail (edit log) facility of the accounting software has been enabled throughout the year for all relevant transactions recorded in the software and at any instance the audit trail feature has not been tampered with.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

Ref. No. .... Date : ....

c) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1,2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

Pon Arul Paraneedharan
Partner
Membership Number: 212860
UDIN: 24212860BKCXME6403

Place: Coimbatore
Date: 29th May 2024

Ref. No. .... Date : ....

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 31st March, 2024, 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 subsidiary companies included in the Consolidated Financial Statements.

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

Pon Arul Paraneedharan
Partner
Membership Number: 212860
UDIN: 24212860BKCXME6403

Place: Coimbatore
Date: 29th May 2024

Ref. No. ....   Date : ....

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, 2024

Report on the Internal Financial Controls with reference to Consolidated Financial Statements 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, 2024 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

P.N. RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

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 with reference to Consolidated Financial Statements

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 Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Consolidated financial statements.

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Ref. No. .... Date : ....

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to Consolidated Financial Statements

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, 2024, 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 auditor of such subsidiary company.

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

Pon Arul Paraneedharan
Partner
Membership Number: 212860
UDIN: 24212860BKCXME6403

Place: Coimbatore
Date: 29th May 2024

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 Non-current assets			
a) Property, plant and equipment incl. Right-of-use Assets	3A	48,031.68	50,214.59
b) Capital work-in-progress	3B	1,009.26	547.71
c) Intangible assets	3C	203.95	305.93
d) Financial assets			
i) Investments	4	384.24	625.26
ii) Other financial assets	5	1,054.94	701.79
e) Other non-current assets	6	348.49	530.51
Total non-current assets (A)		**51,032.55**	**52,925.78**
2 Current assets			
a) Inventories	7	21,148.40	28,425.72
b) Financial assets			
i) Trade receivables	8	16,725.26	17,467.49
ii) Cash and cash equivalents	9A	789.05	462.59
iii) Other Bank balances	9B	11.23	192.54
iv) Loans	10	19.49	16.94
v) Other financial assets	11	1,878.50	917.94
c) Current tax assets (Net)	12	171.36	190.06
d) Other current assets	13	5,355.87	3,745.37
Total Current assets (B)		**46,099.16**	**51,418.65**
3 Assets classified as held for sale (C)	**52**	**25,692.19**	**24,200.37**
Total Assets (A) + (B) + (C)		**1,22,823.90**	**1,28,544.80**
EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	14	3,242.09	3,242.09
b) Other equity	15	36,691.71	38,842.02
Equity attributable to owners of the Holding company		**39,933.80**	**42,084.11**
Non controlling interest		**5,199.93**	**4,649.87**
Total Equity (D)		**45,133.73**	**46,733.98**
2 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	21,907.62	27,542.39
ii) Lease liabilities	17, 45	56.61	92.87
b) Deferred tax liabilities (net)	18	1,530.80	2,571.36
c) Other non-current liabilities	19	65.93	225.23
Total Non-current liabilities (E)		**23,560.96**	**30,431.85**
3 Current liabilities			
a) Financial liabilities			
i) Borrowings	20	28,733.16	28,926.50
ii) Lease liabilities	21, 45	12.82	46.60
iii) Trade payables			
a) Total outstanding dues of Micro enterprises and Small enterprises	22	2,350.50	1,154.97
b) Total outstanding dues other than Micro enterprises and Small enterprises		7,581.13	8,452.53
iv) Other financial liabilities	23	187.74	141.01
b) Other current liabilities	24	4,956.46	2,685.89
c) Provisions	25	136.51	136.54
d) Liabilities directly associated with Assets classified as held for sale / Discontinued operations		10,170.90	9,834.93
Total Current liabilities (F)		**54,129.21**	**51,378.97**
Total equity and liabilities (D) + (E) + (F)		**122,823.90**	**128,544.80**
Material Accounting Policies	2		
The accompanying notes form an integral part of the Consolidated Financial Statements			

As per our report of even date

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

For and on behalf of the board

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

K. SADHASIVAM
Director
DIN 00610037

N. KRISHNARAJ
Company Secretary
ACS No. 20472

S. SESHADRI
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	INCOME			
I	Revenue from Operations	26	92,351.88	104,568.12
II	Other Income	27	1,922.36	322.57
III	**Total Income (I+II)**		**94,274.24**	**104,890.69**
IV	**EXPENSES**			
	Cost of material consumed	28	67,124.99	86,607.39
	Purchase of Stock-in trade	29	103.99	87.06
	Changes in inventories of finished goods and work-in-progress	30	2,634.39	(4,467.69)
	Employee benefit expense	31	8,253.52	8,185.21
	Finance costs	32	4,909.57	4,276.56
	Depreciation and amortisation expense	33	2,988.55	2,830.96
	Other expenses	34	11,237.04	12,053.27
	Total Expenses (IV)		**97,252.05**	**109,572.76**
V	**Profit before exceptional Item or tax (III-IV)**		**(2,977.81)**	**(4,682.07)**
VI	Exceptional items		-	-
VII	**Profit/(Loss) before tax (V-VI)**		**(2,977.81)**	**(4,682.07)**
VIII	Tax expense:			
	1) Current tax for prior years		-	-
	2) Deferred tax Expenses / (Income)		(762.93)	(1,332.38)
IX	**Profit/(Loss) for the period from continuing operations (VII-VIII)**		**(2,214.88)**	**(3,349.69)**
X	**Profit/(Loss) from discontinued operations**		**991.55**	**1,337.86**
XI	**Tax Expense for discontinued operations**		**189.96**	**253.00**
	1) Current tax for current year		539.91	395.20
	2) Current tax for prior years		0.05	-
	3) Deferred tax Expenses/(Income)		(350.00)	(142.20)
XII	**Profit/(Loss) from discontinued operations after tax (X-XI)**		**801.59**	**1,084.86**
XIII	**Profit/(Loss) for the period (IX+XII)**		**(1,413.29)**	**(2,264.83)**
XIV	**Other Comprehensive Income from continuing operations**			
	i) Items that will not be reclassified to profit or loss			
	a) Remeasurement of Defined benefit plans		66.55	102.85
	b) Gain/loss on equity Instruments designed at FVTOCI		(1.00)	0.04
	ii) Income tax relating to items that will not be reclassified to profit or loss		(23.25)	(35.94)
	Other Comprehensive Income for the period from continuing operations		**42.30**	**66.95**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. In Lakhs)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
XV	**Other Comprehensive Income from discontinued operations**			
	i) Items that will not be reclassified to profit or loss			
	a) Remeasurement of Defined benefit plans		11.44	20.13
	b) Gain/loss on equity instruments designed at FVTOCI		-	-
	ii) Income tax relating to items that will not be reclassified to profit or loss		(2.88)	(5.07)
	Other Comprehensive Income for the period from discontinued operations		**8.56**	**15.06**
XVI	**Other Comprehensive Income for the period (XIV+XV)**		**50.86**	**82.01**
XVII	**Total Comprehensive income for the period (XIII+XVI)**		**(1,362.45)**	**(2,182.82)**
	Profits attributable to			
	Non - controlling Interest		783.73	694.67
	Owners of the company		(2,197.02)	(2,959.50)
	Other comprehensive income attributable to			
	Non - controlling Interest		4.17	7.33
	Owners of the company		46.69	74.68
	Total comprehensive income attributable to			
	Non - controlling Interest		787.89	702.00
	Owners of the company		(2,150.34)	(2,884.82)
XVIII	Earnings per equity share of Rs. 5/- each (for continuing operations)			
	Basic and Diluted		(1.75)	(5.17)
XIX	Earnings per equity share of Rs. 5/- each (for discontinued operations)			
	Basic and Diluted		0.63	1.67
XX	Earnings per equity share of Rs. 5/- each (from discontinued & continuing operations)			
	Basic and Diluted		(1.12)	(3.49)
	Material Accounting Policies	**2**		
	The accompanying notes form an integral part of the Consolidated Financial Statements			

As per our report of even date

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

For and on behalf of the board

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

K. SADHASIVAM
Director
DIN 00610037

N. KRISHNARAJ
Company Secretary
ACS No. 20472

S. SESHADRI
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs)

	No. of shares	Amount
a) Equity share capital		
Balance as at April 1, 2022	6,48,41,871	3,242.09
Changes during the year	-	-
Balance at March 31, 2023	6,48,41,871	3,242.09
Balance as at April 1, 2023	6,48,41,871	3,242.09
Changes during the year	-	-
Balance as at March 31, 2024	6,48,41,871	3,242.09

b) Other equity

(Rs. in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income			Equity attributable to the owners of the Holding Company	Non - controlling interest	Total other quity
	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			
Balance as at April 1, 2022	16,137.46	16,295.22	9,048.79	17.74	5.40	499.72	42,004.33	3,947.87	45,952.20
Profit for the year	-	-	(2,959.50)	-	-	-	(2,959.50)	694.67	(2,264.83)
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)	-	-	-	74.64	0.04	-	74.68	7.33	82.01
Balance as at March 31, 2023	16,129.03	16,295.22	5,820.23	92.38	5.44	499.72	38,842.02	4,649.87	43,491.89
Balance as at April 1, 2023	16,129.03	16,295.22	5,820.23	92.38	5.44	499.72	38,842.02	4,649.87	43,491.89
Profit for the year	-	-	(2,197.00)	-	-	-	(2,197.02)	783.73	(1,413.29)
Dividend paid during the year	-	-	-	-	-	-	-	(237.83)	(237.83)
Other comprehensive income (net of taxes)	-	-	-	47.69	(1.00)	-	46.69	4.17	50.86
Balance as at March 31, 2024	16,129.03	16,295.22	3,623.23	140.07	4.44	499.72	36,691.71	5,199.93	41,891.64

Notes forming part of the Consolidated Financial Statments

As per our report of even date

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

For and on behalf of the Board of Directors

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

K. SADHASIVAM
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, 2024

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before tax from continuing and discontinued operations		(1,986.27)		(3,345.29)
Adjustments for:				
Depreciation expense	3,519.73		3,488.51	
(Profit) / loss on sale of property, plant and equipment	(110.03)		77.74	
(Profit) / loss on sale of investments	(14.96)		(1.34)	
Finance costs	6,023.32		5,810.78	
Interest income	(139.47)		(90.73)	
Allowance for doubtful trade receivables and bad debts written off	279.57		57.17	
Gain on termination of lease	(4.75)		(5.77)	
Net unrealised exchange (gain)	(46.08)		(64.86)	
		9,507.32		9,271.50
Operating profit before working capital changes		7,521.05		5,926.21
Changes in working capital:				
Adjustments for increase / (decrease) in operating assets:				
Financial assets				
Trade receivables	(1,684.97)		(25.03)	
Loans	(54.79)		(30.28)	
Other financial assets	(1,301.25)		(115.07)	
Non-financial assets				
Inventories	9,303.62		(3,724.10)	
Other non-financial assets	(2,146.33)		504.63	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(324.99)		(1,530.66)	
Other financial liabilities	(115.46)		162.50	
Non-financial liabilities				
Provisions	75.39		(18.63)	
Other non-financial liabilities	1,771.42		(632.65)	
		5,522.64		(5,409.29)
		13,043.69		516.92
Net income tax paid		(508.29)		(458.84)
Net cash flow from operating activities (A)		**12,535.40**		**58.08**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(1,700.60)		(4,461.88)	
Margin money deposits	181.31		(93.76)	
Purchase of investments	-		(383.78)	
Sale of investments	254.98		6.44	
Proceeds from sale of property, plant and equipment	451.08		86.35	
Interest received	127.01		89.58	
Net cash flow used in investing activities (B)		**(686.21)**		**(4,757.05)**

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) from non-current borrowings	(6,559.01)		5,378.31	
Increase/(Decrease) in working capital borrowings	1,465.39		4,749.29	
Payment of dividend to minority shareholders	(237.83)		(389.05)	
Repayment of lease liabilities	(74.77)		(79.62)	
Right issue expenses	-		(8.43)	
Finance costs paid	(5,855.64)		(5,817.72)	
Net cash flow used in financing activities (C)		**(11,261.87)**		**3,832.78**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**587.33**		**(866.21)**
Cash and Cash equivalents attributable to discontinued operations (Net)		(260.87)		161.47
Add: Cash and cash equivalents at the beginning of the year		462.60		1,167.33
Cash and cash equivalents at the end of the year *		**789.05**		**462.59**
* Comprises:				
a) Cash on hand	5.25		6.50	
b) Cheques/drafts on hand	3.00		2.00	
c) Balances with banks:				
i) In current accounts	780.80		454.09	
Total	**789.05**		**462.59**	

As per our report of even date

For and on behalf of the board

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

K. SADHASIVAM
Director
DIN 00610037

N. KRISHNARAJ
Company Secretary
ACS No. 20472

S. SESHADRI
Chief Financial Officer

Notes to the consolidated financial statements for the year ended March 31, 2024

Note No.	Particulars
1.	**Corporate Information**
	Bannari Amman Spinning Mills Limited (the "Company" / "Holding Company") is a public limited company situated at 252, Mettupalayam Road, Coimbatore - 641 043. The company has investment in subsidiaries namely, Young Brand Apparel Private Limited, Bannari Amman Infinite Trendz Private Limited and Young Brand Global Private Limited (Subsidiary of Young Brand Apparel Private Limited) (the Holding Company and its subsidiaries collectively called as "the Group"). The Group is engaged in the manufacture of cotton yarn, knitted & woven fabrics, processing of fabrics, finished garments, home textiles and wind power generation.
2.	**Material Accounting Policies**
	This note provides a list of the material accounting policies adopted in the preparation of the Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.
2.1	**a) Basis of accounting and preparation of Consolidated financial statements**
	i) Compliance with Ind AS
	"These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as amended from time to time.
	ii) Historical cost convention
	The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:
	a) Certain property, plant and equipment, financial assets and liabilities that are measured at fair value
	b) Defined benefit plans – plan assets measured at fair value
	c) Assets held for sale – measured at at the lower of their carrying amount and the fair value less cost to sell.
	iii) Functional and presentation currency
	The consolidated financial statements are presented in the Group's functional and presentation currency, Indian rupee (Rs.), rounded off to the nearest rupees in lakhs.
	iv) Current/Non-Current Classification:
	The Group has classified all the assets and liabilities as current and non-current based on the 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/inventories for processing and their realisation in

Note No.	Particulars
	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.

b) Principles of consolidation and equity accounting

i) Subsidiaries

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.

The acquisition method of accounting is used to account for business combinations by the group.

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. Intercompany 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.

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.

The consolidated financial statements of the Group include subsidiaries / joint ventures which are incorporated in India in the table below:

Name of the entity	As at March 31, 2024	As at March 31, 2023
Young Brand Apparel Private Limited	51.33%	51.33%
Young Brand Global Private Limited (Subsidiary of Young Brand Apparel Private Limited)	51.33%	51.33%
Bannari Amman Infinite Trendz Private Limited	100.00%	100.00%

Notes to the consolidated financial statements for the year ended March 31, 2024

Note No.	Particulars
2.2	**Use of estimates**
	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.
	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.
	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.
	a) **Useful lives of property, plant and equipment**
	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 & fittings - 10, Vehicles - 8.
	b) **Deferred tax assets**
	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.
	c) **Employee benefits**
	The cost of post employment benefits 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.
	d) **Inventories**
	Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes .
2.3	**Inventories**
	Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescense. The cost of inventories shall comprise all costs of purchase , conversion and other

Note No.	Particulars
	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.
	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.
2.4	**Cash flow statement**
	Cash flows are reported using the indirect method, whereby profit / (loss) before 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.
2.5	**Taxes on income**
	a) **Current tax**
	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 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.
	b) **Deferred tax**
	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.
	MAT paid in accordance with the tax laws, if any, which gives future economic benefits in the

Note No.	Particulars
	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. 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. 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 temporaray differences are expected to reverse. Deferred tax assets and liabllitles 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. 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.
	c) Current and deferred tax for the year Current and deferred tax are recognised in the Consolidated 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.
2.6	a) Property, plant and equipment 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. 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

Note No.	Particulars
	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. 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. 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. 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. 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. b) Capital work-in-progress 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. c) Depreciation and Amortisation 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. Plant and Machinery - 25 to 30 years Windmill - 30 years Factory Building - 30-60 years 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. The Intangible Assets which are acquired from others are recognised at cost including interest capitalisation. Intangible Assets will be amortisd over benefit period from the date put to use.

Note No.	Particulars
2.7	Leases 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. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the 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. 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. 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.
2.8	Revenue recognition i) Sale of goods 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

Note No.	Particulars
	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. **ii) Time and material** 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. **iii) Dividend and interest income** 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. **iv) Other operating revenue** 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. **v) Insurance claims** 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.
2.9	**Employee benefits** Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences. **a) Retirement benefit costs and termination benefits** Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions. 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

Note No.	Particulars
	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 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.
	b) **Defined benefit costs are categorised as follows :**
	- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
	- net interest expense or income; and
	- remeasurement
	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 Other Comprehensive Income. 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.
	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.
	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.
	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.
	c) **Short-term and other long term employee benefits**
	A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave In the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Note No.	Particulars
	Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.
2.10	**Foreign currency transactions and translations** 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). 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.
2.11	**Borrowings and borrowing cost** 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 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.
2.12	**Earnings per share** 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. 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

Note No.	Particulars
	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.
	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.
2.13	**Provisions and contingencies**
	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.
	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.
	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.
2.14	**Financial Instruments**
	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

Note No.	Particulars
	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. **a) Non-derivative financial assets** **i) Financial assets at amortised cost** A financial asset shall be measured at amortised cost if both of the following conditions are met: a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. 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. 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. 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. 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. **ii) Equity instruments at FVTOCI** All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis.

Note No.	Particulars
	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. iii) **Financial assets at FVTPL** 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. 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. 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. iv) **Derecognition of financial assets** 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. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the 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

Note No.	Particulars
	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.
	b) Non-derivative financial liabilities
	i) Financial liabilities at amortised cost
	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 liabilites are recognised at the transaction value.
	ii) Financial liabilities at FVTPL
	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.
	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.
	iii) Derecognition of non-derivative financial liabilities
	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

Note No.	Particulars
	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.
2.15	Fair Value Measurement
	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:
	I) In the principal market for the asset or liability, or
	ii) In the absence of a principal market, in the most advantageous market for the asset or liability.
	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.
	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:
	i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
	ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
	iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
	For assets and liabilities that are 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.
	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 financials assets and financial

Note No.	Particulars
	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."
	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.
	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.
	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.
2.16	**Impairment**
	a) Financial Assets
	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.
	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.
	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:
	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.

Note No.	Particulars
	ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
	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 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.
	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:
	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.
	b) Non-financial assets
	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.
	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.
	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").
2.17	Segment reporting
	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

Notes to the consolidated financial statements for the year ended March 31, 2024

Note No.	Particulars
	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.
2.18	**Non-Current Assets held for sale**
	a. **Non-Current Assets held for sale**
	The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.
	Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets are not depreciated or amortized while they are classified as held for sale.
	b. **Discontinued Operations**
	Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.The Group re-presents the aforesaid disclosures in respect of discontinued operations for all prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.
2.19	**Government grants**
	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.
	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.
	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

Note No.	Particulars
	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.
	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.
2.20	**Events after Reporting date**
	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.
2.21	**Recent Pronouncements**
	Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as Issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.
	The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules 2023 In March 2023 which amended Ind As "Ind AS 1-Presentation of Financial Statements", Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors & Ind AS 12-Income Taxes which is effective from 1st April 2023.
	The Company has evaluated and assessed that the amendments does not have any material impact on the Financial Statement of the Company.

Notes to the consolidated financial statements for the year ended March 31, 2024

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

(Rs. in Lakhs)

Description of Assets	Right-of-use Land	Own land	Building - own	Building on leasehold land	Plant and machinery	Office equipment	Furniture and fittings	Vehicles	Tools and implements	Total
I. Gross										
Balance as at April 1, 2022	**680.72**	**7,809.19**	**14,282.93**	**1,899.59**	**48,461.10**	**660.27**	**531.66**	**136.96**	**1.89**	**74,852.07**
Additions	-	-	1,614.34	49.10	5,823.51	40.54	14.35	31.39	-	7,710.82
Disposals	-	-	(9.24)	-	(211.83)	(0.08)	-	-	-	(301.69)
Transferred to assets held for sale	(635.96)	(2,875.20)	(3,389.72)	(1,535.92)	(10,617.72)	(475.60)	(193.02)	(6.90)	-	(19,730.05)
Balance as at March 31, 2023	**44.76**	**4,933.99**	**12,498.30**	**412.76**	**43,455.06**	**225.13**	**352.99**	**161.45**	**1.89**	**62,531.15**
Additions	-	-	390.97	202.96	772.35	18.86	6.15	-	-	1,454.31
Disposals	-	-	-	-	(646.45)	-	-	-	-	(710.44)
Transferred to assets held for sale	-	-	(0.85)	(109.32)	(173.94)	(9.89)	(6.15)	-	-	(300.15)
Balance as at March 31, 2024	**44.76**	**4,933.99**	**12,888.42**	**506.40**	**43,407.02**	**234.10**	**352.99**	**161.45**	**1.89**	**62,974.86**
II. Accumulated depreciation										
Balance as at April 1, 2022	**20.89**	-	**2,848.43**	**346.49**	**11,090.91**	**518.97**	**284.82**	**61.99**	**0.10**	**15,413.00**
Depreciation expenses for the year	3.24	-	551.09	62.58	2,585.35	55.04	39.56	14.58	-	3,380.92
Disposals	-	-	(1.54)	-	(55.53)	-	-	-	-	(57.07)
Transferred to assets held for sale	(24.13)	-	(917.48)	(305.31)	(4,613.76)	(411.45)	(141.54)	(6.59)	-	(6,420.27)
Balance as at March 31, 2023	-	-	**2,480.50**	**103.76**	**9,006.96**	**162.56**	**182.83**	**69.98**	**0.10**	**12,316.58**
Depreciation expenses for the year	1.62	-	577.48	42.08	2,634.30	48.16	32.90	11.88	-	3,413.48
Disposals	-	-	-	-	(296.76)	-	-	-	-	(296.76)
Transferred to assets held for sale	(1.62)	-	(106.84)	(83.28)	(278.36)	(13.42)	(6.58)	-	-	(490.10)
Balance as at March 31, 2024	-	-	**2,951.14**	**62.56**	**11,066.14**	**197.30**	**209.16**	**81.85**	**0.10**	**14,943.20**
Net (I-II)										
Balance as at March 31, 2023	**44.76**	**4,933.99**	**10,017.81**	**309.00**	**34,448.10**	**62.57**	**170.16**	**91.47**	**1.79**	**50,214.59**
Balance as at March 31, 2024	**44.76**	**4,933.99**	**9,937.28**	**443.84**	**32,340.88**	**36.80**	**143.83**	**79.60**	**1.79**	**48,031.68**

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 no 16 & 20 for the Property, Plant and Equipment secured for the borrowings.

Notes to the consolidated financial statements for the year ended March 31, 2024

3B Capital work-in-progress

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	547.71	3,005.61
Add: Additions during the year	1,239.98	712.40
Less: Capitalised during the year	(756.16)	(3,116.00)
Less: Reclassified to assets held for sale*	(22.27)	(54.30)
Closing Balance	**1,009.26**	**547.71**

(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, 2024	1,009.26	-	-	-	1,009.26
As at March 31, 2023	547.71	-	-	-	547.71

Note: There are no projects suspended as at March 31, 2024 and March 31, 2023. 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
I. Gross			
Balance as at April 1, 2022	**45.78**	**509.88**	**555.66**
Additions	-	-	-
Disposals	-	-	-
Transferred to assets held for sale*	(45.78)	-	(45.78)
Balance as at March 31, 2023	**-**	**509.88**	**509.88**
Additions	4.16	-	4.16
Disposals	-	-	-
Transferred to assets held for sale*	(4.16)	-	(4.16)
Balance as at March 31, 2024	**-**	**509.88**	**509.88**
II. Accumulated amortisation			
Balance as at April 1, 2022	**20.87**	**101.98**	**122.85**
Depreciation / amortisation expenses for the year	5.62	101.98	107.60
Disposals	-	-	-
Transferred to assets held for sale*	(26.49)	-	(26.49)
Balance as at March 31, 2023	**-**	**203.95**	**203.95**
Depreciation / amortisation expenses for the year	4.28	101.98	106.25
Disposals	-	-	-
Transferred to assets held for sale*	(4.28)	-	(4.28)
Balance as at March 31, 2024	**-**	**305.93**	**305.93**
Net (I-II)			
Balance as at March 31, 2023	**-**	**305.93**	**305.93**
Balance as at March 31, 2024	**-**	**203.95**	**203.95**

* Refer Note no 52 for Assets Held for sale

Notes to the consolidated financial statements for the year ended March 31, 2024

Non-current assets

4. Investments (Rs. in Lakhs)

	Particulars	As at March 31, 2024	As at March 31, 2023
I.	**Quoted investments (fully paid) carried at fair value through other Comprehensive Income**		
	Investments in equity instruments - others		
	i) 250 (PY: 250) Equity shares of Rs.10/- each in Bannari Amman Sugars Limited	5.76	6.80
	ii) 34 (PY: 34) Equity shares of Rs.10 each in Moil Limited	0.09	0.05
	Total quoted investments (A)	**5.85**	**6.85**
II.	**Unquoted investments (fully paid) carried at fair value through the consolidated statement of profit and loss**		
i)	**Investments in Equity instruments - others**		
	15,000 (PY: 15,000) Equity shares of Rs.10 each in OPG Metal Power Limited	1.50	1.50
	1,44,000 (PY: 3,06,000) Equity shares of Rs.11 each in OPG Power Generation Pvt Limited	16.56	34.80
	300 (PY: Nil) Equity shares of Rs.100 each in Hypkrt Power Private Limired	0.30	-
	Nil (PY: 3,88,978) Equity shares of Rs.10 each in Vishnu Priya Farms Private Limited	-	222.08
	36,00,000 (PY: 36,00,000) Equity shares of Rs.10 each in Nellai renewables Private Limited	360.00	360.00
ii)	**Investments in Government securities**		
	Kisan Vikas Patra	0.03	0.03
	Total Unquoted Investments (B)	**378.39**	**618.41**
	Total (A) + (B)	**384.24**	**625.26**

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Aggregate cost of quoted investments	0.37	0.37
Aggregate market value of quoted investments	5.85	6.85
Aggregate amount of unquoted investments	378.39	618.41
Aggregate amount of impairment in value of investments	-	-

Notes to the consolidated financial statements for the year ended March 31, 2024

5 Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	1,054.94	701.79
Total - Other financial assets	**1,054.94**	**701.79**

6 Other non-current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	223.37	392.41
Advance tax and tax deducted at source (Net)	125.12	138.10
Total - Other non-current assets	**348.49**	**530.51**

7 Inventories

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	9,287.97	11,874.36
Goods in transit (Raw materials)	1,781.64	2,600.93
Work-in-progress	2,019.53	2,191.72
Finished goods	7,329.97	10,948.89
Stores and spares	729.29	809.82
Total	**21,148.40**	**28,425.72**

8 Trade receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Trade receivables considered good - Unsecured	16,725.26	17,467.49
b) Trade receivables which have significant increase in credit risk	552.24	998.06
c) Trade receivables - credit impaired	717.01	253.26
	17,994.51	**18,718.82**
Less: Allowance for doubtful trade receivables	(1,269.25)	(1,251.33)
Total - Trade receivables	**16,725.26**	**17,467.49**

Notes to the consolidated financial statements for the year ended March 31, 2024

Trade receivables ageing schedule

(Rs. in Lakhs)

Particulars	Outstanding for the following period from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
As at March 31, 2024						
a) Undisputed Trade Receivables - considered good	16,086.56	138.77	12.90	14.11	95.64	16,347.98
b) Undisputed Trade Receivables - which have significant increase in credit risk	9.79	76.22	7.59	7.94	103.49	205.02
c) Undisputed Trade Receivables - credit impaired	-	60.94	152.41	39.11	273.64	526.11
d) Disputed Trade Receivables - considered good	-	32.88	0.94	-	343.46	377.28
e) Disputed Trade Receivables - which have significant increase in credit risk	-	3.65	0.10	-	343.46	347.22
f) Disputed Trade Receivables - credit impaired	-	28.32	6.26	-	156.33	190.90

Trade receivables ageing schedule

(Rs. in Lakhs)

Particulars	Outstanding for the following period from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
As at March 31, 2023						
a) Undisputed Trade Receivables - considered good	16,845.60	201.81	24.57	30.96	18.23	17,121.17
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

Notes to the consolidated financial statements for the year ended March 31, 2024

9A Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks :		
i) In current accounts	780.80	454.09
Cheques, drafts on hand	3.00	2.00
Cash on hand	5.25	6.50
Total - Cash and cash equivalents	**789.05**	**462.59**

9B Bank balances other than above

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks :		
a) Unpaid dividend accounts	1.91	2.37
b) Liquid assets deposits	-	50.00
c) Deposits with Banks held as margin money	9.32	140.17
Total - Bank balances other than above	**11.23**	**192.54**

10 Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee advances (Unsecured, considered good)	19.49	16.94
Total - Loans	**19.49**	**16.94**

11 Other Financial Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued on deposits	25.59	13.13
TUF subsidy receivable	665.01	665.01
Other Receivables	1,187.90	160.89
Unbilled revenue	-	78.91
Total - Other financial assets	**1,878.50**	**917.94**

Notes to the consolidated financial statements for the year ended March 31, 2024

12 Current tax assets (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax assets	171.36	190.06
Total - Current tax assets (net)	**171.36**	**190.06**

13 Other current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	883.88	483.14
Advances to Suppliers	607.25	906.86
Balance with government authorities		
- Duty drawback and other export benefits receivable	1,786.81	276.92
- GST receivable	1,879.47	1,969.48
- ESI Deposit	7.58	7.58
Gratuity	184.03	99.24
Rent Advance	1.50	2.15
Other Receivable	5.35	-
Total - Other current assets	**5,355.87**	**3,745.37**

14 Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
15,00,00,000 Equity shares of Rs. 5 each (PY: 10,00,00,000 Equity shares of Rs. 5 each)	7,500.00	5,000.00
Total	**7,500.00**	**5,000.00**
Issued, Subscribed and fully paid up share capital		
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
Total	**3,242.09**	**3,242.09**

Notes to the consolidated financial statements for the year ended March 31, 2024

i) Authorised Share capital - 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, 2024		As at March 31, 2023	
	Number of shares	Amount (Rs. in Lakhs)	Number of shares	Amount (Rs. in Lakhs)
Equity shares				
At the beginning of the period	10,00,00,000	5,000.00	10,00,00,000	5,000.00
Add: Increase of shares during the year	5,00,00,000	2,500.00	-	-
At the end of the period	**15,00,00,000**	**7,500.00**	**10,00,00,000**	**5,000.00**

ii) Paid up Share capital - 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, 2024		As at March 31, 2023	
	Number of shares	Amount (Rs. in Lakhs)	Number of shares	Amount (Rs. in Lakhs)
Equity shares				
At the beginning of the period	6,48,41,871	3,242.09	6,48,41,871	3,242.09
Add: Changes during the period	-	-	-	-
At the end of the period	**6,48,41,871**	**3,242.09**	**6,48,41,871**	**3,242.09**

iii) Terms/rights and restrictions in respect of 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.

iv) Details of shares held by the holding company

Name of the shareholder	As at March 31, 2024	As at March 31, 2023
	Number of shares	Number of shares
Equity shares		
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	3,51,91,255

Notes to the consolidated financial statements for the year ended March 31, 2024

v) Shareholders holding more than 5% shares in the company

(Rs. in Lakhs)

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	54.27	3,51,91,255	54.27
Gagandeep Credit Capital P Limited	-	-	38,83,141	5.99

vi) Shareholding of Promoters

(Rs. in Lakhs)

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	54.27	3,51,91,255	54.27
S V Arumugam	6,88,869	1.06	6,88,869	1.06

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

vii) 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:

(Rs. in Lakhs)

Particulars	Aggregate no of shares			
	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Equity shares				
Increase in number of shares due to split of face value from Rs.10/- per share to Rs.5/- per share	-	-	-	15,754,269

15 Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Securities premium		
Opening balance	16,129.03	16,137.46
Less : Rights issue expenses	-	8.43
Closing balance	**16,129.03**	**16,129.03**

15 Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
b. General reserve		
Opening balance	16,295.22	16,295.22
Add: Transfer from Retained Earnings	-	-
Closing balance	**16,295.22**	**16,295.22**
c. Retained earnings		
Opening balance	5,820.23	9,048.79
Less: Dividend paid during the year	-	(389.05)
Add : Profit / (loss) for the current year	(2,197.02)	(2,959.50)
Add : Adjustment on account of consolidation	-	120.00
Closing balance	**3,623.23**	**5,820.23**
d. Other Comprehensive Income		
Opening balance	597.54	522.86
Add : Movement during the year	46.69	74.68
Closing balance	**644.23**	**597.54**
Total Other Equity (a + b + c + d)	**36,691.71**	**38,842.02**

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 and fair value changes on financial assets measured at FVTOCI. This would not be reclassified to Consolidated Statement of Profit and Loss.

Notes to the consolidated financial statements for the year ended March 31, 2024

16 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Borrowings		
-Term loan from banks (Refer note 1 to 6 of Note I)	19,826.10	23,718.10
-Term loan from others (Refer note 7 to 8 of Note I)	376.58	2,124.29
Unsecured Borrowings		
-Inter corporate loan (Refer note 9 of Note I)	1,704.95	1,700.00
Total - Borrowings	**21,907.62**	**27,542.39**

Note : I

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

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1. **ICICI Bank**		
ICICI Bank Limited- GECLS	2,786.60	2,786.60
Less: Current maturities of long term debt	(290.27)	-
Total	**2,496.33**	**2,786.60**

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 (GECLS) : 48 monthly instalments starting from November 2024.

Rate of interest: 9.25%.

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
2 **Indian Bank**		
i) Term Loan 1 (TUF & Non-TUF)	73.00	635.95
ii) Term Loan 2 (TUF & Non-TUF)	4,555.00	5,082.22
iii) Term Loan 3 (TUF & Non-TUF)	3862.00	4,075.86
iv) Term Loan 4 (GECLS)	4,163.44	4,441.00
Less: Current maturities of long term debt	(1,839.25)	(1,538.08)
Total	**10,814.19**	**12,696.95**

Security for Term Loans 1, 2 & 3:

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 GECLS Loan :

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 & Rate of interest:

Term Loan 1: 6 Quarterly instalments starting from February 2023. Rate of interest : 12.25%

Term Loan 2: 15 Quarterly instalments starting from December 2022. Rate of interest : 12.25%

Term Loan 3: 24 Quarterly instalments starting from June 2022. Rate of interest : 12.25%

Term Loan 4: 48 Monthly instalments starting from January 2024. Rate of interest : 9.25%.

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
3 DCB Bank Limited		
i) Term Loan	542.34	1,195.22
Less: Current maturities of long term debt	(542.34)	(628.00)
Total	**-**	**567.22**

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 : 10.54%

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
4 Indian Overseas Bank		
Term loan 1	2,440.33	2,535.58
Term loan 2 (GECLS)	2,433.00	2,433.00
Less: Current maturities of long term debt	(583.19)	(95.25)
Total	**4,290.14**	**4,873.33**

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 GECLS Loan: Second Pari Passu Charge by way of Hypothecation of the Company's entire stocks 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: 19 Quarterly instalments starting from August 2023 with rate of interest: 11.30%

Term Loan 2: 48 Monthly instalments starting from July 2024 with rate of interest : 9.25%

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
5 Union Bank of India		
- Term Loan (GECLS)	1,221.00	1,221.00
Less: Current maturities of long term debt	(339.17)	-
Total	**881.83**	**1,221.00**

Security :

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

Repayment : 36 Monthly instalments starting from July 2024.

Rate of Interest : 9.25%

Notes to the consolidated financial statements for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
6 Punjab National Bank		
- Term Loan (GECLS)	1,573.00	1,573.00
Less: Current maturities of long term debt	(229.40)	-
Total	**1,343.60**	**1,573.00**

Security: Second charge with the existing credit facilities in terms of cash flows and security with charge on the assets financed under the scheme to be created within 3 months from the date of disbursement.

Repayment : 48 monthly instalments starting from September 2024.

Rate of Interest : 9.25%.

Term loan from others :

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
7 Palladam Hi-Tech Weaving Park	-	47.84
Less: Current maturities of long term debt	-	-
Total	-	**47.84**

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, 2024	As at March 31, 2023
8 SIPCOT Soft Loan	487.93	2,554.91
Less: Government grant (Refer note (ii) below)	(111.35)	(478.46)
Total	**376.58**	**2,076.45**

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 Rate of interest of 12.16%. The Government grant income is recognised proportionately in relation to the interest expense.

Notes to the consolidated financial statements for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
9 **Unsecured Loans**		
From Related Parties	1,704.95	1,700.00
Total	**1,704.95**	**1,700.00**

Repayment : On or before June, 2027.

Rate of Interest : 10%.

17 Lease liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability on account of land and building lease	56.61	92.87
Total - Lease liabilities	**56.61**	**92.87**

18 Deferred Tax Liabilities

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax Liabilities	10,036.07	9,884.96
Deferred tax Assets	(8,505.26)	(7,313.59)
Deferred tax (Assets)/ Liabilities (Net)	1,530.80	2,571.36
Refer Note No. 43 for Signficant components of Deferred Tax (Assets) / Liabilities rcognised in the financial statements		
Total - Deferred Tax Liabilities	**1,530.80**	**2,571.36**

19 Other non current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Government grant - Sipcot Soft loan	65.93	172.62
Unamortized portion of Deferred Income	-	52.61
Total - Other non current liabilities	**65.93**	**225.23**

20 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured borrowings		
Loans repayable on demand from banks (Refer Note II)	23,099.89	26,188.72
Liability for Bills discounted from Banks (Refer Note III)	1,809.66	476.45
Current maturities of long term borrowings (Refer Note I)	3,823.61	2,261.33
Total - Borrowings	**28,733.16**	**28,926.50**

Notes to the consolidated financial statements for the year ended March 31, 2024

Note - II

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1) Bank of Maharashtra Working capital limit: Rs. 500 lakhs Rate of Interest : 11.75% 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.	357.48	260.34
2) Bank of Bahrain and Kuwait B.S.C. Working capital limit: Rs. 2,000 lakhs Non - fund based limit: Rs. 200 lakhs Rate of Interest : 11.00% 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.	600.00	1,227.60
3) ICICI Bank Limited Working capital limit: Rs. 3,000 lakhs Non - fund based limit: Rs. 1,000 lakhs Rate of Interest : 11.50% 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.	3,624.95	3,751.17
4) Indian Bank Working capital limit: Rs. 5,200 lakhs Rate of Interest : 12.65% 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.	3,120.00	3,667.78
5) Indian Overseas Bank Working capital limit: Fund based: Rs. 10,000 lakhs Non - fund based limit: Rs. 2,500 lakhs Rate of Interest : WCDL - 10.72% ; OCC - 12.00% 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	7,138.18	7,098.98
6) Karur Vysya Bank Working capital limit: Rs.1,250 lakhs Interest rate: 11.50% 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.	389.30	584.17

Notes to the consolidated financial statements for the year ended March 31, 2024

Note - II (Contd...)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
7) Punjab National Bank	3,272.07	4,597.98
Working capital limit: Rs. 5,800 lakhs		
Non - fund based limit: Rs. 2,500 lakhs		
Rate of Interest : 13.15%		
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		
8) Union bank of India	2,912.02	3,268.40
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)		
Rate of Interest : 10.60%		
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.		
9) DCB Bank	1,685.89	1,732.30
Working capital limit: Rs. 2,500 lakhs		
Rate of Interest : WCDL - 9.93% ; OCC - 11.15%		
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.		

Note - III

Liability for bills discounted from banks

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Indian Overseas Bank	1,809.66	476.45
Total - Liability for bills discounted from banks	**1,809.66**	**476.45**

21 Lease Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability on account of land and building lease	12.82	46.60
Total - Lease liabilities	**12.82**	**46.60**

Notes to the consolidated financial statements for the year ended March 31, 2024

22 Trade Payable

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Total outstanding dues of micro and small enterprises	2,350.50	1,154.97
b) Total outstanding dues other than micro and small enterprises	7,581.13	8,452.53
Total	**9,931.63**	**9,607.50**

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	
As at March 31, 2024						
a) MSME	-	2,350.50	-	-	-	2,350.50
b) Others	-	7,486.76	79.11	11.03	4.23	7,581.13
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	-	9,837.26	79.11	11.03	4.23	9,931.63

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	
As at March 31, 2023						
a) MSME	-	1,154.97	-	-	-	1,154.97
b) Others	-	8,060.40	202.03	64.17	125.93	8,452.53
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	-	9,215.37	202.03	64.17	125.93	9,607.50

23 Other Financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid Dividend	1.91	2.37
Security deposits received	0.13	59.16
Interest accrued on borrowings and other payables	183.29	11.17
Payable on purchase of fixed assets	2.41	68.31
Total - Other financial liabilities	**187.74**	**141.01**

Notes to the consolidated financial statements for the year ended March 31, 2024

24 Other Current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	3,660.82	444.36
Advance received towards sale of PPE	94.30	94.30
Government grant - Sipcot Soft Loan	45.42	253.23
Statutory Remittances	111.66	141.07
Salary Payables	-	3.18
Liability for Expenses	1,044.26	1,749.75
Total - Other current liabilities	**4,956.46**	**2,685.89**

25 Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Compensated absences	80.87	64.21
- Bonus	55.64	72.33
Total - Provisions	**136.51**	**136.54**

Notes to the consolidated financial statements for the year ended March 31, 2024

26 Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Sale of goods/services		
a. Manufactured goods		
Yarn	52,679.61	59,331.41
Fabrics	25,602.93	28,098.89
Waste cotton	6,491.27	8,377.18
Waste materials	-	5,150.44
Made ups	3,674.39	-
b. Traded goods		
Cotton	-	18.38
	88,448.20	**100,976.30**
Less: Sales Discount	79.85	181.29
Total	**88,368.35**	**100,795.01**
b) Sale of Services		
Sizing charges, CMT charges, knitting and processing charges	3,035.69	2,805.14
Total	**3,035.69**	**2,805.14**
c) Other operating revenues		
Sale of scrap	328.20	313.28
Yarn second sales	73.74	5.60
Duty drawback and other export incentives	539.05	621.74
Others - Windmill carbon credit	6.85	27.36
Total	**947.84**	**967.97**
Total - Revenue from operations	**92,351.88**	**1,04,568.12**

The Company disaggregate the revenue based on geographical locations and it is disclosed under note 42 "Segment reporting".

27. Other Income

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest income (Refer Note (i) below)	51.41	13.47
b) Net gain on foreign currency transactions and translation	86.49	60.19
c) Other non-operating income (Refer Note (ii) below)	1,784.46	248.91
Total - Other Income	**1,922.36**	**322.57**

Notes to the consolidated financial statements for the year ended March 31, 2024

Note

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Interest income comprises :		
Interest on overdue trade receivables	-	4.01
Interest on security deposits	51.41	9.46
Total - Interest income	**51.41**	**13.47**
ii) Other non-operating income comprises:		
Non competing fee	1,446.00	-
Profit on sale of investment (Net)	14.96	1.34
Profit on sale of property plant and equipment (Net)	110.03	-
Agricultural Income	3.63	7.68
Gain on termination of leases	4.75	5.77
Remission of liability	52.40	-
Sundry Balances Written Back	150.75	53.12
Insurance Claim received	1.94	180.99
Amortization of deferred income	-	0.01
Total - Other non-operating income	**1,784.46**	**248.91**

28. Cost of materials consumed

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	13,881.20	12,451.62
Add: Purchases	64,057.11	88,036.97
	77,938.31	**100,488.59**
Less: Closing stock	10,813.32	13,881.20
Total - Cost of material consumed	**67,124.99**	**86,607.39**

29. Purchase of Stock-in Trade

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of Stock-in Trade - Yarn	103.99	87.06
Total - Purchase of Stock - in - Trade	**103.99**	**87.06**

Notes to the consolidated financial statements for the year ended March 31, 2024

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

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year :		
Finished goods	6,986.29	9,698.77
Work-in-progress	2,012.31	1,934.22
Total	**8,998.60**	**11,632.99**
Inventories at the beginning of the year :		
Finished goods	9,698.77	4,977.53
Work-in-progress	1,934.22	2,187.77
Total	**11,632.99**	**7,165.30**
Net (increase) / decrease	2,634.39	(4,467.69)

31. Employee benefits expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	6,278.25	6,645.36
Contributions to provident and other funds	583.11	556.42
Staff welfare expenses	1,392.16	983.42
Total - Employee benefit expense	**8,253.52**	**8,185.21**

32. Finance Costs

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest expense on financial liabilities at amortised cost:		
- Borrowings	4,634.64	4,009.09
- Operating lease liabilities	10.46	15.07
b) Other borrowing costs	264.47	252.40
Total - Finance cost	**4,909.57**	**4,276.56**

Notes to the consolidated financial statements for the year ended March 31, 2024

33. Depreciation and amortization expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Depreciation on Tangible assets	2,819.89	2,656.25
b) Depreciation on Intangible assets	101.98	101.98
c) Depreciation on Right of Use assets	66.68	72.73
Total - Depreciation and amortization expense	**2,988.55**	**2,830.95**

34. Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent including lease rentals	7.90	0.07
Communication expenses	30.83	31.92
Travelling and conveyance	86.00	94.12
Printing and stationery	37.03	36.31
Quality claim	56.56	136.88
Hank yarn obligation	4.38	12.03
Business promotion expenses	5.66	5.59
Donation	0.10	9.93
Water	49.30	22.47
Consumption of stores and spare parts	2.08	37.98
Manufacturing expenses	116.49	91.77
Consumption of packing materials	704.78	739.65
Power, fuel and water charges	5,843.96	5,968.61
Repairs and maintenance - Building	103.32	70.73
Repairs and maintenance - Machinery	1,227.91	1,254.20
Repairs and maintenance - Others	323.14	540.72
Insurance	303.40	450.16
Rates and taxes	338.08	450.06
Freight and forwarding charges	692.66	799.99
Sales commission	639.30	724.97
Security Service Charges	18.07	23.59
Regulatory & Compliance Expenses	0.40	0.52
Legal and professional charges	257.81	249.58
Payments to auditors (Refer note (i) below)	34.25	33.64
Directors Sitting Fees	5.30	4.30
Corporate Social Responsibility expenditure	14.05	50.81
Agricultural Expenses	1.12	7.61
Provision for bad and doubtful trade receivables	17.93	57.17
Bad trade and other receivables, loans and advances written off	215.32	15.27
Net loss on foreign currency transactions and translation	65.68	-
Loss on sale of property plant and equipment (Net)	-	77.74
Miscellaneous expenses	34.23	54.88
Total - Other expense	**11,237.04**	**12,053.27**

Notes to the consolidated financial statements for the year ended March 31, 2024

Note (i) - Payments to auditors:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payments to Auditors comprises		
- Statutory audit fees and Limited review fees	23.00	24.84
- Other services	9.95	8.40
- Reimbursement of expenses	1.30	0.40
Total	**34.25**	**33.64**

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, 2024	For the year ended March 31, 2023
Holding company		
Amount required to be spent by the Company during the year	12.12	49.53
Amount of expenditure incurred	14.05	50.81
Shortfall at the end of the year	-	-
Total of Previous Years shortfall	-	-
Subsidiary company		
Amount required to be spent by the Company during the year	20.65	15.72
Amount of expenditure incurred	20.00	17.12
Set-off of earlier year accumulation	0.65	-
Shortfall at the end of the year	-	-
Total of Previous Years shortfall	-	-

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 consolidated financial statements for the year ended March 31, 2024

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

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
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	2,350.50	1,154.97
- 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.

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

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
I) Contingent liabilities:		
A) Claims against the Company not acknowledged as debts:-		
a) TANGEDCO demands, pending in appeal	1,505.18	1,386.44
b) Income tax demands (already adjusted against refund)	5.12	-
c) Service Tax	75.08	75.08
d) Town Planning Authority	79.60	79.60
e) Employee Provident Fund	77.91	77.91
B) Contingent Liabilities On Account Of Guarantees :-		
a) Guarantees issued to bankers	18.74	18.74
b) Corporate guarantee given for loans to Bank	5,500.00	-
c) Guarantees issued in favour of Supplier	112.46	112.46
II. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Tangible Assets	1,429.67	1,125.73

Notes to the consolidated financial statements for the year ended March 31, 2024

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, 2024	For the year ended March 31, 2023
Provident fund	869.64	824.06
Employee state insurance	239.03	134.30

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, 2024 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.

The following table sets out the funded status of the gratuity scheme: (Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Components of employer expense		
Current service cost	153.89	170.56
Past service cost		
Interest cost	73.83	67.22
Expected return on plan assets	(59.22)	(48.42)
Recognised in statement of profit and loss	**168.50**	**189.36**
Re-measurement - actuarial (gain)/loss recognised in OCI	(77.99)	(122.97)
Total expense recognised in the Statement of total comprehensive income	**90.51**	**66.39**
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	(106.56)	(6.39)
Actuarial (gain)/loss due to DBO assumption changes	21.25	(47.03)
Actuarial (gain)/loss arising during period	(85.31)	(53.42)
Actual return on plan assets (greater)/less interest on plan assets	7.32	(69.55)
Actuarial (gains)/losses recognized in OCI	**(77.99)**	**(122.97)**
Defined benefit cost		
Service cost	153.89	170.56
Net interest on net defined benefit liability / (asset)	14.61	18.80
Actuarial (gains)/losses recognized in OCI	(77.99)	(122.97)
Defined benefit cost	**90.51**	**66.39**
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	1,053.39	964.44
Current service cost	153.89	165.14
Interest cost	73.83	67.22
Actuarial (gains)/losses	(85.31)	(53.42)
Benefits paid	(135.03)	(89.98)
Present value of DBO at the end of the year	**1,060.78**	**1,053.39**
Actual contribution and benefit payments for year		
Actual benefit payments	135.03	89.98
Actual contributions	91.43	86.93
Change in fair value of assets during the year		
Plan assets at beginning of the year	783.80	616.80
Expected return on plan assets	59.22	48.42
Actual company contributions	91.43	86.93
Actuarial gain / (loss)	(7.32)	69.55
Benefits paid	(90.34)	(37.90)
Plan assets at the end of the year	**836.79**	**783.80**
Actual return on plan assets	51.90	117.97

Notes to the consolidated financial statements for the year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current and Non-Current Asset / Liability portion		
Current Asset	184.03	99.24
Liabilities - Discontinued operations	(408.02)	(368.84)
Net Asset / (Liability)	**(223.99)**	**(269.60)**
Net asset / (liability) recognised in the Balance Sheet :		
Present value of defined benefit obligation	1,060.78	1,053.39
Fair value of plan assets	836.79	783.80
Funded status (Surplus / (Deficit))	(223.99)	(269.60)
Net asset / (liability) recognised in the Balance Sheet	**(223.99)**	**(269.60)**
Composition of the plan assets is as follows:		
Government securities	-	-
Debentures and bonds	-	-
Fixed deposits	-	-
Insurer managed funds*	100%	100%
Total	**836.79**	**783.80**

*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.

Actuarial assumptions	Holding Company		Subsidiary Company	
Discount rate	7.23%	7.55%	7.17%	7.37%
Expected return on plan assets	7.55%	7.51%	0.00%	0.00%
Retirement age	58	58	58	58
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Attrition rate	5.00%	5.00%	30.00%	30.00%
Salary escalation	5.00%	5.00%	8.00%	8.00%

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.

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, 2024	As at March 31, 2023
Estimate value of obligation if discount rate is taken 1% higher	994.72	983.82
Estimate value of obligation if discount rate is taken 1% lower	1,136.57	1,133.61
Estimate value of obligation if salary growth rate is taken 1% higher	1,133.22	1,130.45
Estimate value of obligation if salary growth rate is taken 1% lower	996.65	985.59
Estimate value of obligation if attrition rate is taken 1% higher	1,061.61	1,056.46
Estimate value of obligation if attrition rate is taken 1% lower	1,059.37	1,049.39

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, 2024	As at March 31, 2023
1 Year	128.88	121.19
2 Year	75.44	73.32
3 Year	63.80	74.71
4 Year	56.06	53.24
5 Year	58.05	48.18
6-10 years	206.05	204.44
Above 10 Years	472.50	478.32

Asset Liability Matching Strategies

Experience Adjustments:

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
1. Defined Benefit Obligation	1,060.78	1,053.39	964.44	773.14	774.56
2. Fair value of plan assets	836.79	783.80	616.80	617.21	624.61
3. Surplus/(Deficit)	(223.99)	(269.60)	(347.64)	(155.93)	(149.95)
4. Experience adjustment on plan liabilities ((Gain)/Loss)	(106.56)	(6.39)	144.27	107.45	173.52
5. Experience adjustment on plan assets (Gain/(Loss))	(7.32)	69.55	(6.74)	(2.48)	1.49

41 Segment Reporting

a) Primary business segment information

The Group'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	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Continuing Operations		
Outside India	7,946.69	10,321.47
India	84,405.19	94,246.65
Revenue from Discontinued Operations		
Outside India	26,064.25	31,042.79
India	8,042.04	6,494.16

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

There is no single external customer from whom revenue from transactions exceed 10% of company's total revenue In respect of Holding Company.

c) **Transactions with single external customer which amounts to 10% or more of the Subsidiary Company's revenue.**

(Rs. in Lakhs)

Particulars		Revenue	Percentage to Total Revenue of the Subsidiary Company
American Eagle Outfitters Canada Corporation, United States of America	March 31, 2024	11,451.65	36.79%
	March 31, 2023	12,991.19	39.38%
Jockey International Inc., United States of America	March 31, 2024	9,174.23	29.47%
	March 31, 2023	11,890.62	36.04%

42. Related party transactions

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 Young Brand Global 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

Notes to the consolidated financial statements for the year ended March 31, 2024

42. Related party transactions (Contd...)

Details of related parties :

Description of relationship	Name of related parties
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 Sri S Seshadri, Chief Financial Officer 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
Relative of KMP	Smt A Umadevi Sri A Senthil

Notes to the consolidated financial statements for the year ended March 31, 2024

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, 2024	As at March 31, 2023
Transactions during the year:			
Rental Advance	Sakthi Murugan Transports Private Limited	-	0.30
Commission Paid	Bannari Amman Retails Private Limited	38.36	-
Vehicle maintenance paid	Shiva Automobiles Private Limited	6.24	6.24
	Jahnvi Motor Private Limited	6.30	2.79
	Coimbatore Anamallais Agencies Private Limited	0.01	1.10
Purchase of vehicle	Coimbatore Anamallais Agencies Private Limited	-	27.36
Purchase of fuel	Vedanayagam Oil Company	3.31	4.56
Rent paid	Anamallais Automobiles Private Limited	14.73	25.22
	Sakthi Murugan Transports Private Limited	4.76	5.87
	Smt A Umadevi	12.00	12.00
Advances repaid	Bannari Amman Retails Private Limited	34.00	-
Inter corporate deposits repaid	Sakthi Murugan Transports Private Limited	-	300.00
Interest paid	Murugan Enterprise Private Limited	170.47	170.00
	Sakthi Murugan Transports Private Limited	-	22.59
Remuneration of KMP	Sri S V Arumugam, Managing Director	60.00	60.00
	Sri N Krishnaraj, Company Secretary	30.09	27.84
	Sri S Seshadri, Chief Financial Officer	22.29	22.29
	Smt. Gayatri Arumugam	54.00	31.50
	Sri. T V Guru Krishnan	48.62	45.02
Sitting fees to KMP	Sri K N V Ramani, Director	-	0.90
	Sri C Sivasamy, Director	0.70	-
	Dr K R Thillainathan, Director	1.30	0.60
	Sri S Palaniswami, Director	1.30	1.20
	Sri K Sadhasivam, Director	1.50	1.65
	Smt S Sihamani, Director	0.80	0.40
	Sri. R Shanmugavelayutham	-	0.30
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, 2024

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2024	As at March 31, 2023
Balances outstanding as at year end :			
Receivables	Bannari Amman Retails Private Limited	32.82	72.16
	Anamallais Automobiles Private Limited	0.27	1.33
	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	(0.11)	(0.33)
	Sakthi Murugan Transports Private Limited	(0.50)	(0.61)
	Shiva Automobiles Private Limited	-	(0.16)
	Anamallais Automobiles Private Limited	(2.11)	-
	Murugan Enterprise Private Limited	(1,712.99)	(1,712.99)
	Smt A Umadevi	(1.00)	(0.90)

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, 2024

43 Income tax recognised :

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Statement of Profit and Loss	Other comprehensive income	Statement of Profit and Loss	Other comprehensive income
For continuing operations				
Current tax :				
In respect of current year	-	-	-	-
Deferred tax :				
In respect of current year	(762.93)	23.25	(1,332.38)	(35.94)
Income tax expense/(income) for continuing operations	**(762.93)**	**23.25**	**(1,332.38)**	**(35.94)**
For discontinuing operations				
Current tax :				
In respect of current year	539.96	-	395.20	-
Deferred tax :				
In respect of current year	(350.00)	2.88	(142.20)	5.07
Income tax expense / (income) for discontinuing operations	**189.96**	**2.88**	**253.00**	**5.07**
Total income tax expense / (income)	**(572.97)**	**26.13**	**(1,079.38)**	**(30.87)**

Notes to the consolidated financial statements for the year ended March 31, 2024

Movement in deferred tax balances

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Others	Closing Balance
For the year ended March 31, 2024					
Tax effect of items constituting deferred tax (asset)					
Provision for doubtful trade receivables	(437.26)	(6.27)	-	-	(443.53)
Provision for compensated absences and gratuity and fair value of gain / (loss) on equity instruments	(13.03)	71.20	23.25	-	81.42
Brought forward & current year losses	(1,916.91)	(1,471.79)	-	-	(3,388.70)
Unabsorbed depreciation	-				
Minimum alternate tax (net)	(4,936.75)	200.00	-	-	(4,736.75)
On account of difference in treatment of expenditure	(12.62)	(54.81)	-	-	(67.43)
Others	(9.64)	1.46	-	-	(8.18)
Tax effect of items constituting deferred tax (asset)	**(7,326.22)**	**(1,260.21)**	**23.25**	**-**	**(8,563.17)**
Tax effect of items constituting deferred tax liability					
On difference between book balance and tax balance of fixed assets	10,400.38	147.28	-	-	10,547.66
Remeasurement of defined benefit plans	5.07	-	2.88	-	7.95
Deferred tax on gain on acquisition of control	223.47	-	-	-	223.47
Tax effect of items constituting deferred tax liability	**10,628.92**	**147.28**	**2.88**	**-**	**10,779.08**
Net Deferred tax (asset) / liability	**3,302.70**	**(1,112.93)**	**26.13**	**-**	**2,215.91**
For the year ended March 31, 2023					
Tax effect of items constituting deferred tax (asset)					
Provision for doubtful trade receivables	(417.54)	(19.72)	-	-	(437.26)
Provision for compensated absences and gratuity and fair value of gain / (loss) on equity instruments	(74.76)	25.79	35.94	-	(13.03)

Notes to the consolidated financial statements for the year ended March 31, 2024

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	-	(1,916.91)	-	-	(1,916.91)
Unabsorbed depreciation	(16.56)	16.56	-	-	-
Minimum alternate tax (net)	(4,936.75)	-	-	-	(4,936.75)
On account of difference in treatment of expenditure	(59.58)	46.96	-	-	(12.62)
Others	(50.85)	(41.21)	-	-	(9.64)
Tax effect of items constituting deferred tax (asset)	**(5,556.04)**	**(1,806.12)**	**35.94**	**-**	**(7,326.22)**
Tax effect of items constituting deferred tax liability					
On difference between book base and tax base of property, plant and equipment	10,068.84	331.54	-	-	10,400.38
Remeasurement of defined benefit plans	-	-	5.07	-	5.07
Deferred tax on gain on acquisition of control	223.47	-	-	-	223.47
Tax effect of items constituting deferred tax liability	**10,292.31**	**331.54**	**5.07**	**-**	**10,628.92**
Net Deferred tax (asset)/liability	**4,736.27**	**(1,474.58)**	**41.01**	**-**	**3,302.70**

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, 2024	For the year ended March 31, 2023
Profit / (loss) before tax	(1,986.26)	(3,344.21)
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	(694.00)	(1,168.47)
On account of enacted tax rates	(11.53)	55.03
On account of permanent differences	156.18	276.94
On account of deferred tax income on origination of temporary differences	(113.32)	(111.68)
On account of previously unrecognised tax loss	6.86	(27.11)
Others	82.84	(104.08)
Income tax expense recognised in the statement of profit and loss	**(572.97)**	**(1,079.38)**

Notes to the consolidated financial statements for the year ended March 31, 2024

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

45 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 lease liabilities during the year:

Lease Liabilities

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	139.47	152.73
Additions	63.02	137.59
Deletions	(68.74)	(86.31)
Interest	10.46	15.07
Lease payments	(74.77)	(79.62)
Closing balance	**69.43**	**139.47**
Current	12.82	46.60
Non-current	56.61	92.87

Maturity analysis of OLL

The details of the maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis are as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
1 year	84.47	88.08
1 to 5 years	47.75	67.18
More than 5 years	-	-

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease rent relating to continuing operations	7.90	0.07
Lease rent relating to discontinued operations	73.39	133.59

46. Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2024 and March 31, 2023 are as follows:

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets				
Amortised cost				
Loans	40.99	30.76	-	-
Trade receivable	22,110.23	20,042.82	-	-
Cash and cash equivalents	1,190.44	999.34	-	-
Other bank balances	407.46	192.54	-	-
Other financial assets	3,046.77	1,733.06	-	-
Investment in equity instruments in subsidiaries	-	-	-	-
FVTOCI				
Investment in equity instruments	5.85	6.85	5.85	6.85
FVTPL				
Investment in government securities	0.03	0.03	0.03	0.03
Investment in equity and preference instruments (unquoted)	438.36	678.38	438.36	678.38
Total assets	**27,240.13**	**23,683.78**	**444.24**	**685.26**
Financial liabilities				
Amortised cost				
Borrowings	56,819.21	61,952.43	-	-
Lease liabilities	69.43	139.47	-	-
Trade payables	11,708.03	11,420.66	-	-
Other financial liabilities	864.86	1,231.32	-	-
Total liabilities	**69,461.53**	**74,743.88**	**-**	**-**

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, 2024 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.

47 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).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured of fair value on recurring basis as at March 31, 2024 and March 31, 2023.

(Rs. in Lakhs)

Particulars	Total	Fair value measurement using		
		Level - 1	Level - 2	Level - 3
Financial assets measured at fair value:				
FVTOCI financial assets designated at fair value: Date of valuation March 31, 2024				
Investment in equity instruments (quoted)				
As at March 31, 2024	5.85	5.85	-	-
As at March 31, 2023	6.85	6.85	-	-
Derivative financial instruments				
As at March 31, 2024	-	-	-	-
As at March 31, 2023	-	-	-	-
FVTPL financial assets designated at fair value: Date of valuation March 31, 2023				
Investment in government securities				
As at March 31, 2024	0.03	-	-	0.03
As at March 31, 2023	0.03	-	-	0.03
Investment in equity and preference instruments (unquoted)				
As at March 31, 2024	438.36	-	-	438.36
As at March 31, 2023	678.38	-	-	678.38

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

48 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.

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, 2024	For the year ended March 31, 2023
Revenue from top customer	16,906.81	17,471.69
Revenue from top 5 customers	38,409.00	47,963.95

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, 2024	As at March 31, 2023
Cash and cash equivalents	1,190.44	999.34
Other bank balances	407.46	192.54
Total	**1,597.90**	**1,191.88**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 and March 31, 2023.

(Rs. in Lakhs)

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2024	32,688.05	7,792.82	16,338.34
	March 31, 2023	31,222.66	4,937.65	25,792.12
Trade payables	March 31, 2024	11,708.03	-	-
	March 31, 2023	11,420.66	-	-
Lease liabilities	March 31, 2024	12.82	80.33	12.54
	March 31, 2023	46.60	80.33	12.54
Other financial liabilities	March 31, 2024	864.86	-	-
	March 31, 2023	1,231.32	-	-

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.

Notes to the consolidated financial statements for the year ended March 31, 2024

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2024 and March 31, 2023:

(Rs. in Lakhs)

Particulars	As at	US$	Euro	Pound/Sterling	Total
Assets					
Trade receivables*	March 31, 2024	1,600.32	1,738.12	36.15	3,374.60
	March 31, 2023	2,561.31	1,857.01	44.98	4,463.29
Cash and cash equivalents	March 31, 2024	0.87	-	0.03	0.90
	March 31, 2023	3.39	0.02	0.03	3.44
Liabilities					
Trade payable	March 31, 2024	134.55	-	-	134.55
	March 31, 2023	86.09	-	-	86.09
Borrowings	March 31, 2024	-	-	-	-
	March 31, 2023	1,444.18	-	-	1,444.18
Net assets/(liabilities)	March 31, 2024	1,466.64	1,738.12	36.18	3,240.95
	March 31, 2023	1,034.43	1,857.03	45.01	2,936.46

* 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, 2024	For the year ended March 31, 2023
Impact on profit or (loss) for the year on account of rupee appreciation by 5%	127.70	33.11

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, 2024	For the year ended March 31, 2023
Increase / (decrease) in the profit / (loss) for the year	(565.50)	(665.21)

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, 2024	As at March 31, 2023
Total equity attributable to the equity share holders of the company	**39,933.80**	**42,084.12**
As percentage of total capital	41%	40%
Current borrowings	32,688.05	31,222.66
Non-current borrowings	24,131.16	30,729.77
Total borrowings	**56,819.21**	**61,952.43**
As a percentage of total capital	59%	60%
Total capital (borrowings and equity)	**96,753.01**	**1,04,036.54**

49. Valuation of Inventories :

Inventories of raw materials are valued at lower of cost and net realisable value. The cost of inventories shall comprise all costs of purchase 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. 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, 2024

50 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:

a) Repayable on demand

(Rs. In Lakhs)

Type of Borrower	31.03.2024		31.03.2023	
	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
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 ageement with the books of accounts for all the quarters of the year.

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, 2024.

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 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.

51 Reconciliation of change in liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	As at April 01, 2023	Proceeds	Repayment	Others	As at March 31, 2024
Non-current borrowings (including current maturities)	33,843.08	-	(4,906.52)	-	28,936.56
Current borrowings	28,109.35	-	(226.70)	-	27,882.65
Lease liabilities	139.47	-	(74.77)	4.73	69.43
Total	**62,091.90**	**-**	**(5,207.99)**	**4.73**	**56,888.64**

Particulars	As at April 01, 2022	Proceeds	Repayment	Others	As at March 31, 2023
Non-current borrowings (including current maturities)	27,067.10	6,775.98	-	-	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
Total	**52,027.04**	**10,215.72**	**(165.93)**	**15.07**	**62,091.90**

Notes to the consolidated financial statements for the year ended March 31, 2024

52 Assets Classified as Held for Sale

a. The Company has entered into an MOU for sale of its entire shareholding in Young Brand Apparel Private Limited (YBAPL), subsidiary of the Company and for sale of its garment unit at Palladam and land at SIPCOT, Perundurai to S P Apparels Limited.

b. Accordingly, the company has classified the investment in its subsidiary (Young Brand Apparel Private Limited), fixed assets of garment unit 2 and land at SIPCOT, Perundurai as Assets held for Sale. The company has also classified the same as discontinued operations in the statement of profit or loss.

c. **Results of the same for the year are presented below:**

	Particulars	31.03.2024	31.03.2023
INCOME			
I	Revenue from Operations	34,106.29	37,536.95
II	Other Income	833.05	405.10
III	**Total Income (I+II)**	**34,939.34**	**37,942.05**
IV	**EXPENSES**		
	Cost of materials consumed	17,184.10	22,870.71
	Changes in inventories of finished goods and work-in-progress	2,950.61	(1,032.08)
	Employee benefits expense	8,068.39	8,372.95
	Finance costs	1,113.75	1,484.71
	Depreciation and amortization expense	531.18	657.56
	Other expenses	4,099.76	4,250.34
	Total Expenses (IV)	**33,947.79**	**36,604.19**
VII	Profit/(Loss) before tax from discontinued operations (III-IV)	991.55	1,337.86
VIII	Tax Expense of discontinued operations		
	1) Current tax - current year	539.91	395.20
	2) Current tax for prior years	0.05	-
	3) Deferred tax Expenses / (Income)	(350.00)	(142.20)
IX	**Profit/(Loss) from discontinued operations after tax (VII-VIII)**	**801.59**	**1,084.86**

d Major classes of Assets and Liabilities of Discontinued Operations are as follows :

(Rs. in Lakhs)

Particulars	31.03.2024	31.03.2023
Assets		
1) Non-Current Assets		
a) Property, Plant and Equipment	13,176.54	13,366.49
b) Capital Work-in-Progress	76.57	54.30
c) Intangible Assets	19.16	19.28
d) Financial Assets		
i) Investments	60.00	60.00
ii) Other Financial Assets	113.33	113.33
e) Other non-current assets	94.14	86.14
Total Non-Current Assets	**13,539.74**	**13,699.54**
2) Current Assets		
a) Inventories	4,052.41	6,078.71
b) Financial Assets		
i) Trade receivables	5,384.97	2,575.33
ii) Cash and cash equivalents	401.39	536.75
iii) Bank balances other than Cash and cash equivalents	396.23	-
iv) Loans	21.50	13.82
c) Other Current Assets	1,895.95	1,296.22
Total Current Assets	**12,152.45**	**10,500.83**
Total Assets (1 to 2)	**25,692.19**	**24,200.37**
Liabilities		
1) Non-current liabilities		
a) Financial liabilities		
i) Borrowings	2,223.54	3,187.38
b) Provisions	333.22	313.99
c) Deferred Tax Liabilities (Net)	685.10	731.34
d) Other Liabilities	42.09	52.61
Total Non-Current Liabilities	**3,283.95**	**4,285.32**
2) Current liabilities		
a) Financial Liabilities		
i) Borrowings	3,954.89	2,296.16
ii) Trade payables		
a) Total outstanding dues of micro and small enterprises	14.56	-
b) Total outstanding dues of other than (ii)(a) above	1,761.84	1,813.16
iii) Other financial liabilities	677.12	1,090.31
b) Provisions	237.57	192.81
c) Other Current Liabilities	81.89	50.40
d) Current Tax Liabilities (Net)	159.08	106.77
Total Current Liabilities	**6,886.95**	**5,549.61**
Total Liabilities (1 + 2)	**10,170.90**	**9,834.93**
Net assets directly associated with Discontinued operations	**15,521.29**	**14,365.44**

Notes to the consolidated financial statements for the year ended March 31, 2024

e Net Cash flows attributable to Discontinued operations are as follows:

(Rs. in Lakhs)

Particulars	31.03.2024	31.03.2023
Net Cash Flow from /(used in) in Operating activities	284.44	4,103.48
Net Cash Flow from /(used in) in Investing activities	(181.26)	(256.82)
Net Cash Flow from /(used in) in Financing activities	(584.83)	(4,342.63)
Net Increase/(Decrease) in Cash and Cash Equivalents	**(481.65)**	**(495.97)**

53. 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.

As per our report of even date

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

For and on behalf of the board

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

K. SADHASIVAM
Director
DIN 00610037

N. KRISHNARAJ
Company Secretary
ACS No. 20472

S. SESHADRI
Chief Financial Officer

54 Financial ratios

Sl. No.	Particulars	Numerator	Denominator	31.03.2024	31.03.2023	Variance	Reason for variance
1	Current ratio (in times)	Current assets	Current liabilities	1.15	1.31	(13%)	
2	Debt-Equity Ratio (in times)	Total Debt (Long Term Borrowings + Short Term Borrowings + Interest Payable thereon)	Shareholder's Equity	1.26	1.33	(5%)	
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)	0.95	0.94	2%	
4	Return on Equity Ratio (in %)	Net profit after tax	Average shareholder's equity	(3.08%)	(4.92%)	(38%)	The variance is due to decrease in loss during the year.
5	Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventories	3.01	3.19	(6%)	
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	6.00	7.30	(18%)	
7	Trade payables turnover ratio (in times)	Total Purchases	Average Trade Payables	6.99	8.28	(16%)	
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital	17.07	9.58	78%	The variance is due to decrease in current assets and revenue during the year
9	Net profit ratio (in %)	Net Profit After Taxes	Revenue from operations	(1.12%)	(1.59%)	(30%)	The variance is due to decrease in loss during the year.
10	Return on Capital employed (in %)	Earnings Before Interest and Taxes (EBIT)	Capital Employed	3.87%	2.15%	80%	The variance is due to decrease in loss during the year.
11	Return on investment (in %)	Earnings Before Interest. Depreciation and Taxes (EBIDT)	Investment (Total Assets)	6.15%	4.59%	34%	The variance is due to increase in operational earnings.

55. 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.

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
Holding Company								
Bannari Amman Spinning Mills Limited	78%	35,136.58	206%	(2,921.55)	83%	42.29	211%	(2,879.27)
Indian -Subsidiaries								
Young Brand Apparel Private Limited	12%	5,484.35	(58%)	826.67	9%	4.40	(61%)	831.07
Bannari Amman Infinite Trendz Private Limited	(2%)	(687.13)	7%	(102.14)	0%	-	8%	(102.14)
Non-Controlling interest	12%	5,199.93	(55%)	783.73	8%	4.17	(58%)	787.89
Total	**100%**	**45,133.73**	**100%**	**(1,413.28)**	**100%**	**50.86**	**100%**	**(1,362.42)**

Ref. No. .... Date : ....

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, 2024, 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 material 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, 2024, 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.

P N RAGHAVENDRA RAO & CO., Chartered Accountants, CBE-9

Ref. No. .... Date : ....

Key Audit Matters

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

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

Description of Key Audit Matter	Description of Auditors' Response
Inventory of Raw Material, Work-in-Progress and Finished Goods as at the year ended March 31, 2024	
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 Raw Material, Work-in-progress and Finished Goods are valued at the lower of cost and net realizable value. With respect to Work-in-progress and Finished Goods, cost include weighted average of cost of inputs, conversion costs and appropriate share of overheads incurred in bringing Work-in-progress and Finished Goods to their present location and condition. The Company is an integrated textile manufacturer and the inventory primarily comprises of diversified range and quality of yarn, fabric and garments, and its valuation depends on the quality of the item as per the specification received from the	Audit Procedure included, but not limited to the following: • Assessing the appropriateness of the accounting policy for inventories with relevant accounting standards. • Obtaining an understanding of the Company's process of valuation of the stock, which is done through the computer software. • Evaluating the design and implementation of the Company's key internal financial controls over valuation of inventories and testing the operating effectiveness of such controls for selected samples.

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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. The Company maintains its inventory levels based on forecast demand and expected future selling prices. Considering that the Company is having substantial inventory, the carrying value of which is material in the context of total assets of the Company 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.	• 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 Raw Material, Work-in-progress and Finished Goods 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, Consolidated 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.

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Ref. No. .... Date : ....

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 the Management and those Charged with Governance for the Standalone 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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

Ref. No. .... Date : ....

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

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

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.

Report on Other Legal and Regulatory Requirements

16. 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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

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

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

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

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

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

(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 (e), as provided under (a) and (b) above, contain any material mis-statement

(v) The company has not declared or paid any dividend during the year.

(vi) a) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail function has operated throughout the year for all relevant transactions recorded in the software.

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

c) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1,2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

Place : Coimbatore
Date : 29th May 2024

Pon Arul Paraneedharan
Partner
Membership Number: 212860
UDIN: 24212860BKCXMD5699

Ref. No. .... Date : ....

Annexure - A to the Independent Auditor's Report

Referred to in paragraph 16 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, 2024

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 Standalone 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.

P.N. RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

Ref. No. .... Date : ....

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, except for the investment made, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans during the year.

a) Amount (in Rs. Lakhs)

Particulars	Guarantees	Loans
Aggregate amount granted/ provided during the year		
- Subsidiaries	Nil	Nil
- Others	Nil	Nil
Balance outstanding as at balance sheet date in respect of loans/guarantees provided		
- Subsidiaries	Nil	550
- Others	112.46	Nil

b) In our opinion and according to the information and explanations given to us, the investments made, Guarantees provided, loans granted 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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

e) As per explanations provided to us and based on the examination of records, the company has renewed the loan provided to its subsidiary during the year which aggregates to Rs 550 lakhs and the company has not granted any loans/advances during the year.

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 primafacie, 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.

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 31.03.2024 for a period of more than 6 months from the date they became payable.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

b) According to the information and explanations given to us, the details of statutory dues referred in sub-clause (a) which have not been deposited as on March 31, 2024 on account of disputed dues are given below:

S.no	Name of the Statute	Nature of Dues	Amount	Period to which demand relates	Forum where dispute is pending	Remarks
1	Income Tax Act, 1961	Income Tax	5.12	AY 2018-19	Commissioner of Income Tax, Appeals,	Demand has been adjusted against refund during the year
2	Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003	TANGEDCO Dues	802.79	August 2011 to March 2024	Supreme Court of India	-
			61.62	April 2016 to August 2017	Madras High Court	
			80.61	September 2012 to May 2015		
			391.71	September 2013 to March 2024		
			168.45	December 2014 to March 2017		

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 wilful defaulter by any bank or financial institutions or any 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. Accordingly, reporting under clause 3(xi)(a) of the Order is not applicable to the company.

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. Accordingly, reporting under clause 3(xi)(b) of the Order is not applicable to the company.

c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable to the company.

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.

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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 Note no 42 to 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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

xvii. The Company has incurred cash losses amounting to Rs 683.20 lakhs in the current financial year and Rs 2,065.64 lakhs 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.

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

Pon Arul Paraneedharan
Partner
Membership Number: 212860
UDIN: 24212860BKCXMD5699

Place : Coimbatore
Date : 29th May 2024

No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009

: 0422 2232440, 2236997 : info@pnrandco.in : www.pnrandco.in

Ref. No. .... Date : ....

Annexure - B to the Independent Auditor's Report

Referred to in paragraph 17(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, 2024

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, 2024 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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009
: 0422 2232440, 2236997 : info@pnrandco.in : www.pnrandco.in

Ref. No. .... Date : ....

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.

P N RAGHAVENDRA RAO & CO. Chartered Accountants CBE-9

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Ref. No. .... Date : ....

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, 2024, 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

Pon Arul Paraneedharan
Partner
Membership Number: 212860
UDIN: 24212860BKCXMD5699

Place : Coimbatore
Date : 29th May 2024

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
1	**Non-current assets**			
	a) Property, plant and equipment incl. Right-of-use assets	3A	48,031.68	50,214.59
	b) Capital work-in-progress	38	1,009.26	547.71
	c) Financial assets			
	i) Investments	4	385.24	3,232.26
	ii) Loans	5	721.55	677.00
	iii) Other financial assets	6	1,054.94	701.79
	d) Other non-current assets	7	460.03	642.10
	Total non-current assets (A)		**51,662.70**	**56,015.45**
2	**Current assets**			
	a) Inventories	8	21,148.40	28,427.96
	b) Financial assets			
	i) Trade receivables	9	16,916.07	18,274.22
	ii) Cash and cash equivalents	10A	787.36	459.81
	iii) Other Bank balances	108	11.23	192.54
	iv) Loans	11	19.49	16.93
	v) Other financial assets	12	1,878.49	917.94
	c) Current tax assets (Net)	13	171.36	190.05
	d) Other current assets	14	5,251.29	3,645.73
	Total Current assets (B)		**46,183.69**	**52,125.18**
3	**Assets classified as held for sale (C)**	53	**7,442.82**	**4,811.18**
	Total Assets (A) + (B) + (C)		**1,05,289.21**	**1,12,951.81**
	EQUITY AND LIABILITIES			
1	**Equity**			
	a) Equity share capital	15	3,242.09	3,242.09
	b) Other equity	16	34,724.72	37,305.85
	Total Equity (D)		**37,966.81**	**40,547.94**
	Liabilities			
2	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	17	21,902.67	27,542.39
	ii) Lease liabilities	18, 46	56.61	92.87
	b) Deferred tax liabilities (net)	44	1,341.61	2,382.89
	c) Other non-current liabilities	19	65.93	225.23
	Total Non-current liabilities (E)		**23,366.82**	**30,243.38**
3	**Current liabilities**			
	a) Financial liabilities			
	i) Borrowings	20	28,733.16	28,926.49
	ii) Lease liabilities	21, 46	12.82	46.60
	iii) Trade payables			
	a) Total outstanding dues of Micro and Small Enterprises	22	2,652.90	1,154.97
	b) Total outstanding dues other than Micro and Small Enterprises		7,282.13	9,074.17
	iv) Other financial liabilities	23	187.74	145.00
	b) Other current liabilities	24	4,950.32	2,676.71
	c) Provisions	25	136.51	136.55
	Total Current liabilities (F)		**43,955.58**	**42,160.49**
	Total Equity and Liabilities (D) + (E) + (F)		**1,05,289.21**	**1,12,951.81**
	Material Accounting Policies	2		
	The accompanying notes form an integral part of the Standalone Financial Statements			

As per our report of even date

For and on behalf of the board

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

K. SADHASIVAM
Director
DIN 00610037

N. KRISHNARAJ
Company Secretary
ACS No. 20472

S. SESHADRI
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	INCOME			
I	Revenue from Operations	26	92,351.88	104,568.12
II	Other Income	27	1,967.31	365.94
III	**Total Income (I+II)**		**94,319.19**	**104,934.06**
IV	**EXPENSES**			
	Cost of materials consumed	28	67,124.99	86,607.39
	Purchases of Stock-in trade	29	103.99	87.06
	Changes in inventories of finished goods and work-in-progress	30	2,634.39	(4,466.63)
	Employee benefits expense	31	8,253.46	8,243.20
	Finance costs	32	4,909.57	4,276.57
	Depreciation and amortization expense	33	2,886.58	2,728.98
	Other expenses	34	11,233.12	11,980.54
	Total Expenses (IV)		**97,146.08**	**109,457.11**
V	**Profit before exceptional item and tax (III-IV)**		**(2,826.91)**	**(4,523.05)**
VI	**Exceptional Items**		-	-
VII	**Profit/(Loss) before tax (V-VI)**		**(2,826.91)**	**(4,523.05)**
VIII	**Tax expense:**			
	Deferred tax Expenses / (Income)		(763.65)	(1,382.52)
IX	**Profit/(Loss) for the period from continuing operations (VII-VIII)**		**(2,063.26)**	**(3,140.53)**
X	**Profit/(Loss) from discontinued operations**		**(861.06)**	**(526.37)**
XI	**Tax Expense / (Income) of discontinued operations**		**(300.89)**	**(183.93)**
XII	**Profit/(Loss) from discontinued operations after tax (X+XI)**		**(560.17)**	**(342.44)**
XIII	**Profit/(Loss) for the period (IX+XII)**		**(2,623.43)**	**(3,482.97)**
XIV	**Other Comprehensive Income**			
	i) Items that will not be reclassified to profit or loss			
	a) Remeasurement of Defined benefit plans		66.55	102.84
	b) Gain/loss on equity instruments designed at FVTOCI		(1.00)	0.04
	ii) Income tax relating to items that will not be reclassified to profit or loss		(23.25)	(35.94)
	Other Comprehensive Income/(Loss) for the period		**42.30**	**66.94**
	Total Comprehensive Income/(Loss) for the period (XIII+XIV)		**(2,581.13)**	**(3,416.03)**
XV	Earnings per equity share of Rs. 5/- each (for continuing operations) Basic and Diluted		(3.18)	(4.84)
XVI	Earnings per equity share of Rs. 5/- each (for discontinued operation) Basic and Diluted		(0.86)	(0.53)
XVII	Earnings per equity share of Rs. 5/- each (for discontinued & continuing operations) Basic and Diluted		(4.04)	(5.37)
	Material Accounting Policies	2		
	The accompanying notes form an integral part of the Standalone Financial Statements			

As per our report of even date

For and on behalf of the board

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

N. KRISHNARAJ
Company Secretary
ACS No. 20472

K. SADHASIVAM
Director
DIN 00610037

S. SESHADRI
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs)

Particulars	No. of shares	Amount
a) Equity share capital		
Balance as at April 1, 2022	6,48,41,871	3,242.09
Add : Changes during the year	-	-
Balance as at the March 31, 2023	**6,48,41,871**	**3,242.09**
Balance as at April 1, 2023	6,48,41,871	3,242.09
Add: Changes during the year	-	-
Balance as at March 31, 2024	**6,48,41,871**	**3,242.09**

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	
Balance as at April 1, 2022	**16,137.46**	**16,295.22**	**8,665.79**	**15.48**	**5.41**	**41,119.36**
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
Balance as at March 31, 2023	**16,129.03**	**16,295.22**	**4,793.77**	**82.38**	**5.45**	**37,305.85**
Balance as at April 1, 2023	**16,129.03**	**16,295.22**	**4,793.77**	**82.38**	**5.45**	**37,305.85**
Profit / (loss) for the year	-	-	(2,623.43)	-	-	(2,623.43)
Other comprehensive income (net of taxes)	-	-	-	43.30	(1.00)	42.30
Balance as at March 31, 2024	**16,129.03**	**16,295.22**	**2,170.34**	**125.68**	**4.45**	**34,724.72**

As per our report of even date

For and on behalf of the board

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

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DIN 00002458

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K. SADHASIVAM
Director
DIN 00610037

S. SESHADRI
Chief Financial Officer

STANDALONE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before tax from Continuing and Discontinued operations		**(3,687.97)**		**(5,049.42)**
Adjustments for:				
Depreciation expense	3,005.10		2,920.84	
(Profit) / loss on sale of property, plant and equipment	(110.03)		77.74	
(Profit) / loss on sale of Investments	(14.96)		(1.34)	
Finance costs	5,232.31		4,762.51	
Interest Income	(101.54)		(64.11)	
Dividend Income	(250.87)		-	
Allowance for doubtful trade receivables and bad debts written off	279.57		57.17	
Gain on termination of lease	(4.75)		(5.77)	
Net unrealised exchange (gain)	(46.08)		(64.86)	
		7,988.74		7,682.18
Operating profit before working capital changes		4,300.77		2,632.76
Changes in working capital :				
Adjustments for increase / (decrease) in operating assets:				
Financial assets				
Trade receivables	1,124.66		(645.12)	
Loans	(47.11)		(27.14)	
Other financial assets	(1,301.25)		(127.07)	
Non-financial assets				
Inventories	7,279.56		(7,031.77)	
Other non-financial assets	(1,538.95)		(137.56)	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(294.11)		1,839.06	
Other financial liabilities	(115.45)		122.68	
Non-financial liabilities				
Provisions	(0.04)		(93.43)	
Other non-financial liabilities	2,114.33		(758.70)	
		7,221.64		(6,859.05)
		11,522.41		(4,226.29)
Net Income tax paid		31.67		(63.64)
Net cash flow from operating activities (A)		**11,554.08**		**(4,289.93)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(1,481.40)		(4,208.44)	
Margin money deposits	181.31		(93.76)	
Purchase of Investments	-		(353.78)	
Sale of Investments	254.98		6.44	
Proceeds from sale of property, plant and equipment	451.08		86.35	
Dividend Income received	250.87		-	
Interest received	89.08		62.96	
Net cash flow used in investing activities (B)		**(254.07)**		**(4,500.23)**

STANDALONE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of non-current borrowings	(5,639.73)		5,090.80	
Increase/(Decrease) in working capital borrowings	(193.33)		8,331.17	
Payment of dividend including tax thereon	-		(389.05)	
Repayment of lease liabilities	(74.77)		(79.62)	
Right issue expenses	-		(8.43)	
Finance costs paid	(5,064.63)		(4,769.45)	
Net cash flow used in financing activities (C)		**(10,972.47)**		**8,175.42**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**327.55**		**(614.75)**
Cash and cash equivalents at the beginning of the year*		459.81		1,074.56
Cash and cash equivalents at the end of the year		**787.36**		**459.81**
* Comprises:				
a) Cash on hand	5.23		6.48	
b) Cheques/drafts on hand	3.00		2.00	
c) Balances with banks:				
i) In current accounts	779.13		451.33	
Total		**787.36**		**459.81**

As per our report of even date

For and on behalf of the board

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

S.V. ARUMUGAM
Chairman & Managing Director
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K. SADHASIVAM
Director
DIN 00610037

N. KRISHNARAJ
Company Secretary
ACS No. 20472

S. SESHADRI
Chief Financial Officer

Coimbatore
29.05.2024

Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
1.	**Corporate information** Bannari Amman Spinning Mills Limited (the "Company") is an integrated textile company engaged in the manufacture of cotton yarn, knitted & 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 registered office of the company is situated at 252, Mettupalayam Road, Coimbatore-641043.
2.	**Material accounting policies** This note provides a list of the material 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.
2.1	**Basis of accounting and preparation of financial statements** **i) Compliance with Ind AS** The Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as amended from time to time. **ii) Historical cost convention** The standalone financial statements have been prepared on a historical cost basis, except for the following: a) Certain property, plant and equipment, financial assets and liabilitles that are measured at fair value b) Defined benefit plans - plan assets measured at fair value c) Assets held for sale - measured at at the lower of their carrying amount and the fair value less cost to sell. **iii) Functional and presentation currency** The standalone financial statements are presented in the Company's functional and presentation currency, Indian rupee (Rs.), rounded off to the nearest rupees in lakhs. **iv) Current/Non-Current Classification:** 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 Companies Act, 2013. 'Based on the nature of products / activities of the Company and the normal time between acquisition of assets/inventories for processing and their realisation in

Note No.	Particulars
	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.
2.2	**Use of estimates and judgement** In the preparation of the 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. 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. 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. **a) Impairment of investments in subsidiaries** 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. **b) Useful lives of property, plant and equipment** 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 & fittings - 10, Vehicles - 8. **c) Deferred tax assets** 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. **d) Employee benefits** The cost of post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on

Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
	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.
	e) Inventories
	Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market - driven changes.
2.3	Inventories
	Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescense. 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.
	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.
2.4	Cash flow statement
	Cash flows are reported using the indirect method, whereby profit / (loss) before 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.
2.5	Taxes on income
	a) Current tax
	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.

Note No.	Particulars
	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. b) **Deferred tax** 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. 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. 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. 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 temporaray differences are expected to reverse. 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. c) **Current and deferred tax for the year** 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.

Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
2.6	a) Property, plant and equipment 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. 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. 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. 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. 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. b) Capital work-in-progress 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. c) Depreciation and Amortisation 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.,

Note No.	Particulars
	Depreciation is provided pro-rata from the date of Capitalisation. Plant and Machinery - 25 to 30 years Windmill - 30 years Factory Building - 30-60 years 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.
2.7	**Leases**
	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. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the 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. 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. 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.

Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
2.8	**Revenue recognition** **i) Sale of goods** 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." **ii) Time and material** 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. **iii) Dividend and interest income** 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. **iv) Other operating revenue** 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. **v) Insurance claims** Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted

Note No.	Particulars
	and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.
2.9	**Employee benefits**
	Employee benefits Include Provident Fund, Employee State Insurance, Gratuity Fund and Compensated Absences.
	a. Retirement benefit costs and termination benefits
	Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.
	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 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.
	b. Defined benefit costs are categorised as follows
	-service cost (Including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
	-net Interest expense or Income; and
	-remeasurement
	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 other comprehensive income. 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.
	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.

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Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
	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.
	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.
	c. Short-term and other long term employee benefits
	A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
	Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
	Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.
2.10	**Foreign currency transactions and translations**
	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).
	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.
2.11	**Borrowing cost**
	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.

Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
	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.
2.12	**Earnings per share**
	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.
	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.
	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.
2.13	**Provisions and contingencies**
	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.
	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.

Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
	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.
2.14	**Financial instruments**
	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.
	a) Non-derivative financial assets
	i) Financial assets at amortised cost
	A financial asset shall be measured at amortised cost if both of the following conditions are met:
	a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
	b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
	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.
	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.

Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
	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. 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. **ii) Equity instruments at FVTOCI** All equity instruments except Investments in subsidiaries are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as 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. **iii) Financial assets at FVTPL** 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 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. 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. **iv) Derecognition of financial assets** The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for

Note No.	Particulars
	amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised 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. **b) Non-derivative financial liabilities** **i) Financial liabilities at amortised cost** 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 liabiiites are recognised at the transaction value. **ii) Financial liabilities at FVTPL** 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. 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

Note No.	Particulars
	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.
	iii) **Derecognition of non-derivative financial liabilities**
	The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.
2.15	**Fair Value Measurement**
	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:
	i) In the principal market for the asset or liability, or
	ii) In the absence of a principal market, in the most advantageous market for the asset or liability.
	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."
	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:"

Note No.	Particulars
	i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities. ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are 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. 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 financials 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. 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. 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. 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.
2.16	**Impairment** **a) Financial Assets** 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

Note No.	Particulars
	recognition. 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. 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 : 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. ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. 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. 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: 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. **b) Non-financial assets** 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. 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

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Note No.	Particulars
	impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss. 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").
2.17	**Segment reporting** 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.
2.18	**Non-Current Assets held for sale and Discontinued Operations** **a. Non-Current Assets held for sale** The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets are not depreciated or amortized while they are classified as held for sale. **b. Discontinued Operations** Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. The Company re-presents the aforesaid disclosures in respect of discontinued operations for all prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

Notes to the standalone financial statements for the year ended March 31, 2024

Note No.	Particulars
2.19	**Government grants**
	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."
	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.
	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.
	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.
2.20	**Events after Reporting date**
	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.
2.21	**Recent Pronouncements**
	Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.
	The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules 2023 In March 2023 which amended Ind As "Ind AS 1-Presentation of Financial Statements", Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors & Ind AS 12-Income Taxes which is effective from 1st April 2023.
	The Company has evaluated and assessed that the amendments does not have any material impact on the Financial Statement of the Company.

3A Property, Plant and Equipment incl. Right-of-use Assets (Rs. in Lakhs)

Description of Assets	Right of Use - Land	Right of Use - Building	Own land	Building - own	Building on leasehold land	Plant and machinery	Office equipment	Furniture and fittings	Vehicles	Tools and implements	Total
I. Gross											
Balance as at April 1, 2022	680.72	387.76	4,933.99	12,711.47	1,899.59	44,997.75	515.14	475.53	136.62	1.88	66,740.45
Additions	-	137.59	-	317.37	49.10	4,315.31	26.69	0.80	31.39	-	4,878.24
Disposals	-	(80.54)	-	(9.24)	-	(211.83)	(0.08)	-	-	-	(301.69)
Transferred to assets held for sale *	(635.96)	-	-	-	(1,535.92)	(3,394.00)	(123.39)	(29.78)	-	-	(5,719.06)
Balance as at March 31, 2023	44.76	444.81	4,933.99	13,019.60	412.76	45,707.23	418.35	446.55	168.01	1.88	65,597.94
Additions	-	63.02	-	390.11	202.96	581.78	13.80	0.23	-	-	1,251.90
Disposals	-	(63.99)	-	-	-	(629.82)	-	-	-	-	(693.81)
Transferred to assets held for sale *	-	-	-	-	(109.32)	-	(4.83)	(0.23)	-	-	(114.38)
Balance as at March 31, 2024	44.76	443.84	4,933.99	13,409.71	506.40	45,659.19	427.32	446.55	168.01	1.88	66,041.65
II. Accumulated depreciation											
Balance as at April 1, 2022	20.89	240.40	-	2,538.22	346.50	9,604.44	437.08	234.60	61.96	0.09	13,484.18
Depreciation expenses for the year	3.24	69.49	-	465.12	62.58	2,226.85	44.74	34.24	14.58	-	2,920.84
Disposals	-	-	-	(1.54)	-	(55.53)	-	-	-	-	(57.07)
Transferred to assets held for sale *	(24.13)	-	-	-	(305.31)	(510.22)	(112.65)	(12.28)	-	-	(964.58)
Balance as at March 31, 2023	-	309.89	-	3,001.80	103.77	11,265.55	369.17	256.56	76.54	0.09	15,383.37
Depreciation expenses for the year	1.62	65.06	-	470.64	42.08	2,348.93	37.16	27.74	11.88	-	3,005.11
Disposals	-	-	-	-	-	(289.75)	-	-	-	-	(289.75)
Transferred to assets held for sale *	(1.62)	-	-	-	(83.28)	-	(2.42)	(1.42)	-	-	(88.74)
Balance as at March 31, 2024	-	374.95	-	3,472.44	62.57	13,324.72	403.91	282.88	88.41	0.09	18,009.98
Net (I-II)											
Balance as at March 31, 2023	44.76	134.92	4,933.99	10,017.80	308.99	34,441.68	49.18	189.99	91.47	1.79	50,214.59
Balance as at March 31, 2024	44.76	68.89	4,933.99	9,937.27	443.83	32,334.47	23.41	163.67	79.60	1.79	48,031.68

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 equipment secured for the borrowings.

* Refer Note no 53 for Assets held for sale.

(Rs. in Lakhs)

3B

Capital work in progress	As at March 31, 2024	As at March 31, 2023
Opening balance	547.71	372.18
Add: Additions during the year	1,215.34	547.71
Less: Capitalised during the year	(753.78)	(372.18)
Closing balance	**1,009.26**	**547.71**

Notes to the standalone financial statements for the year ended March 31, 2024

(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, 2024	1,009.26	-	-	-	1,009.26
As at March 31, 2023	547.71	-	-	-	547.71

Note: There are no projects suspended as at March 31, 2024 and March 31, 2023. 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, 2024	As at March 31, 2023
I. Quoted Investments (fully paid) carried at fair value through other comprehensive income		
Investments in equity instruments - others		
i) 250 (PY: 250) Equity shares of Rs.10 each in Bannari Amman Sugars Limited	5.76	6.80
ii) 34 (PY: 34) Equity shares of Rs.10 each in Moil Limited	0.09	0.05
Total Quoted Investments (A)	**5.85**	**6.85**
II. Unquoted Investments (fully paid)		
i) Investments in Equity instruments - subsidiaries (carried at cost)		
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
10,000 (PY: 10,000) Equity shares of Rs.10 each in Bannari Amman Infinite Trendz Private Limited (wholly owned subsidiary)	1.00	1.00
ii) Investments in Equity instruments - others (carried at fair value)		
15,000 (PY: 15,000) Equity shares of Rs.10 each in OPG Metal Power Limited	1.50	1.50
1,44,000 (PY: 3,06,000) Equity shares of Rs.11 each in OPG Power Generation Private Limited	16.56	34.80
300 (PY: Nil) Equity shares of Rs.100 each in Hypkrt Power Private Limired	0.30	-
Nil (PY: 3,88,978) Equity shares of Rs.10 each in Vishnu Priya Farms Private Limited	-	222.08
36,00,000 (PY: 36,00,000) Equity shares of Rs.10 each In Nellai renewables Private Limited	360.00	360.00
iii) Investments in Govt. Securities		
Kisan Vikas Patra	0.03	0.03
Total Unquoted Investments (B)	**379.39**	**3,225.41**
Total (A) + (B)	**385.24**	**3,232.26**
Aggregate cost of quoted investments	0.37	0.37
Aggregate market value of quoted investments	5.85	6.85
Aggregate amount of unquoted investments	379.39	3,225.41
Aggregate amount of impairment in value of investments	-	-

Notes to the standalone financial statements for the year ended March 31, 2024

5 Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans to related parties (Unsecured, considered good)		
Inter corporate deposit	550.00	550.00
Interest on inter corporate deposit	171.55	127.00
Total - Loans	**721.55**	**677.00**

6 Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	1,054.94	701.79
Total - Other financial assets	**1,054.94**	**701.79**

7 Other non-current assets

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	223.37	392.41
Advance to related parties	111.60	111.64
Advance tax and Tax deducted at source (net)	125.06	138.05
Total - Other non-current assets	**460.03**	**642.10**

8 Inventories

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	9,287.97	11,874.36
Goods in transit (Raw materials)	1,781.64	2,600.93
Work-in-progress	2,019.53	2,191.72
Finished goods	7,329.97	10,951.13
Stores and spares	729.29	809.82
Total - Inventories	**21,148.40**	**28,427.96**

Notes to the standalone financial statements for the year ended March 31, 2024

9 Trade receivables (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Trade receivable considered good - Unsecured	16,916.07	18,274.23
b) Trade receivable - which have significant increase in Credit Risk	552.24	998.06
c) Trade receivable - Credit impaired	717.01	253.26
	18,185.32	**19,525.55**
Less: Allowance for doubtful trade receivables	(1,269.25)	(1,251.33)
Total - Trade receivables	**16,916.07**	**18,274.22**

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
As on 31.03.2024						
a) Undisputed Trade Receivables - considered good	16,277.37	138.77	12.90	14.11	95.64	16,538.78
b) Undisputed Trade Receivables - which have significant increase in credit risk	9.79	76.22	7.59	7.94	103.49	205.02
c) Undisputed Trade Receivables - credit impaired	-	60.94	152.41	39.11	273.64	526.11
d) Disputed Trade Receivables - considered good	-	32.89	0.94	-	343.46	377.29
e) Disputed Trade Receivables - which have significant increase in credit risk	-	3.65	0.10	-	343.46	347.22
f) Disputed Trade Receivables - credit impaired	-	28.32	6.26	-	156.33	190.90

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
As on 31.03.2023						
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

Notes to the standalone financial statements for the year ended March 31, 2024

10A Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in current account	779.13	451.33
Cheques, drafts on hand	3.00	2.00
Cash on hand	5.23	6.48
Total	**787.36**	**459.81**

10A Bank balances other than above

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks		
a) Unclaimed dividend accounts	1.91	2.37
b) Liquid assets deposits	-	50.00
c) Deposits with Banks held as margin money	9.32	140.17
Total	**11.23**	**192.54**

11 Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee advances (Unsecured, considered good)	19.49	16.93
Total	**19.49**	**16.93**

12. Other Financial Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued on deposits	25.59	13.13
TUF subsidy receivable	665.01	665.01
Other Receivables	1,187.89	160.89
Unbilled revenue	-	78.91
Total	**1,878.49**	**917.94**

Notes to the standalone financial statements for the year ended March 31, 2024

13 Current Tax Assets (net)

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax assets	171.36	190.05
Total	**171.36**	**190.05**

14 Other current assets

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	883.88	483.14
Advances to Suppliers	607.25	906.85
Balances with government authorities :		
- Duty drawback and other exports benefits receivable	1,786.81	276.92
- GST receivable	1,781.74	1,872.00
- ESI Deposit	7.58	7.58
Gratuity	184.03	99.24
Total	**5,251.29**	**3,645.73**

15 Equity

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
15,00,00,000 Equity shares of Rs. 5 each (PY: 10,00,00,000 Equity shares of Rs. 5 each)	7,500.00	5,000.00
	7,500.00	**5,000.00**
Issued, Subscribed and fully paid up share capital		
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
	3,242.09	**3,242.09**

Notes to the standalone financial statements for the year ended March 31, 2024

i) Authorised Share capital - 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, 2024		As at March 31, 2023	
	Number of shares	Amount (in lakhs)	Number of shares	Amount (in lakhs)
Equity shares				
At the beginning of the period	10,00,00,000	5,000.00	10,00,00,000	5,000.00
Add: Increase of shares during the year	5,00,00,000	2,500.00	-	-
At the end of the period	**15,00,00,000**	**7,500.00**	**10,00,00,000**	**5,000.00**

ii) Paid up Share capital - 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, 2024		As at March 31, 2023	
	Number of shares	Amount (in lakhs)	Number of shares	Amount (in lakhs)
Equity shares				
At the beginning of the period	6,48,41,871	3,242.09	6,48,41,871	3,242.09
Add: Issue of shares during the year	-	-	-	-
At the end of the period	**6,48,41,871**	**3,242.09**	**6,48,41,871**	**3,242.09**

iii) 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.

iv) Details of shares held by the holding company

Name of the shareholders	No. of shares	
	As at March 31, 2024	As at March 31, 2023
Equity shares		
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	3,51,91,255
	3,51,91,255	**3,51,91,255**

Notes to the standalone financial statements for the year ended March 31, 2024

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	54.27	3,51,91,255	54.27
Gagandeep Credit Capital P Limited	-	-	38,83,141	5.99

vi) Shareholding of Promoters

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares				
Murugan Enterprise Private Limited (Holding company)	3,51,91,255	54.27	3,51,91,255	54.27
S V Arumugam	6,88,869	1.06	6,88,869	1.06

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

vii) 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			
	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Equity shares				
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, 2024

16 Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Securities premium		
Opening balance	16,129.03	16,137.46
Less : Rights issue expenses	-	8.43
Closing balance	**16,129.03**	**16,129.03**
b. General reserve		
Opening balance	16,295.22	16,295.22
Add : Transfer from Retained Earnings	-	-
Closing balance	**16,295.22**	**16,295.22**
c. Retained Earnings		
Opening balance	4,793.77	8,665.79
Less: Dividend paid during the year	-	(389.05)
Add : Profit / (loss) for the current year	(2,623.43)	(3,482.97)
Closing balance	**2,170.34**	**4,793.77**
d. Other Comprehensive Income		
Opening balance	87.83	20.89
Add : Movement during the year	42.30	66.94
Closing balance	**130.13**	**87.83**
Total Other Equity (a+b+c+d)	**34,724.72**	**37,305.85**

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 and fair value changes on financial assets measured at FVTOCI. This would not be reclassified to Statement of Profit and Loss.

Notes to the standalone financial statements for the year ended March 31, 2024

17 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured Borrowings		
- Term loan from banks (Refer note 1 to 6 of Note - I)	19,826.09	23,718.10
- Term loan from others (Refer note 7 to 8 of Note - I)	376.58	2,124.29
Unsecured Borrowings		
- Loans from Related Parties (Refer note 9 of Note - I)	1,700.00	1,700.00
Total - Borrowings	**21,902.67**	**27,542.39**

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 : I

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

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1 **ICICI Bank Limited**		
ICICI Bank Limited- GECLS	2,786.60	2,786.60
Less: Current maturities of long term debt	(290.27)	
Total	**2,496.33**	**2,786.60**

Security for Term Loan - GECLS:

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

Repayment :

Term Loan (GECLS) : 48 monthly instalments starting from November 2024.

Rate of Interest: 9.25%.

Notes to the standalone financial statements for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
2 Indian Bank		
i) Term Loan 1 (TUF & Non-TUF)	73.00	635.95
ii) Term Loan 2 (TUF & Non-TUF)	4,555.00	5082.22
iii) Term Loan 3 (TUF & Non-TUF)	3,862.00	4075.86
iv) Term Loan 4 (GECLS)	4,163.44	4,441.00
Less: Current maturities of long term debt	(1,839.25)	(1,538.08)
Total	**10,814.19**	**12,696.95**

Security for Term Loans 1, 2 & 3:

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 GECLS Loan:

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

Repayment & Rate of Interest:

Term Loan 1: 6 Quarterly instalments starting from February 2023. Rate of Interest: 12.25%.

Term Loan 2: 15 Quarterly instalments starting from December 2022. Rate of Interest: 12.25%.

Term Loan 3: 24 Quarterly instalments starting from June 2022. Rate of Interest: 12.25%.

Term Loan 4: 48 Monthly instalments starting from January 2024. Rate of Interest: 9.25%.

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
3 DCB Bank Limited		
Term Loan	542.34	1,195.22
Less: Current maturities of long term debt	(542.34)	(628.00)
Total	-	567.22

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 : 10.54%

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
4 Indian overseas Bank		
Term loan 1	2,440.33	2,535.58
Term loan 2 (GECLS)	2,433.00	2,433.00
Less: Current maturities of long term debt	(583.19)	(95.25)
Total	**4,290.14**	**4,873.33**

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 GECLS Loan:

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

Repayment and Rate of Interest :

Term Loan 1 : 19 Quarterly instalments starting from August 2023 with rate of interest: 11.30%

Term Loan 2 : 48 Monthly instalments starting from July 2024 with rate of interest : 9.25%

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
5 Union Bank of India		
Term Loan (GECLS)	1,221.00	1,221.00
Less: Current maturities of long term debt	(339.17)	-
Total	**881.83**	**1,221.00**

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

Repayment : 36 Monthly instalments starting from July 2024.

Rate of Interest : 9.25%

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
6 Punjab National Bank		
Term Loan (GECLS)	1,573.00	1,573.00
Less: Current maturities of long term debt	(229.40)	-
Total	**1,343.60**	**1,573.00**

Security: Second charge with the existing credit facilities in terms of cash flows and security with charge on the assets financed under the scheme to be created within 3 months from the date of disbursement.

Repayment : 48 monthly instalments starting from September 2024.

Rate of Interest : 9.25%

Notes to the standalone financial statements for the year ended March 31, 2024

Term loan from others :

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
7 Palladam Hi-Tech Weaving Park	-	47.84
Less: Current maturities of long term debt	-	-
Total	**-**	**47.84**

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, 2024	As at March 31, 2023
8 SIPCOT Soft Loan	487.93	2,554.91
Less: Government grant (Refer note (ii) below)	(111.35)	(478.46)
Total	**376.58**	**2,076.45**

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, 2024	As at March 31, 2023
9 Unsecured Loans from Related Party		
Murugan Enterprise Private Limited (Holding Company)	1,700.00	1,700.00
Total	**1,700.00**	**1,700.00**

Repayment on or before June 2027.

Rate of Interest : 10.00%.

Notes to the standalone financial statements for the year ended March 31, 2024

18 Lease liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability on account of land and building lease	56.61	92.87
Total	**56.61**	**92.87**

19 Other non current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Government grant - Sipcot Soft loan	65.93	225.23
Total - Other non current liabilities	**65.93**	**225.23**

20 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured borrowings		
Loans repayable on demand from banks (Refer Note II)	23,099.89	26,188.71
Liability for bills discounted - from banks (Refer Note III)	1,809.66	476.45
Current maturities of long term borrowings	3,823.61	2,261.33
Total	**28,733.16**	**28,926.49**

Note - II

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1) Bank of Maharashtra Working capital limit: Rs. 500 lakhs Interest rate: 11.75 % 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.	357.48	260.34
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: 11.00% 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.	600.00	1,227.60

Notes to the standalone financial statements for the year ended March 31, 2024

Note - II (Contd...)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
3) ICICI Bank Limited Working capital limit: Rs. 3,000 lakhs Non - fund based limit: Rs. 1,000 lakhs Interest rate: 11.50% 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.	3,624.95	3,751.17
4) Indian Bank Working capital limit: Rs. 5,200 lakhs Interest rate: 12.65% 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.	3,120.00	3,667.78
5) Indian Overseas Bank Working capital limit: Fund based: Rs. 10,000 lakhs Non - fund based limit: Rs. 2,500 lakhs Interest rate: WCDL - 10.72% ; OCC - 12% 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.	7,138.18	7,098.97
6) The Karur Vysya Bank Limited Working capital limit: Rs.1,250 lakhs Interest rate: 11.50% 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.	389.30	584.17
7) Punjab National Bank Working capital limit: Rs. 5,800 lakhs Non - fund based limit: Rs. 2,500 lakhs Interest rate: 13.15% 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.	3,272.07	4,597.98
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: 10.60% 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.	2,912.02	3,268.40
9) DCB Bank Limited Working capital limit: Rs.2,500 lakhs Interest rate: WCDL - 9.93% ; OCC - 11.15% 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.	1,685.89	1,732.30

Notes to the standalone financial statements for the year ended March 31, 2024

Note - III

Liability for bills discounted from banks

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Indian Overseas Bank	1,809.66	476.45
Total - Liability for bills discounted from banks	**1,809.66**	**476.45**

21 Lease Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability on account of land and building lease	12.82	46.60
Total	**12.82**	**46.60**

22 Trade Payable

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Total outstanding dues of micro enterprises and small enterprises (Refer note no 39)	2,652.90	1,154.97
b) Total outstanding dues other than micro and small enterprises	7,282.13	9,074.17
Total	**9,935.03**	**10,229.14**

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
As at March, 31, 2024						
a) MSME	-	2,652.90	-	-	-	2,652.90
b) Others	-	7,187.77	79.11	11.03	4.22	7,282.13
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**9,840.67**	**79.11**	**11.03**	**4.22**	**9,935.03**

Notes to the standalone financial statements for the year ended March 31, 2024

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
As at 31.03.2023						
a) MSME	-	1,154.97	-	-	-	1,154.97
b) Others	-	8,964.12	39.26	24.73	46.06	9,074.17
c) Disputed dues - MSME	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**10,119.09**	**39.26**	**24.73**	**46.06**	**10,229.14**

23 Other Financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued on borrowings	169.85	2.17
Unpaid Dividend	1.91	2.37
Security deposits received	0.13	59.16
Contractually reimbursable expenses	13.44	12.99
Payable on purchase of fixed assets	2.41	68.31
Total - Other financial liabilities	**187.74**	**145.00**

24 Other Current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	3,660.82	444.35
Advance received towards sale of PPE	94.30	94.30
Government grant - Sipcot soft loan	45.42	253.23
Statutory Remittances	106.40	136.01
Liability for Expenses	1,043.38	1,748.82
Total - Other Current Liabilities	**4,950.32**	**2,676.71**

25 Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
- Compensated absences	80.87	64.21
- Bonus	55.64	72.34
Total - Provisions	**136.51**	**136.55**

Notes to the standalone financial statements for the year ended March 31, 2024

26. Revenue from operations

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Sale of Products		
i. Manufactured goods		
Yarn	52,679.61	59,331.41
Fabrics	25,602.93	28,098.89
Waste cotton	6,491.27	8,377.18
Made ups	3,674.39	5,150.44
ii. Traded goods		
Cotton	-	18.38
	88,448.20	**1,00,976.30**
Less : Sales Discount	79.85	181.29
	88,368.35	**1,00,795.01**
b) Sale of Services		
Sizing charges, CMT charges, knitting and processing charges	3,035.69	2,8015.15
	3,035.69	**2,8015.15**
c) Other operating revenues		
Sale of scrap	328.20	313.28
Yarn second sales	73.74	5.60
Duty drawback and other export incentives	539.05	621.74
Others - Windmill carbon credit	6.85	27.36
	947.84	**967.97**
Total - Revenue from operations	**92,351.88**	**104,568.12**

27. Other Income

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest income (Refer Note (i) below)	100.91	62.97
b) Net gain on foreign currency transactions and translation	86.49	60.19
c) Other non-operating income (Refer Note (ii) below)	1,779.91	242.78
Total - Other Income	**1,967.31**	**365.94**

Notes to the standalone financial statements for the year ended March 31, 2024

Note

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Interest Income comprises:		
Interest on loans and advances	49.50	49.50
Interest on overdue trade receivables	-	4.01
Interest on security deposits	51.41	9.46
Total - Interest income	**100.91**	**62.97**
ii) Other non-operating income comprises :		
Non-Competing fee	1,446.00	-
Profit on sale of investment (Net)	14.96	1.34
Profit on sale of property plant and equipment (Net)	110.03	-
Agricultural Income	3.63	7.68
Gain on termination of leases	4.75	5.77
Remission of Liability	47.85	-
Others - Sundry debtors write back	150.75	47.00
Insurance Claim received	1.94	180.99
Total - Other non-operating income	**1,779.91**	**242.78**

28. Cost of materials consumed

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	13,881.20	12,451.62
Add: Purchases	64,057.11	88,036.97
	77,938.31	**100,488.59**
Less: Closing stock	10,813.32	13,881.20
Total - Cost of materials consumed	**67,124.99**	**86,607.39**

29. Purchase of Stock-in Trade

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of Stock-in Trade - Yarn	103.99	87.06
Total Purchase of Stock-in Trade - Yarn	**103.99**	**87.06**

Notes to the standalone financial statements for the year ended March 31, 2024

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

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the end of the year :		
Finished goods	6,985.23	9,697.71
Work-in-progress	2,012.31	1,934.22
Total	**8,997.54**	**11,631.93**
Inventories at the beginning of the year :		
Finished goods	9,697.71	4,977.53
Work-in-progress	1,934.22	2,187.77
Total	**11,631.93**	**7,165.30**
Net (increase) / decrease	**2,634.39**	**(4,466.63)**

31. Employee benefits expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	6,218.25	6,645.36
Director Remuneration	60.00	60.00
Contributions to provident and other funds	583.05	554.42
Staff welfare expenses	1,392.16	983.42
Total - Employee Benefits Expense	**8,253.46**	**8,243.20**

32. Finance Costs

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liabilities at amortised cost:		
- Borrowings	4,634.64	4,009.09
- Operating lease liabilities	10.46	15.07
Other borrowing costs	264.47	252.41
Total - Finance cost	**4,909.57**	**4,276.57**

Notes to the standalone financial statements for the year ended March 31, 2024

33. Depreciation and amortization expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Depreciation on Tangible assets	2,819.90	2,656.25
b) Depreciation on Right of Use assets	66.68	72.73
Total - Depreciation and amortization expense	**2,886.58**	**2,728.98**

34. Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent including lease rentals	7.90	0.07
Communication expenses	30.83	31.81
Travelling and conveyance	86.00	94.04
Printing and stationery	37.03	36.31
Quality claim	56.56	136.88
Hank yarn obligation	4.38	12.03
Business promotion expenses	5.66	5.59
Donation	0.10	9.93
Water	49.30	22.47
Consumption of stores and spare parts	2.08	37.98
Manufacturing expenses	116.49	91.77
Consumption of packing materials	704.78	739.65
Power, fuel and water charges	5,843.97	5,968.61
Repairs and maintenance - Building	103.27	70.68
Repairs and maintenance - Machinery	1,227.91	1,254.20
Repairs and maintenance - Others	323.14	534.60
Insurance	303.40	449.60
Rates and taxes	337.90	449.53
Freight and forwarding charges	692.66	799.99
Sales commission	639.30	724.97
Legal and professional charges	255.57	189.44
Security Service Charges	18.07	23.59
Payments to auditors (Refer note (i) below)	33.25	32.14
Directors Sitting Fees	5.30	4.30
Corporate Social Responsibility expenditure (Refer note 36)	14.05	50.81
Agricultural Expenses	1.12	7.61
Provision for bad and doubtful trade receivables	17.93	57.17
Bad trade and other receivables, loans and advances written off	215.32	14.27
Net loss on foreign currency transactions and translation	65.68	-
Loss on sale of property plant and equipment (Net)	-	77.74
Miscellaneous expenses	34.17	52.76
Total - Other expenses	**11,233.12**	**11,980.54**

Notes to the standalone financial statements for the year ended March 31, 2024

Note (i) - Payments to auditors:

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payments to Auditors comprises		
- Statutory audit fees and Limited review fees	22.00	23.34
- Other Services	9.95	8.40
- Reimbursement of expenses	1.30	0.40
Total	**33.25**	**32.14**

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, 2024	For the year ended March 31, 2023
Amount required to be spent by the Company during the year	12.12	49.53
Amount of expenditure incurred	14.05	50.81
Shortfall at the end of the year	-	-
Total of Previous Years shortfall	-	-

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, 2024

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

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
I) Contingent liabilities:		
A) Claims against the Company not acknowledged as debts:-		
a) TANGEDCO demands, pending in appeal	1,505.18	1,386.44
b) Income tax demands (already adjusted against refund)	5.12	-
B) Contingent Liabilities On Account Of Guarantees :-		
a) Guarantee issued in favour of supplier	112.46	112.46
II. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for :		
a. Tangible Assets	1,429.67	1,125.73

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

Particulars	As at March 31, 2024	As at March 31, 2023
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	2,652.90	1,154.97
- 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, 2024

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, 2024	For the year ended March 31, 2023
Provident fund	466.02	412.90
Employee state insurance	121.08	133.88

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, 2024 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, 2024

The following table sets out the funded status of the gratuity scheme: (Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Components of employer expense		
Current service cost	84.13	104.75
Interest cost	48.29	44.37
Expected return on plan assets	(59.22)	(48.42)
Recognised in statement of profit and loss	**73.20**	**100.70**
Re-measurement - actuarial (gain)/loss recognised in OCI	(66.55)	(102.84)
Total expense recognised in the Statement of total comprehensive income	**6.65**	**(2.14)**
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	(90.14)	(31.31)
Actuarial (gain)/loss due to DBO assumption changes	16.27	(1.98)
Actuarial (gain)/loss arising during period	(73.87)	(33.29)
Actual return on plan assets (greater)/less interest on plan assets	7.32	(69.55)
Actuarial (gains)/losses recognized in OCI	**(66.55)**	**(102.84)**
Defined benefit cost		
Service cost	84.13	104.75
Net interest on net defined benefit liability / (asset)	(10.93)	(4.05)
Actuarial (gains)/losses recognized in OCI	(66.55)	(102.84)
Defined benefit cost	**6.65**	**(2.14)**
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	684.55	606.62
Current service cost	84.13	104.75
Interest cost	48.29	44.37
Actuarial (gains)/losses	(73.87)	(33.29)
Benefits paid	(90.34)	(37.90)
Present value of DBO at the end of the year	**652.76**	**684.55**
Actual contribution and benefit payments for year		
Actual benefit payments	90.34	37.90
Actual contributions	91.43	86.93
Change in fair value of assets during the year		
Plan assets at beginning of the year	783.79	616.80
Expected return on plan assets	59.22	48.42
Actual company contributions	91.43	86.93
Actuarial gain / (loss)	(7.32)	69.55
Benefits paid	(90.34)	(37.90)
Plan assets at the end of the year	**836.79**	**783.79**
Actual return on plan assets	51.90	117.97
Current and Non-Current Asset / Liability portion		
Current Asset / (Liability)	184.03	99.24
Net asset / (liability) recognised in the Balance Sheet :		
Present value of defined benefit obligation	(652.76)	684.55

Notes to the standalone financial statements for the year ended March 31, 2024

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value of plan assets	836.79	783.79
Funded status (Surplus / (Deficit))	184.03	99.24
Net asset / (liability) recognised in the Balance Sheet	**184.03**	**99.24**
Composition of the plan assets is as follows:		
Government securities	-	-
Debentures and bonds	-	-
Fixed deposits	-	-
Insurer managed funds*	100%	100%
Total	**836.79**	**783.79**

* 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, 2024	For the year ended March 31, 2023
Actuarial assumptions		
Discount rate	7.23%	7.55%
Expected return on plan assets	7.55%	7.51%
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.

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, 2024	As at March 31, 2023
Estimate value of obligation if discount rate is taken 1% higher	608.91	635.25
Estimate value of obligation if discount rate is taken 1% lower	703.62	741.97
Estimate value of obligation if salary growth rate is taken 1% higher	702.55	740.83
Estimate value of obligation if salary growth rate is taken 1% lower	609.18	635.52
Estimate value of obligation if attrition rate is taken 1% higher	657.59	691.17
Estimate value of obligation if attrition rate Is taken 1% lower	647.10	676.76

Notes to the standalone financial statements for the year ended March 31, 2024

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, 2024	As at March 31, 2023
1 Year	56.68	66.34
2 Year	33.39	32.92
3 Year	32.56	34.71
4 Year	34.34	31.90
5 Year	40.20	33.26
6-10 years	135.82	146.45
Above 10 Years	319.77	338.97

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).

Experience Adjustments: (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
1. Defined Benefit Obligation	652.76	684.55	606.62	461.59	492.62
2. Fair value of plan assets	836.79	783.79	616.80	617.20	624.60
3. Surplus/(Deficit)	184.03	99.24	10.18	155.61	131.98
4. Experience adjustment on plan liabilities ((Gain)/Loss)	(90.13)	(31.31)	81.85	(69.48)	(111.74)
5. Experience adjustment on plan assets (Gain/(Loss))	(7.32)	69.55	(6.74)	(2.48)	1.49

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

Notes to the standalone financial statements for the year ended March 31, 2024

(Rs. In Lakhs)

Geographic Segment	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Continuing Operations		
Outside India	7,946.69	10,321.47
India	84,405.19	94,246.65
Revenue from Discontinued Operations		
Outside India	2,654.99	215.08
India	1,101.99	4,730.51
Total	**96,108.86**	**109,513.71**

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.

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 Bannarl Amman Infinite Trendz Private Limited Young Brand Global Private Limited
Enterprises in which the Key management Personnel or relatives have significant influence	Anamallais Automobiles Private Limited Anamallals Agencies Private Limited Anamallais Motors Private Limited Shiva Automobiles Private Limited Vedanayagam Oil Company Sakthl Murugan Transports Private Limited Jahnvl Motor Private Limited Coimbatore Anamallais Agencies Private Limited Bannarl Amman Flour Mlll Private Limited Bannari Amman Retails Private Limited
Key Management Personnel (KMP)	Sri S V Arumugam, Managing Director Sri N Krishnaraj, Company Secretary Sri S Seshadrl, Chief Financial Officer Dr K R Thillalnathan, Director Sri S Palaniswami, Director Sri K Sadhasivam, Director Smt S Sihamani, Director
Relative of KMP	Smt A Umadevi Sri A Senthll

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, 2024	As at March 31, 2023
Transactions during the year :			
Sale of yarn	Young Brand Apparel Private Limited	12.37	555.59
Sale of fabric	Young Brand Apparel Private Limited	31.19	457.45
Sale of garments	Young Brand Apparel Private Ltd	-	252.77
Sales return of garments	Young Brand Apparel Private Ltd	-	0.06
Sales return of conversion charges	Young Brand Apparel Private Ltd	0.06	-
Purchase of Fabric and Trims	Young Brand Apparel Private Ltd	35.20	-
Purchase return of Fabric and Trims	Young Brand Apparel Private Ltd	2.11	-
Commission Paid	Bannari Amman Retails Private Limited	38.36	-
Conversion/Job work Income	Young Brand Apparel Private Limited	30.66	533.29
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
Sales return of processing charges	Young Brand Apparel Private Limited	38.58	-
Interest received	Young Brand Apparel Private Limited	-	8.91
	Bannari Amman Infinite Trendz Private Limited	49.50	49.50
Vehicle maintenance paid	Shiva Automobiles Private Limited	6.24	6.24
	Jahnvi Motor Private Limited	6.30	2.79
	Coimbatore Anamallais Agencies Private Limited	0.01	1.10
Processing charges received	Young Brand Apparel Private Limited	1,024.26	559.96
Purchase of vehicle	Coimbatore Anamallais Agencies Private Limited	-	27.36
Purchase of PPE	Young Brand Apparel Private Limited	5.90	-
Sale of Fixed Assets	Young Brand Apparel Private Limited	31.28	-
Purchase of fuel	Vedanayagam Oil Company	3.31	4.56
Rent paid	Anamallais Automobiles Private Limited	14.73	20.18
	Sakthi Murugan Transports Private Limited	4.76	5.26
	Smt A Umadevi	12.00	12.00
Advances given	Bannari Amman Infinite Trendz Private Limited	4.20	-
Advances repaid	Bannari Amman Retails Private Limited	34.00	-
Inter corporate deposits repaid	Sakthi Murugan Transports Private Limited	-	300.00
Inter corporate deposits given and repaid	Bannari Amman Infinite Trendz Private Limited	-	8.08

Notes to the standalone financial statements for the year ended March 31, 2024

B. Details of transactions during the year and balance outstanding as at the balance sheet date (Contd...)

(Rs. in Lakhs)

Particulars	Related Party	As at March 31, 2024	As at March 31, 2023
Interest paid	Murugan Enterprise Private Ltd	170.47	170.00
	Sakthi Murugan Transports Private Limited	-	22.59
Remuneration of KMP	Sri S V Arumugam, Managing Director	60.00	60.00
	Sri N Krishnaraj, Company Secretary	21.84	21.84
	Sri S Seshadri, Chief Financial Officer	22.29	22.29
Sitting fees to KMP	Sri C Sivasamy, Director	0.70	-
	Sri K N V Ramani, Director	-	0.90
	Dr K R Thillainathan, Director	1.30	0.60
	Sri S Palaniswami, Director	1.30	1.20
	Sri K Sadhasivam, Director	1.30	1.20
	Smt S Sihamani, Director	0.80	0.40

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, 2024	As at March 31, 2023
Balances outstanding as at year end :			
Receivables	Young Brand Apparel Private Limited	520.23	621.64
	Bannari Amman Retails Private Limited	32.82	66.82
	Bannari Amman Infinite Trendz Private Limited	1,023.96	973.74
	Anamallais Automobiles Private Limited	0.27	1.33
	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	(0.11)	(0.33)
	Sakthi Murugan Transports Private Limited	(0.50)	(0.61)
	Anamallais Automobiles Private Limited	(2.11)	-
	Murugan Enterprise Private Limited	(1,712.99)	(1,712.99)
	Coimbatore Anamallais Agencies		
	Smt A Umadevi	(1.00)	(0.90)

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, 2024

43 Earnings per equity share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Par value per equity share (Rs.)	5.00	5.00
Weighted Average number of Equity Shares outstanding during the year (Nos.)	6,48,41,871	6,48,41,871
Profit / (loss) from Continuing operations attributable to equity shareholders (Rs. In Lakhs)	(2,063.26)	(3,140.53)
Basic and Diluted EPS for Profit / (loss) from Continuing operations	(3.18)	(4.84)
Profit / (loss) from discontinued operations attributable to equity shareholders (Rs. In Lakhs)	(560.17)	(342.44)
Basic and Diluted EPS for Profit / (loss) from Discontinued operations	(0.86)	(0.53)
Profit/(Loss) for the period	(2,623.43)	(3,482.97)
Basic and Diluted EPS	(4.04)	(5.37)

44 Income tax recognised :

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Statement of Profit and Loss	Other comprehensive income	Statement of Profit and Loss	Other comprehensive income
For continuing operations				
Current tax :				
In respect of current year	-	-	-	-
Deferred tax :				
In respect of current year	(763.65)	23.25	(1,382.52)	35.94
Income tax expense/(income) for continuing operations	**(763.65)**	**23.25**	**(1,382.52)**	**35.94**
For discontinuing operations				
Current tax :				
In respect of current year	-	-	-	-
Deferred tax :				
In respect of current year	(300.89)	-	(183.93)	-
Income tax expense / (income) for discontinuing operations	**(300.89)**	**-**	**(183.93)**	**-**
Total income tax expense / (income)	**(1,064.54)**	**23.25**	**(1,566.45)**	**35.94**

Notes to the standalone financial statements for the year ended March 31, 2024

Movement in deferred tax balances

(Rs. in Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in other comprehensive income	Others	Closing Balance
For the year ended March 31, 2024					
Tax effect of items constituting deferred tax (asset)					
Provision for doubtful trade receivables	(437.26)	(6.27)	-	-	(443.53)
Provision for compensated absences and gratuity and fair value of gain / (loss) on equity instruments	(13.03)	71.20	23.25	-	81.43
Brought forward & current year losses	(1,916.91)	(1,482.05)	-	-	(3,398.96)
Minimum alternate tax (net)	(4,943.28)	200.00	-	-	(4,743.28)
Others	31.89	1.46	-	-	33.35
Tax effect of items constituting deferred tax (asset)	**(7,278.60)**	**(1,215.65)**	**23.25**	**-**	**(8,470.99)**
Tax effect of items constituting deferred tax liability					
On difference between book balance and tax balance of fixed assets	9,661.49	151.11	-	-	9,812.60
Tax effect of items constituting deferred tax liability	**9,661.49**	**151.11**	**-**	**-**	**9,812.60**
Net Deferred tax (asset) / liability	**2,382.89**	**(1,064.54)**	**23.25**	**-**	**1,341.61**
For the year ended March 31, 2023					
Tax effect of items constituting deferred tax (asset)					
Provision for doubtful trade receivables	(417.54)	(19.72)	-	-	(437.26)
Provision for compensated absences and 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
Tax effect of items constituting deferred tax (asset)	**(5,394.76)**	**(1,919.78)**	**35.94**	**-**	**(7,278.60)**
Tax effect of items constituting deferred tax liability					
On difference between book base and tax base of property, plant and equipment	9,308.16	353.33	-	-	9,661.49
Tax effect of items constituting deferred tax liability	**9,308.16**	**353.33**	**-**	**-**	**9,661.49**
Net Deferred tax (asset)/liability	**3,913.40**	**(1,566.45)**	**35.94**	**-**	**2,382.89**

Notes to the standalone financial statements for the year ended March 31, 2024

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, 2024	For the year ended March 31, 2023
Profit / (loss) before tax	(3,687.97)	(5,049.42)
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	(1,288.74)	(1,764.47)
On account of permanent differences	(39.38)	20.32
On account of deferred tax income on origination of temporary differences	173.94	175.27
On account of previously unrecognised tax loss	6.80	(27.11)
Others	82.84	29.55
Income tax expense recognised in the statement of profit and loss	**(1,064.54)**	**(1,566.45)**

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

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 lease liabilities during the year:

Lease Liabilities

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Building	Building
Opening balance	139.47	152.73
Additions	63.02	137.59
Deletions	(68.74)	(86.31)
Interest	10.46	15.07
Lease payments	(74.77)	(79.62)
Closing balance	**69.43**	**139.47**
Current	12.82	46.60
Non-current	56.61	92.87

Maturity analysis of OLL

The details of the maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis are as follows :

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
1 year	84.47	88.08
1 to 5 years	47.75	67.18
More than 5 years	-	-

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease rent relating to continuing operations	7.90	0.07
Lease rent relating to discontinued operations	35.73	125.93

The carrying value and fair value of financial instruments by categories as at March 31, 2024 and March 31, 2023 are as follows :

47 Financial Instruments

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets				
Amortised cost				
Loans	741.04	693.93	-	-
Trade receivable	16,916.07	18,274.22	-	-
Cash and cash equivalents	787.36	459.81	-	-
Other bank balances	11.23	192.54	-	-
Other financial assets	2,933.43	1,619.73	-	-
Investment in equity instruments in subsidiaries	1.00	2,607.00	-	-

Notes to the standalone financial statements for the year ended March 31, 2024

Financial Instruments (Contd...)

(Rs. in Lakhs)

Particulars	Carrying value		Fair value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
FVTOCI				
Investment in equity instruments	5.85	6.85	5.85	6.85
FVTPL				
Investment in government securities	0.03	0.03	0.03	0.03
Investment in equity and preference instruments (unquoted)	378.36	618.38	378.36	618.38
Total assets	**21,774.37**	**24,472.48**	**384.24**	**625.26**
Financial liabilities				
Amortised cost				
Borrowings	50,635.83	56,468.88	-	-
Lease liabilities	69.43	139.47	-	-
Trade payables	9,935.03	10,229.14	-	-
Other financial liabilities	187.74	145.00	-	-
Total liabilities	**60,828.03**	**66,982.49**	**-**	**-**

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, 2024 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, 2024

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, 2024 and March 31, 2023.

(Rs. in Lakhs)

Particulars	Total	Fair value measurement using		
		Level - 1	Level - 2	Level - 3
Financial assets measured at fair value:				
FVTOCI financial assets designated at fair value: Date of valuation March 31, 2024				
Investment in equity instruments (quoted)				
As at March 31, 2024	5.85	5.85	-	-
As at March 31, 2023	6.85	6.85	-	-
FVTPL financial assets designated at fair value: Date of valuation March 31, 2024				
Investment in government securities				
As at March 31, 2024	0.03	-	-	0.03
As at March 31, 2023	0.03	-	-	0.03
Investment in equity and preference instruments (unquoted)				
As at March 31, 2024	378.36	-	-	378.36
As at March 31, 2023	618.38	-	-	618.38

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, 2024

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, 2024	For the year ended March 31, 2023
Revenue from top customer	3,468.05	4,480.50
Revenue from top 5 customers	12,850.17	17,085.13

3) Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties 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, 2024	As at March 31, 2023
Cash and cash equivalents	787.36	459.81
Other Bank balances	11.23	192.54
Total	**798.59**	**652.35**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 and March 31, 2023.

(Rs. in Lakhs)

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings	March 31, 2024	28,733.16	6,919.07	14,983.60
	March 31, 2023	28,926.49	3,857.77	23,684.62
Trade payables	March 31, 2024	9,935.03		
	March 31, 2023	10,229.14	-	-
Lease liabilities	March 31, 2024	12.82	45.08	11.53
	March 31, 2023	46.60	80.33	12.54
Other financial liabilities	March 31, 2024	187.74		
	March 31, 2023	145.00		

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, 2024 and March 31, 2023:

(Rs. in Lakhs)

Particulars	As at	US$	Euro	Pound/Sterling	Total
Assets					
Trade receivables*	March 31, 2024	667.87	1,738.12	36.15	2,442.15
	March 31, 2023	263.69	1,857.01	44.98	2,165.67
Cash and cash equivalents	March 31, 2024	-	-	-	-
	March 31, 2023	-	-	-	-
Liabilities					
Trade payable	March 31, 2024	-	-	-	-
	March 31, 2023	-	-	-	-
Borrowings	March 31, 2024	-	-	-	-
	March 31, 2023	-	-	-	-
Net assets/(liabilities)	**March 31, 2024**	**667.87**	**1,738.12**	**36.15**	**2,442.15**
	March 31, 2023	**263.69**	**1,857.01**	**44.98**	**2,165.67**

* 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.

Notes to the standalone financial statements for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact on profit or (loss) for the year on account of rupee appreciation by 5%	87.76	71.65

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, 2024	For the year ended March 31, 2023
Increase / (decrease) in the profit / (loss) for the year	(467.50)	(478.74)

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, 2024	As at March 31, 2023
Total equity attributable to the equity share holders of the company	**37,966.81**	**40,547.94**
As percentage of total capital	43%	42%
Current borrowings	28,733.16	28,926.49
Non-current borrowings	21,902.67	27,542.39
Total borrowings	**50,635.83**	**56,468.88**
As a percentage of total capital	57%	58%
Total capital (borrowings and equity)	**88,602.64**	**97,016.82**

Notes to the standalone financial statements for the year ended March 31, 2024

50 Valuation of Inventories :

Inventories of raw materials are valued at lower of cost and net realisable value. The cost of inventories comprise all costs of purchase 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. The inventory of Finished Goods and Work-in-progress 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-progress, 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.

51 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	31.03.2024		31.03.2023	
	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
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, 2024

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 filed by the Company with the banks are in agreement with the books of accounts for all the quarters of the year.

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, 2024.

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 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 bahalf 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 I 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, 2024

52. Reconciliation of change in liabilities arising from financing activities

(Rs. in Lakhs)

Particulars	As at April 01, 2023	Proceeds	Repayment	Others	As at March 31, 2024
Non-current borrowings (including current maturities)	29,803.72	-	(4,077.44)	-	25,726.28
Current borrowings	26,665.16	-	(1,755.61)	-	24,909.55
Lease liabilities	139.47		(74.77)	4.73	69.43
Total	**56,608.35**	**-**	**(5,907.82)**	**4.73**	**50,705.26**

Particulars	As at April 01, 2022	Proceeds	Repayment	Others	As at March 31, 2023
Non-current borrowings (including current maturities)	23,309.66	6,494.06	-	-	29,803.72
Current borrowings	19,737.25	6,927.91	-	-	26,665.16
Lease liabilities	152.73	-	(79.62)	66.36	139.47
Total	**43,199.64**	**13,421.97**	**(79.62)**	**66.36**	**56,608.35**

53 Assets Classified as Held for Sale

a. 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 Kodangipalayam, Karanampet, Coimbatore, valued at Rs. 56.72 lakhs. Accordingly the said amount is disclosed as assets held for sale.

b. The Company has entered into an MOU for sale of its entire shareholding in Young Brand Apparel Private Limited (YBAPL), subsidiary of the Company and for sale of its garment unit at Palladam and land at SIPCOT, Perundurai to S P Apparels Limited. Accordingly,the company has classified the Investment In its subsidiary (Young Brand Apparel Private Limited) , fixed assets of garment unit and land at SIPCOT, Perundurai as Assets held for Sale and the financial results of the same are presented as discontinued operations In the statement of profit or loss. Accordingly the company has not charged depreciation of Rs 45.28 lakhs and Rs 44.78 lakhs for the quarter ended 31.12.2023 and 31.03.2024 respectively aggregating to Rs 90.06 lakhs for the year ended 31.03.2024 on the assets held in Garment division as they are part of the disposal group as per Ind AS 105.

c. **Results of the discontinued operations are presented below:**

	Particulars	31.03.2024	31.03.2023
INCOME			
I	Revenue from Operations	3,756.98	4,945.59
II	Other Income	306.85	5.80
III	**Total Income (I+II)**	**4,063.83**	**4,951.39**
IV	**EXPENSES**		
	Cost of materials consumed	1,401.97	2,876.13
	Purchases of Stock-in trade	-	-
	Changes in inventories of finished goods and work-in-progress	1,158.96	-769.60
	Employee benefits expense	1,012.66	1,411.17
	Finance costs	322.74	485.94
	Depreciation and amortization expense	118.53	191.86
	Other expenses	910.03	1,282.26
	Total Expenses (IV)	**4,924.89**	**5,477.76**
VII	Profit/(Loss) before tax from discontinued operations (III-IV)	(861.06)	(526.37)
VIII	Tax Expense of discontinued operations Deferred tax Expenses /(Income)	(300.89)	(183.93)
IX	**Profit/(Loss) from discontinued operations after tax (VII-VIII)**	**(560.17)**	**(342.44)**

d. **Major classes of Assets and Liabilities of Discontinued Operations are as follows :**

(Rs. in Lakhs)

Particulars	31.03.2024
Assets:	
Non-Current Assets:	
Property, Plant and Equipment	4,836.82
Investment	2,606.00
Total Assets	**7,442.82**

e. Net Cash flow changes in operating activities with respect to discontinued operations is Rs. 742.53 lakhs (Rs. 334.51 lakhs).

54. 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.

As per our report of even date

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

Pon Arul Paraneedharan
Partner
Membership No: 212860

Coimbatore
29.05.2024

For and on behalf of the board

S.V. ARUMUGAM
Chairman & Managing Director
DIN 00002458

K. SADHASIVAM
Director
DIN 00610037

N. KRISHNARAJ
Company Secretary
ACS No. 20472

S. SESHADRI
Chief Financial Officer

55 Financial ratios

Sl. No.	Particulars	Numerator	Denominator	31.03.2024	31.03.2023	Variance	Reason for variance
1	Current ratio (in times)	Current assets	Current liabilities	1.05	1.24	(15%)	
2	Debt-Equity Ratio (in times)	Total Debt (Long Term Borrowings + Short Term Borrowings + Interest Payable thereon)	Shareholder's Equity	1.34	1.39	(4%)	
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)	0.74	0.75	(1%)	
4	Return on Equity Ratio (In %)	Net profit after tax	Average shareholder's equity	(6.68%)	(8.20%)	(19%)	
5	Inventory turnover ratio (in times)	Cost of Goods sold	Average Inventories	2.92	3.39	(14%)	-
6	Trade Receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	5.46	6.10	(10%)	
7	Trade payables turnover ratio (in times)	Total Purchases	Average Trade Payables	6.47	9.82	(34%)	The variance is due to decrease in purchases during the year.
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital	43.13	10.99	292%	The variance is due to decrease in working capital during the year.
9	Net profit ratio (in %)	Net Profit After Taxes	Revenue from operations	(2.73%)	(3.18%)	(14%)	
10	Return on Capital employed (in %)	Earnings Before Interest and Taxes (EBIT)	Capital Employed	1.71%	(0.29%)	(694%)	The variance is due to decrease In borrowings during the year.
11	Return on investment (in %)	Earnings Before Interest, Depreciation and Taxes (EBIDT)	Investment (Total Assets)	4.32%	2.33%	85%	The variance is due to increase in operational earnings.

BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043, Tamilnadu, INDIA
Telephone : 0422 - 2435555 E-mail : shares@bannarimills.com
Website : www.bannarimills.com CIN : L17111TZ1989PLC002476 GSTRN : 33AAACB8513A1ZE

BASML/SEC/1014/SE's/2024-25 14.11.2024

The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051

BSE Limited
Floor 25
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Dear Sir,

Sub: SUBMISSION OF UNAUDITED FINANCIAL RESULTS - LIMITED REVIEW REPORT - FOR THE QUARTER ENDED 30.9.2024 AND OUTCOME OF BOARD MEETING.

Ref: Scrip Code: NSE - BASML ; BSE - 532674

Pursuant to Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the following:

1. Statement of Unaudited Financial Results for the quarter / 6 Months ended 30.9.2024.
2. Limited Review Report given by our Statutory Auditors M/s P N Raghavendra Rao & Co., Chartered Accountants, Coimbatore.
3. Proposal for Right issue:

   We wish to inform you that the Board of Directors of the Company, at their meeting held today i.e.,14.11.2024, has inter alia approved raising of funds by way of issue of equity shares through Rights issue subject to such approvals as may be required and further subject to such other statutory/regulatory approvals, as applicable for an aggregate amount of, upto Rs.50 Crores (Rupees Fifty crores). In this connection the Board authorized the Managing Director to initiate necessary steps in furtherance of the above proposal.

The Board Meeting commenced at 12.00 Noon and concluded at 1.45 PM.

Kindly take on record of the above and acknowledge its receipt.

Thanking You,

Yours Faithfully,

For BANNARI AMMAN SPINNING MILLS LIMITED

N KRISHNARAJ
COMPANY SECRETARY

Encl: as above

SS/Server/BASML/Stock Exchange/LETTER TO NSE&BSE

BANNARI AMMAN SPINNING MILLS LIMITED
Regd. Office: 252, METTUPALAYAM ROAD, COIMBATORE - 641 043
Telephone: (0422) 2435555, 2447959 E-mail: accts@bannarimills.com
CIN: L17111TZ1989PLC002476 Website: www.bannarimills.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30.09.2024

[₹ in lakhs except per equity share data]

S.No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2024 (Unaudited)	30.06.2024 (Unaudited)	30.09.2023 (Unaudited)	30.09.2024 (Unaudited)	30.09.2023 (Unaudited)	31.03.2024 (Audited)
I	Revenue from operations	23,287.19	21,585.82	28,323.77	44,873.01	47,742.89	92,351.88
II	Other income	125.41	43.16	142.43	168.57	179.81	1,967.31
III	**Total income (I + II)**	**23,412.60**	**21,628.98**	**28,466.20**	**45,041.58**	**47,922.71**	**94,319.19**
IV	**Expenses**						
	a) Cost of materials consumed	17,434.85	17,583.73	16,197.85	35,018.58	36,021.14	67,124.99
	b) Purchases of stock-in-trade	401.26	227.79	29.82	629.05	29.82	103.99
	c) Change in inventories of finished goods, stock-in-trade and work-in-progress	(964.28)	(1,660.58)	7,696.43	(2,624.86)	661.31	2,634.39
	d) Employee benefits expense	2,126.30	2,002.77	2,017.66	4,129.07	4,156.71	8,253.46
	e) Finance costs	1,129.24	1,172.23	1,137.36	2,301.47	2,410.96	4,909.57
	f) Depreciation and amortization expenses	631.24	619.00	747.97	1,250.24	1,492.62	2,886.58
	g) Other expenses	2,298.45	3,096.85	1,507.27	5,395.30	4,596.02	11,233.11
	Total expenses	**23,057.06**	**23,041.79**	**29,334.36**	**46,098.85**	**49,368.59**	**97,146.10**
V	**Profit/(loss) before tax (III - IV)**	**355.54**	**(1,412.81)**	**(868.16)**	**(1,057.27)**	**(1,445.88)**	**(2,826.91)**
VI	**Tax expenses/(savings)**						
	Current tax	-	-	-	-	-	-
	Deferred tax expense/(savings)	120.34	(551.14)	(294.37)	(430.80)	(465.00)	(763.65)
	Total tax expenses/(savings)	**120.34**	**(551.14)**	**(294.37)**	**(430.80)**	**(465.00)**	**(763.65)**
VII	**Profit/(Loss) for the period from continuing operations (V-VI)**	**235.20**	**(861.67)**	**(573.79)**	**(626.47)**	**(980.88)**	**(2,063.26)**
VIII	**Profit/(Loss) from discontinued operations**	**(122.22)**	**4,802.15**	**219.82**	**4,679.93**	**(95.16)**	**(861.06)**
IX	Tax Expense/(savings) of discontinued operations	(42.71)	710.76	76.82	668.05	(33.25)	(300.89)
X	**Profit/(Loss) from discontinued operations after tax (VIII-IX)**	**(79.51)**	**4,091.39**	**143.00**	**4,011.88**	**(61.91)**	**(560.17)**
XI	**Profit/(Loss) for the period (VII+X)**	**155.69**	**3,229.72**	**(430.79)**	**3,385.41**	**(1,042.79)**	**(2,623.43)**
XII	**Other comprehensive income/(loss) from continuing operations**						
	Item that will not be reclassified to profit or loss						
	i) Remeasurements of the defined benefit plans	-	-	-	-	-	66.55
	ii) Gain/(loss) on equity instruments designated at FVTOCI	1.41	2.15	(0.25)	3.56	(0.15)	(1.00)
	iii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(0.03)	-	(0.05)	(23.25)
	Other comprehensive income/(loss) for the period from continuing operations	1.41	2.15	(0.28)	3.56	(0.20)	42.30
XIII	**Total comprehensive income/(loss) for the period (XI+XII)**	**157.10**	**3,231.87**	**(431.08)**	**3,388.97**	**(1,043.00)**	**(2,581.13)**

	Paid-up equity share capital (Face value of ₹ 5/- per share)	3,242.09	3,242.09	3,242.09	3,242.09	3,242.09	3,242.09
	reserve) as shown in the audited balance sheet						34,724.72
XIV	Earnings per share (EPS) (of ₹ 5/- each) (not annualised for quarters - for continuing operations)						
	Basic earnings per share	0.36	(1.33)	(0.88)	(0.97)	(1.51)	(3.18)
	Diluted earnings per share	0.36	(1.33)	(0.88)	(0.97)	(1.51)	(3.18)
XV	Earnings per share (EPS) (of ₹ 5/- each) (not annualised for quarters - for discontinued operations)						
	Basic earnings per share	(0.12)	6.31	0.22	6.19	(0.10)	(0.86)
	Diluted earnings per share	(0.12)	6.31	0.22	6.19	(0.10)	(0.86)
XVI	Earnings per share (EPS) (of ₹ 5/- each) (not annualised for quarters - for discontinued & continuing operations)						
	Basic earnings per share	0.24	4.98	(0.66)	5.22	(1.61)	(4.04)
	Diluted earnings per share	0.24	4.98	(0.66)	5.22	(1.61)	(4.04)

Bannari Amman Spinning Mills Limited
Standalone Statement of Assets and Liabilities as at 30.9.2024

(Rs. in Lakhs)

	Particulars	As at September 30,2024 (Unaudited)	As at March 31,2024 (Audited)
	ASSETS		
1	**Non-current assets**		
	(a) Property, plant and equipment	48,138.28	47,918.03
	(b) Capital work in progress	360.26	1,009.26
	(c) Intangible Assets - Under Development	2.50	-
	(d) Right-of-use assets	93.88	113.65
	(e) Financial assets		
	(i)Investments	388.80	385.24
	(ii)Loans	746.30	721.55
	(iii)Other financial asset	1,109.38	1,054.94
	(f) Other non-current assets	461.68	460.03
	Total Non-current assets	**51,301.08**	**51,662.70**
2	**Current assets**		
	(a) Inventories	20,121.25	21,148.40
	(b) Financial assets		
	(i)Trade receivables	14,955.87	16,916.07
	(ii)Cash and cash equivalents	1,785.18	787.36
	(iii)Other Bank balances	225.99	11.23
	(iv)Loans	15.19	19.49
	(v)Other financial asset	2,634.00	1,878.49
	(c) Current tax assets (net)	428.53	171.36
	(d) Other current assets	5,430.48	5,251.29
	Total Current assets	**45,596.49**	**46,183.68**
3	**Assets classified as held for sale**	5,030.15	7,442.82
	Total assets (1) + (2) + (3)	**1,01,927.72**	**1,05,289.21**
	EQUITY AND LIABILITIES		
1	**Equity**		
	a) Equity share capital	3,242.09	3,242.09
	b) Other equity	38,113.73	34,724.72
	Total Equity	**41,355.82**	**37,966.81**
	Liabilities		
2	**Non-current liabilities**		
	(a) Financial liabilities		
	(i)Borrowings	18,537.83	21,902.67
	(ii)Lease liabilities	27.53	56.61
	(b) Deferred tax liabilities (Net)	945.71	1,341.60
	(c) Other non current liabilities	44.05	65.93
	Total Non-current liabilities	**19,555.12**	**23,366.82**
3	**Current liabilities**		
	(a) Financial liabilities		
	(i)Borrowings	28,119.78	28,733.16
	(ii)Lease liabilities	22.69	12.82
	(iii)Trade payables		
	-Total outstanding dues of micro and small enterprises	1,091.30	2,652.90
	-Total outstanding dues other than micro and small	6,199.16	7,282.13
	(iv)Other financial liabilities	166.61	187.74
	(b) Other current liabilities	4,558.37	4,950.32
	(c) Provisions	858.87	136.51
	Total Current liabilities	**41,016.78**	**43,955.58**
	Total equity and liabilities (1) + (2) + (3)	**1,01,927.72**	**1,05,289.21**

Bannari Amman Spinning Mills Limited
Standalone Statement of Cashflows for the period ended September 30, 2024

[Rs. in Lakhs]

Particulars	Half year ended September 30,2024 (Unaudited)		Half year ended September 30,2023 (Unaudited)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before tax from Continuing and Discontinued operations		3,622.66		(1,541.04)
Adjustments for:				
Depreciation expense	1,250.24		1,597.47	
(Profit) / loss on sale of property, plant and equipment	25.39		(64.84)	
(Profit) / loss on sale of investments	(5,348.00)		(14.96)	
Finance costs	2,419.93		2,594.74	
Interest income	(66.63)		(48.32)	
Allowance for doubtful trade receivables and bad debts written back	40.65		(30.99)	
Gain on termination of lease	0.06		(0.73)	
Net unrealised exchange (gain)/loss	(95.07)		17.73	
		(1,773.43)		4,050.10
Operating profit before working capital changes		1,849.23		2,509.05
Changes in working capital:				
Adjustments for increase / (decrease) in operating Financial assets				
Trade receivables	2,014.62		2,651.14	
Loans	(20.45)		(21.54)	
Other financial assets	(811.26)		(3,302.16)	
Non-financial assets				
Inventories	833.82		6,399.63	
Other non-financial assets	(185.87)		(1,116.35)	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(2,644.57)		(1,623.50)	
Other financial liabilities	5.58		(25.35)	
Non-financial liabilities				
Provisions	722.36		(48.06)	
Other non-financial liabilities	(413.83)		(677.33)	
		(499.60)		2,236.48
		1,349.63		4,745.53
Net income tax paid		(942.65)		(42.70)
Net cash flow from operating activities (A)		**406.98**		**4,702.84**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(973.35)		(959.50)	
Proceeds from sale of investments	7,954.00		255.59	
Margin money deposits	(214.76)		103.55	
Proceeds from sale of property, plant and equipment	200.36		172.40	
Interest received	68.64		49.41	
Net cash flow used in investing activities (B)		**7,034.89**		**(378.55)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds /(Repayment) from non-current borrowings (Net)	(3,364.82)		(3,771.85)	
Increase/(Decrease) in working capital borrowings	(613.38)		2,235.05	
Repayment of lease liabilities	(19.21)		(50.98)	
Interest paid on lease liability	(3.34)		(6.07)	
Finance costs paid	(2,443.30)		(2,418.70)	
Net cash flow used in financing activities (C)		**(6,444.05)**		**(4,012.55)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**997.82**		**311.75**
Add: Cash and cash equivalents at the beginning of the		787.36		459.81
Cash and cash equivalents at the end of the year *		**1,785.18**		**771.56**
* Comprises:				
(a) Cash on hand	5.87		5.88	
(b) Cheques/drafts on hand	3.00		6.00	
(c) Balances with banks:				
(i) In current accounts	1,526.31		759.68	
(ii) In deposit accounts	250.00		-	
Total		**1,785.18**		**771.56**

Notes to the Standalone Unaudited Financial Results:

1. The above standalone financial results "the Statement" for the half year ended September 30, 2024 have been reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on November 14, 2024. The Statutory Auditors have reviewed the statement and given the unmodified report.

2. The Financial Results have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular dated July 11, 2023.

3. The Company is primarily engaged in the manufacturing of Textile and related products, which in the context of Ind AS 108 "Operating Segments" is considered the only significant business segment.

4. During the half year ended 30.09.2024, the Company had sold entire shares held in the subsidiary, Young Brand Apparel Private Limited for a sale consideration of Rs. 7,954 lakhs and recognised the gain on sale of investment amounting to Rs. 5,348 lakhs as profit from discontinued operations during the quarter ended 30.06.2024 and consequently, Young Brand Apparel Private Limited and its wholly owned subsidiary, Young Brand Global Private Limited ceased to be subsidiaries of the Company.

5. The Company has approved the sale of its garment unit at Palladam and land at SIPCOT, Perundurai to S P Apparels Limited. Accordingly, the assets of the Garment and Processing Divisions has been considered as discontinued operations and classified as assets held for sale / discontinued operations as per Ind AS 105 'Non-Current Assets held for sale and discontinued operations' for the year ended 31.03.2024, for the quarter ended 30.06.2024 and half year ended 30.09.2024.

   The Results of Garment Division for all the periods presented in this statement have been disclosed as results from discontinued operations in accordance with the requirement of Ind AS 105. The Company has not charged depreciation of Rs. 44.82 lakhs and Rs. 45.30 Lakhs for the quarter ended 30.06.2024 and 30.09.2024 respectively aggregating to Rs. 90.12 Lakhs for the period ended 30.09.2024 on the assets continued to be forming part of the disposal group as per Ind AS 105.

6. The summary of the results of the aforesaid discontinued operations as included under the results is as follows:

(Rs. in lakhs)

Particulars	Quarter ended			Half Year Ended		Year Ended
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Income	68.68	5,560.54	1,784.05	5,629.22	2,938.64	4,063.83
Total expenses	190.90	758.39	1,564.23	949.29	3,033.80	4,924.89
Profit/(Loss) before tax	**(122.22)**	**4,802.15**	**219.82**	**4,679.93**	**(95.16)**	**(861.06)**
Tax expense / (savings)	(42.71)	710.76	76.82	668.05	(33.25)	(300.89)
Profit/(Loss) After tax	**(79.51)**	**4,091.39**	**143.00**	**4,011.88**	**(61.91)**	**(560.17)**

7. Previous period figures have been regrouped and reclassified wherever necessary.

For and on behalf of the Board of Directors

S.V. Arumugam
Managing Director
DIN: 00002458

Place: Coimbatore
Date: 14.11.2024

P.N. RAGHAVENDRA RAO & CO
Chartered Accountants
Founder P.N. Raghavendra Rao
No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009
✆ : 0422 2232440, 2236997 ✉ : info@pnrandco.in 🌐 : www.pnrandco.in

Ref. No. .... Date : ....

Independent Auditor's Limited Review Report on Standalone Unaudited Financial Results of the Company for the quarter and half year ended 30th September 2024

To
The Board of Directors of
Bannari Amman Spinning Mills Limited

Review Report on the Statement of Standalone Unaudited Financial Results

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of Bannari Amman Spinning Mills Limited ("the Company") for the quarter and half year ended 30th September, 2024 ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations").

Management's Responsibility for the Standalone Unaudited Financial Results

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 as amended, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

Auditor's Responsibility

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial Statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

P.N. RAGHAVENDRA RAO & CO. CBE-9

P.N. RAGHAVENDRA RAO & CO
Chartered Accountants
Founder P.N. Raghavendra Rao
No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009
: 0422 2232440, 2236997 : info@pnrandco.in : www.pnrandco.in

Ref. No. .... Date : ....

Conclusion

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

P.N. RAGHAVENDRA RAO & CO CBE-9

P R Vittel
Partner
Membership Number: 018111
UDIN: 24018111BKGEMU8892

Coimbatore
14th November 2024

BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office: 252, METTUPALAYAM ROAD, COIMBATORE - 641 043

Telephone: (0422) 2435555, 2447959 E-mail: accts@bannarimills.com

CIN: L17111TZ1989PLC002476 Website: www.bannarimills.com

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30.09.2024

[₹ in lakhs except per equity share data]

S.No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2024 (Unaudited)	30.06.2024 (Unaudited)	30.09.2023 (Unaudited)	30.09.2024 (Unaudited)	30.09.2023 (Unaudited)	31.03.2024 (Audited)
I	Revenue from operations	23,287.19	21,585.82	27,913.83	44,873.01	47,332.95	92,351.88
II	Other income	113.04	30.78	130.05	143.82	155.06	1,922.36
III	**Total income (I + II)**	**23,400.23**	**21,616.60**	**28,043.89**	**45,016.83**	**47,488.02**	**94,274.24**
IV	**Expenses**						
	a) Cost of materials consumed	17,434.85	17,583.73	16,180.20	35,018.58	36,003.49	67,124.99
	b) Purchases of stock-in-trade	401.26	227.79	29.82	629.05	29.82	103.99
	c) Change in inventories of finished goods, stock-in-trade and work-in-progress	(964.28)	(1,659.51)	7,686.92	(2,623.79)	660.01	2,634.39
	d) Employee benefits expense	2,126.30	2,002.79	2,017.67	4,129.09	4,156.72	8,253.52
	e) Finance costs	1,129.24	1,172.23	1,137.36	2,301.47	2,410.96	4,909.57
	f) Depreciation and amortization expenses	656.74	644.49	773.47	1,301.23	1,543.61	2,988.55
	g) Other expenses	2,298.97	3,097.12	1,507.46	5,396.09	4,596.59	11,237.04
	Total expenses	**23,083.08**	**23,068.64**	**29,332.91**	**46,151.72**	**49,401.21**	**97,252.05**
V	**Profit/(loss) before tax (III - IV)**	**317.15**	**(1,452.04)**	**(1,289.02)**	**(1,134.89)**	**(1,913.19)**	**(2,977.81)**
VI	**Tax expenses/(savings)**						
	Current tax	-	-	(465.00)	-	(465.00)	-
	Deferred tax expense/(savings)	120.34	(551.14)	182.23	(430.80)		(762.93)
	Total tax expense/(savings)	**120.34**	**(551.14)**	**(282.77)**	**(430.80)**	**(465.00)**	**(762.93)**
VII	**Profit/(Loss) for the period from continuing operations (V-VI)**	**196.81**	**(900.90)**	**(1,006.25)**	**(704.09)**	**(1,448.19)**	**(2,214.88)**
VIII	**Profit/(Loss) from discontinued operations**	(122.21)	1,923.60	1,224.25	1,801.39	1,341.14	991.55
IX	**Tax Expense/(Savings) of discontinued operations**	**(42.71)**	**710.76**	**230.01**	**668.05**	**224.18**	**189.96**
	(1) Current tax - current year	-	-	108.37	-	224.18	539.91
	(2) Current tax for prior years	-	-	-	-	-	0.05
	(3) Deferred tax Expenses /(Income)	(42.71)	710.76	121.64	668.05		(350.00)
X	**Profit/(Loss) from discontinued operations after tax (VIII-IX)**	**(79.50)**	**1,212.84**	**994.24**	**1,133.34**	**1,116.96**	**801.59**
XI	**Profit/(Loss) for the period (VII+X)**	**117.31**	**311.94**	**(12.01)**	**429.25**	**(331.23)**	**(1,413.29)**
	Other comprehensive income/(loss) from continuing operations						
	Item that will not be reclassified to profit or loss						
	i) Remeasurements of the defined benefit plans	-	-	-	-	-	66.55
	ii) Gain/(loss) on equity instruments designated at FVTOCI	1.41	2.15	(0.25)	3.56	(0.15)	(1.00)
	iii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(0.03)	-	(0.05)	(23.25)
XII	**Other Comprehensive Income/(loss) for the period from continuing operations**	**1.41**	**2.15**	**(0.28)**	**3.56**	**(0.20)**	**42.30**

	Other Comprehensive Income from discontinued operations Item that will not be reclassified to profit or loss						
	i) Remeasurements of the defined benefit plans	-	-	-	-	-	11.44
	ii) Gain/(loss) on equity instruments designated at FVTOCI	-	-	-	-	-	-
	iii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(2.88)
XIII	**Other Comprehensive Income for the period from discontinued operations**	**-**	**-**	**-**	**-**	**-**	**8.56**
XIV	**Other Comprehensive Income/(loss) for the period (XII+XIII)**	1.41	2.15	(0.28)	3.56	(0.20)	50.86
XV	**Total comprehensive Income/(loss) for the period (XI+XIV)**	**118.72**	**314.09**	**(12.30)**	**432.81**	**(331.44)**	**(1,362.45)**
XVI	**Profits attributable to**						
	Non - controlling Interest	-	-	223.34	-	382.80	783.73
	Owners of the company	117.31	311.94	(235.35)	429.25	(714.03)	(2,197.02)
XVII	**Other comprehensive income attributable to**						
	Non - controlling interest	-	-	-	-	-	4.17
	Owners of the company	1.41	2.15	(0.28)	3.56	(0.20)	46.69
XVIII	**Total comprehensive income attributable to**						
	Non - controlling interest	-	-	223.34	-	382.80	787.89
	Owners of the company	118.72	314.09	(235.64)	432.81	(714.24)	(2,150.34)
	Paid-up equity share capital (Face value of ₹ 5/- per share)	3,242.09	3,242.09	3,242.09	3,242.09	3,242.09	3,242.09
	Other Equity (excluding revaluation reserve) as shown in the audited balance sheet						36,691.71
XIX	Earnings per share (EPS) (of ₹ 5/- each) (not annualised for quarters - for continuing operations)						
	Basic earnings per share	0.30	(1.39)	(1.55)	(1.09)	(2.23)	(1.75)
	Diluted earnings per share	0.30	(1.39)	(1.55)	(1.09)	(2.23)	(1.75)
XX	Earnings per share (EPS) (of ₹ 5/- each) (not annualised for quarters - for discontinued operations)						
	Basic earnings per share	(0.12)	1.87	1.19	1.75	1.13	0.63
	Diluted earnings per share	(0.12)	1.87	1.19	1.75	1.13	0.63
XXI	Earnings per share (EPS) (of ₹ 5/- each) (not annualised for quarters - for discontinued & continuing operations)						
	Basic earnings per share	0.18	0.48	(0.36)	0.66	(1.10)	(1.12)
	Diluted earnings per share	0.18	0.48	(0.36)	0.66	(1.10)	(1.12)

Bannari Amman Spinning Mills Limited
Consolidated Statement of Assets and Liabilities as at 30.9.2024

(Rs. in Lakhs)

	Particulars	As at September 30,2024 (Unaudited)	As at March 31,2024 (Audited)
	ASSETS		
1	**Non-current assets**		
	(a) Property, plant and equipment	48,232.16	48,031.68
	(b) Capital work in progress	360.26	1,009.26
	(c) Intangible Assets - Under Development	2.50	
	(d) Intangible assets	152.96	203.95
	(e) Financial assets		
	(i)Investments	387.80	384.24
	(ii)Other financial asset	1,109.38	1,054.94
	(f) Other non-current assets	343.47	348.49
	Total Non-current assets	50,588.53	51,032.55
2	**Current assets**		
	(a) Inventories	20,121.25	21,148.40
	(b) Financial assets		
	(i)Trade receivables	14,753.52	16,725.26
	(ii)Cash and cash equivalents	1,785.07	789.05
	(iii)Other Bank balances	225.99	11.23
	(iv)Loans	15.19	19.49
	(v)Other financial asset	2,634.01	1,878.50
	(c) Current tax assets (net)	428.53	171.36
	(d) Other current assets	5,535.33	5,355.87
	Total Current assets	**45,498.89**	**46,099.16**
3	**Assets classified as held for sale**	5,030.15	25,692.19
	Total assets (1) + (2) + (3)	**1,01,117.57**	**1,22,823.90**
	EQUITY AND LIABILITIES		
1	**Equity**		
	a) Equity share capital	3,242.09	3,242.09
	b) Other equity	37,349.06	36,691.71
	Equity attributable to the Owners of the Holding Company	**40,591.15**	**39,933.80**
	Non-controlling interest	-	5,199.93
	Total Equity	**40,591.15**	**45,133.73**
	Liabilities		
2	**Non-current liabilities**		
	(a) Financial liabilities		
	(i)Borrowings	18,537.83	21,907.62
	(ii)Lease liabilities	27.53	56.61
	(b) Deferred tax liabilities (Net)	911.44	1,530.80
	(c) Other non current liabilities	44.05	65.93
	Total Non-current liabilities	**19,520.85**	**23,560.96**
3	**Current liabilities**		
	(a) Financial liabilities		
	(i)Borrowings	28,119.78	28,733.16
	(ii)Lease liabilities	22.69	12.82
	(iii)Trade payables		
	-Total outstanding dues of micro and small enterprises	1,091.30	2,350.50
	-Total outstanding dues other than micro and small	6,187.04	7,581.13
	(iv)Other financial liabilities	166.61	187.74
	(b) Other current liabilities	4,559.28	4,956.46
	(c) Provisions	858.87	136.51
	(d) Liabilities directly associated with Assets classified as held for sale/ Discontinued operations	-	10,170.90
	Total Current liabilities	**41,005.57**	**54,129.21**
	Total equity and liabilities (1) + (2) + (3)	**1,01,117.57**	**1,22,823.90**

Bannari Amman Spinning Mills Limited
Consolidated Statement of Cashflows for the period ended September 30, 2024

[Rs. in Lakhs]

Particulars	Half year ended September 30,2024 (Unaudited)		Half year ended September 30,2023 (Unaudited)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (loss) before tax from Continuing and Discontinued op		666.50		(572.05)
Adjustments for:				
Depreciation expense	1,301.23		1,858.25	
(Profit) / loss on sale of property, plant and equipment	25.39		(64.84)	
(Profit) / loss on sale of investments	(2,469.46)		(14.96)	
Finance costs	2,419.93		3,002.71	
Interest income	(41.88)		(31.95)	
Allowance for doubtful trade receivables and bad debts written back	40.65		(30.99)	
Gain on termination of lease	0.06		(0.73)	
Net unrealised exchange (gain)	(95.07)		17.73	
		1,180.85		4,735.21
Operating profit before working capital changes		1,847.35		4,163.15
Changes in working capital:				
Adjustments for increase / (decrease) in operating assets:				
Financial assets				
Trade receivables	2,026.16		1,432.59	
Loans	4.30		(0.22)	
Other financial assets	(811.26)		(3,302.16)	
Non-financial assets				
Inventories	834.90		6,621.23	
Other non-financial assets	(191.83)		(1,350.40)	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	(2,645.89)		(1,268.46)	
Other financial liabilities	5.58		29.77	
Non-financial liabilities				
Provisions	722.36		(30.25)	
Other non-financial liabilities	(419.11)		(678.74)	
		(474.79)		1,453.36
		1,372.56		5,616.53
Net income tax paid		(942.65)		(170.20)
Net cash flow from operating activities (A)		**429.91**		**5,446.33**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(973.35)		(1,118.52)	
Margin money deposits	(214.76)		103.55	
Purchase of investments	-		-	
Sale of investments	7,954.00		255.44	
Proceeds from sale of property, plant and equipment	200.36		182.03	
Interest received	43.89		33.04	
Net cash flow used in investing activities (B)		**7,010.14**		**(544.46)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from rights issue of equity shares (net of expe	-		-	
Proceeds /(Repayment) from non-current borrowings (N	(3,364.82)		(4,202.52)	
Increase/(Decrease) in working capital borrowings	(613.38)		2,559.36	
Repayment of lease liabilities	(19.21)		(50.25)	
Interest paid on lease liabilities	(3.34)		(6.07)	
Finance costs paid	(2,443.28)		(2,825.64)	
Net cash flow used in financing activities (C)		**(6,444.03)**		**(4,525.12)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**996.02**		**376.75**
Add: Cash and cash equivalents at the beginning of the year		789.05		999.34
Cash and cash equivalents at the end of the year *		**1,785.07**		**1,376.09**
* Comprises:				
(a) Cash on hand	5.89		13.38	
(b) Cheques/drafts on hand	3.00		6.00	
(c) Balances with banks:				
(i) In current accounts	1,526.18		762.12	
(ii) In deposit accounts	250.00		594.59	
Total		**1,785.07**		**1,376.09**

Notes to the Consolidated Unaudited Financial Results:

1. The above consolidated financial results "the Statement" for the half year ended September 30, 2024 have been reviewed by the Audit Committee and have been approved by the Board of Directors at their meetings held on November 14, 2024. The Statutory Auditors have reviewed the statement and given the unmodified report.

2. The Consolidated Financial Results have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular dated July 11, 2023.

3. Bannari Amman Spinning Mills Limited ("the Parent Company") is primarily engaged in the manufacturing of Textile and related products, which in the context of Ind AS 108 "Operating Segments" is considered the only significant business segment.

4. The Statement includes the standalone results of parent company and its subsidiary Bannari Infotech Private Limited (formerly known as "Bannari Amman Infinite Trendz Private Limited") for the half year ended 30.09.2024.

5. The Parent Company had sold the shares held in the subsidiary for a sale consideration of Rs. 7,954 lakhs during the half year ended 30.09.2024 and recognised the gain on sale of investment of Rs. 2,469.46 lakhs as profit from discontinued operations in the consolidated financial results for the quarter ended 30.06.2024 and consequently, Young Brand Apparel Private Limited and its wholly owned subsidiary, Young Brand Global Private Limited ceased to be subsidiaries of the Parent Company.

6. The accompanying statement does not include the results of the erstwhile subsidiary company, Young Brand Apparel Private Limited and its wholly owned subsidiary, Young Brand Global Private Limited for the half year ended September 30, 2024. The comparative results of the quarter and the half year ended September 30, 2023, and comparative audited financial results of year ended March 31, 2024 includes the results of subsidiaries, (Young Brand Apparel Private Limited), its step-down subsidiary (Young Brand Global Private Limited) and Bannari Infotech Private Limited.

7. The Parent Company has approved the sale of its garment unit at Palladam and land at SIPCOT, Perundurai to S P Apparels Limited. Accordingly, the assets of the Garment and Processing Divisions has been considered as discontinued operations and classified as assets held for sale / discontinued operations as per Ind AS 105 'Non-Current Assets held for sale and discontinued operations' for the year ended 31.03.2024, for the quarter ended 30.06.2024 and half year ended 30.09.2024.

The Results of Garment Division for all the periods presented in this statement have been disclosed as results from discontinued operations in accordance with the requirement of Ind AS 105. The Company has not charged depreciation of Rs. 44.82 lakhs and Rs. 45.30 Lakhs for the quarter ended 30.06.2024 and 30.09.2024 respectively aggregating to Rs. 90.12 Lakhs for the period ended 30.09.2024 on the assets continued to be forming part of the disposal group as per Ind AS 105.

8. The summary of the results of the aforesaid discontinued operations as included under the results is as follows:

(Rs. in lakhs)

Particulars	Quarter ended			Half Year Ended		Year Ended
	30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Income	68.68	2,681.99	10,171.86	2,750.67	17,912.57	34,939.34
Total expenses	190.89	758.39	8,947.61	949.28	16,571.43	33,947.79
Profit/(Loss) before tax	**(122.21)**	**1,923.60**	**1,224.25**	**1,801.39**	**1,341.14**	**991.55**
Tax expense / (savings)	(42.71)	710.76	230.01	668.05	224.18	189.96
Profit/(Loss) After tax	**(79.50)**	**1,212.84**	**994.24**	**1,133.34**	**1,116.96**	**801.59**

9. Previous period figures have been regrouped and reclassified wherever necessary.

For and on behalf of the Board of Directors

Place: Coimbatore
Date: 14.11.2024

S.V. Arumugam
Managing Director
DIN: 00002458

P.N. RAGHAVENDRA RAO & CO
Chartered Accountants
Founder P.N. Raghavendra Rao
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Ref. No. ....

Date : ....

Independent Auditor's Limited Review Report on Consolidated Unaudited Financial Results of the Company for the quarter and half year ended 30th September 2024

To
The Board of Directors of
Bannari Amman Spinning Mills Limited

Review Report on the Statement of Consolidated Unaudited Financial Results

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of Bannari Amman Spinning Mills Limited ("the Parent") and its subsidiary, Bannari Infotech Private Limited (Formerly known as Bannari Amman Infinite Trendz Private Limited) (the Parent and its subsidiary together referred to as "the Group"), for the quarter and half year ended September 30, 2024 ("the Statement"). The Statement has been prepared by the Parent pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations").

Management's Responsibility for the Consolidated Unaudited Financial Results

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

Auditor's Responsibility

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

P.N. RAGHAVENDRA RAO & CO
CBE-9

P.N. RAGHAVENDRA RAO & CO
Chartered Accountants
Founder P.N. Raghavendra Rao
No. 23/2, Viswa Paradise Apartments IInd Floor, Kalidas Road, Ramnagar, Coimbatore - 641 009
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Ref. No. ....

Date : ....

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4. The Statement includes the results of the subsidiary company, Bannari Infotech Private Limited (Formerly known as "Bannari Amman Infinite Trendz Private Limited") for the quarter and half year ended September 30, 2024.

Conclusion

5. Based on our review conducted and procedures performed as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

6. The Consolidated Unaudited financial results include the interim financial results of one subsidiary (Bannari Amman Infinite Trendz Private Limited) which has been reviewed by other auditor, whose interim financial results reflect total assets of Rs. 292.03 Lakhs as at September 30, 2024, total revenue of NIL for the quarter and half year ended September 30, 2024, total loss (including other comprehensive income) of Rs. 76.55 Lakhs for the quarter and half year ended September 30, 2024, as considered in the Statement. Our conclusion on the Statement is not modified in respect of unmodified report given by the other auditor.

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

P.N. RAGHAVENDRA RAO & CO. CBE-9

P R Vittel
Partner
Membership Number: 018111
UDIN: 24018111BKGEMV9213

Coimbatore
14th November 2024

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements, included in ***"Financial Statements"*** beginning on page *101* of the Draft letter of offer:

Particulars	Consolidated		
	Six months period ended September 30, 2024	**As at and for the year ended March 31, 2024**	**As at and for the year ended March 31, 2023**
Basic EPS (₹)	0.66	(1.12)	(3.49)
Diluted EPS (₹)	0.66	(1.12)	(3.49)
Return on Net Worth (%)	1.06	(5.50)	(7.03)
Net Asset Value per Equity Share (₹)	62.59	61.58	64.89
EBITDA (₹ in lakhs)	4,387.66	7,556.79	5,897.99

The formulae used in the computation of the above ratios are as follows:

Basic EPS (₹)	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares
Diluted EPS (₹)	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares
Return on Net Worth (%)	Net Profit/ (loss) after tax for the period attributable to equity shareholders of the Company divided by Net worth as attributable to equity shareholders of the parent at the end of the period.
Net Asset Value per Equity Share (₹)	Total Equity at the end of the period divided by Total number of weighted average equity share outstanding at the end of the period. Total Equity means Equity Share Capital plus other equity.
EBITDA (₹ in lakhs)	EBITDA stands for earnings before interest, taxes, depreciation and amortization excluding exceptional items of the Company.

(a) Calculation of Return on Net Worth

(₹ in lakhs, except percentages)

Particulars	Consolidated		
	For the Six-month period ended, September 30, 2024	**As at and for the year ended March 31, 2024**	**As at and for the year ended March 31, 2023**
Net profit/(loss) after tax (A)*#	429.25	(2,197.02)	(2,959.50)
Net Worth (B)	40,583.15	39,929.36	42,078.67
Return on Net Worth [A / B] * 100(%)	**1.06**	**(5.50)**	**(7.03)**

**Owners of the Company*
 # Profit after tax includes profit from continuing operations and discontinued operations.

(₹ in lakhs)

Particulars			Consolidated
	For the Six-month period ended, September 30, 2024	**As at and for the year ended March 31, 2024**	**As at and for the year ended March 31, 2023**
Equity Share capital (A)	3,242.09	3,242.09	3,242.09
Other Equity * (B)	36,687.27	38,836.58	38,836.58
Net Worth^ (C = A + B)	**40,583.15**	**39,929.36**	**42,078.67**

Total Equity #	**40,591.15**	**39,933.80**	**42084.11**
No. of Equity shares subscribed and fully paid outstanding (E)	6,48,41,871	6,48,41,871	6,48,41,871
Net Asset Value per Equity Share (₹) (C/E)	**62.59**	**61.58**	**64.89**

**Other Equity means Securities Premium, General Reserves, Retained Earnings and items of other comprehensive income and Remeasurements of Defined Benefit Plans.*

 # Owners of the Company and Equity share Capital

^ Net Asset Value includes Continuing and Discontinued operations.

(b) Details of EBITDA

(₹ in lakhs)

Particulars	**Consolidated**		
	For the Six-month period ended, September 30, 2024	**As at and for the year ended March 31, 2024**	**As at and for the year ended March 31, 2023**
Net profit/(loss) before tax (A)#	666.50	(1,986.26)	(3,344.21)
Finance costs (B) *	2,419.93	6,023.32	5,753.68
Depreciation and amortization expense (C) (₹ in lakhs) *	1,301.23	3,519.73	3,488.52
EBITDA (D)= [A+B+C]	**4,387.66**	**7,556.79**	**5,897.99**

 # Profit before tax includes profit from continuing operations and discontinued operations

** Finance cost and depreciation includes expenses relating to continuing and discontinued operations.*

CAPITALISATION STATEMENT

The following table sets forth the capitalisation statement of our Company (i) derived from the Audited Consolidated Financial Statements; and (ii) as adjusted for the Issue:

(₹ in lakhs)

Particulars	Pre – Issue As at March 31, 2024 (Unadjusted)	Post – Issue As Adjusted
Total Borrowings: -		
Non-current borrowings (including current maturities) *(A)	28,936.56	[●]
Current borrowings* (B)	27,908.52	[●]
Total Borrowings(C)=(A)+(B)	**56,845.08**	**[●]**
Total Equity		
Equity Share capital* (D)	3,242.09	[●]
Other Equity*$# (E)	36,691.71	[●]
Total Equity (F)=(D)+(E)	**39,933.80**	**[●]**
Ratio -non-current borrowings/ Total Equity (A)/(F)	0.72	
Ratio -Total borrowings/ Total Equity (C)/(F)	1.42	

Note 1: As per Audited Consolidated Financial Statements of the Company for the year 31st March 2024.
**The above terms in the table shall carry the meaning as per Schedule III of the Companies Act, 2013*
#Other equity includes other comprehensive income and excludes non-controlling interest
$ Not adjusted for issue related expenses
All the figures that are mentioned here are including continuing and discontinued operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our limited review unaudited financial results for six month period ending September 30, 2024 and September 30, 2023 and our audited standalone financial statements as of and for the Year ending March 31, 2024 and 2023 all prepared in accordance with the Companies Act and Ind AS and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "***Financial Information***" on page ***101.*** Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Unaudited Financial Results of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "***Risk Factors***" and "***Forward-Looking Statements***" on pages ***24*** and ***19***, respectively.

Our fiscal year ends on March 31 of each year, so all references to a particular "Fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. References to the "Company", "we", "us" and "our" in this chapter refer to Bannari Amman Spinning Mills Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

Our Company is one of the flagship companies of Bannari Amman Group located in South India which offers a wide spectrum of manufacturing, trading, distribution and service-related activities in sectors like textiles, food processing, automobile distribution, etc. Our Company was incorporated in the year 1989 and has emerged as a fully, vertically integrated textile company engaged in the business of manufacturing of cotton yarn, woven and knitted fabrics, processing of knitted fabrics and wind power generation. Our principal line of business is manufacturing and marketing cotton yarn, woven and knitted fabrics, home textile products and processing of fabrics. The cotton yarn and fabrics produced by our Company are in turn used as a raw material in manufacturing of knitted and woven garments. Moreover, all our manufacturing units and facilities are situated in the state of Tamil Nadu, India.

Apart from manufacturing products for direct sale to our customers, to ensure the full utilization of the installed capacity of our manufacturing units, we are also engaged in carrying out various textile processes for third parties on a job work basis. We procure cotton bales from domestic and international markets and sell cotton yarn, finished woven and knitted fabrics and home textiles to various garment manufactures. Our strict compliance with the internal quality control and international standards of quality, has enabled us to expand our operations internationally to countries including United States of America, Italy, Turkey, Bangladesh, Sri Lanka. The standalone revenue of our Company from the export operations (includes revenue from both continuing operations and discontinued operations*)* for the September 2024, September 2023, Year ending March 31, 2024, and Year ending March 31, 2023 are ₹ 4,109.51 lakhs, ₹ 4,537.93 lakhs, ₹10,601.68 lakhs and ₹ 10,536.55 lakhs respectively.

Revenue from operations (includes revenue from both continuing operations and discontinued operations) on a standalone basis for Limited review for six-month period ended September 30, 2024, and audited standalone financial statements for Year ending March 31, 2024 and 2023 were ₹ 45,154.22 Lakhs, ₹ 96,108.86 Lakhs and ₹ 1,09,513.71 Lakhs respectively. EBITDA on standalone basis for the limited review for the six months period ended September 30, 2024, and audited standalone financial statements for Year ending March 31, 2024 and 2023 were ₹ 7,292.83 lakhs, ₹ 4,549.42 lakhs and ₹ 2,633.93 lakhs respectively. Profit after Tax on standalone basis for Limited review for six-month period ended September 30, 2024 and audited standalone financial statements Year ending March 31, 2024 and 2023 were ₹ 3,385.41 lakhs, ₹ (2,623.43) lakhs and ₹ (3,482.97) lakhs respectively. For further details, please refer to the section titled "***Financial Information***" on page ***101*** of this Draft Letter of Offer.

Our Company is an integrated textile company and offers a diverse set of products which cater to various segments of the textile industry such as spinning, weaving, knitting, processing, home textiles. The Company has also installed wind power generators to augment the power requirements of the aforesaid manufacturing facilities thereby reducing the usage of fossil fuel. To ensure that we supply quality products which meet the applicable standards, we have set up quality control facilities at respective unit levels, which consists of our quality assurance and quality control teams who check and conduct various tests on the products manufactured thereat at various stages starting from the raw materials procured to the finished products manufactured by us. All our facilities are supplemented by utilities, such as water, power, effluent treatment plant, etc. which makes it an important feature of all our facilities.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled '***Risk Factors'*** on page ***24***. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Inability to invoice our unbilled supplies/services, collect our dues and receivables from our customers.
- Any other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Audited Financial Statements. For details of our significant accounting policies, please refer section titled ***"Financial Information"*** on page ***101***.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter "***Financial Information***" on page ***101*** there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "***Financial Information***" on page ***101***

Principal components of our statement of profit and loss account

Revenue:

The following descriptions set forth information with respect to the key components of the Audited Financial Statements.

Revenue from operations

Our revenue from operations consists of sale of goods/ services and other operating revenue. Sale of goods primarily consists of sale of cotton yarn, knitted and woven fabrics, and made ups, which are manufactured by us. Other operating revenue include sale of scrap, duty drawback and other export incentives, and windmill carbon credit.

Other Income

Other income primarily comprises recurring income which includes interest income and interest on security deposits, gain on foreign currency transactions certain non-recurring income such as profit on sale of investment, non-competing fees, sale of property plant and equipment, agriculture income, gain on termination of lease, remission of liability, sundry balance written back, insurance claim received and amortization of deferred income.

Expenses

Our expenses primarily comprise cost of raw materials such as cotton for spinning units, yarn for weaving unit, fabric, chemicals and consumables for processing unit, power and fuel cost, Purchase of Stock-in Trade, Changes in inventories of finished goods and work-in-progress, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Changes in inventories of stock-in-trade

Changes in inventories of stock-in-trade comprises of difference in closing balance vis-a-vis opening balance of stock in trade.

Power and Fuel expenses

Power and Fuel is one of the important components of expenses incurred by the Company, used in the various manufacturing processes. The Company sources power from TANGEDCO (Government Grid), Third Party sources. The Company also uses the power generated by windmills owned by it and solar power through group captive arrangement.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, bonus, contribution to provident fund & other funds and staff welfare.

Other expenses

Other expenses comprise of rent expense, Sales commission, Traveling and conveyance, Printing and stationery, business promotion expenses, Consumption of stores and spare parts, manufacturing expenses, repair & maintenance expenses, Insurance, freight and forward charges, clearing charge, Corporate Social Responsibility expenditure, Professional charges, Provision for bad and doubtful trade receivables and miscellaneous expenses.

Finance cost

Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans and unsecured loans. Other finance costs consist of bank commission, letter of credit charges, interest on vendor bill discounting, interest on receivable financing, loan processing charges, loan prepayment charges, and loan renewal charges

Depreciation and Amortisation Expense

Depreciation and amortization expense comprises of depreciation on building, plant and machinery, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations on consolidated basis

The following table sets forth, for the periods indicated, certain items from our consolidated financial statements, in each case also stated as a percentage of our total income:

(₹ in lakhs)

Particulars	For the Year Ended March 31, 2024		For the Year Ended March 31, 2023	
	Amount	(%)*	Amount	(%)*
Revenue				
Revenue from Operations	92,351.88	97.96	1,04,568.12	99.69
Other Income	1,922.36	2.04	322.57	0.31
Total Income	**94,274.24**	**100.00**	**1,04,890.69**	**100.00**
Expenses:				
Cost of Materials Consumed	67,124.99	71.20	86,607.39	82.57
Purchase of stock in trade	103.99	0.11	87.06	0.08
Changes in Inventory of FG, WIP and Stock in trade	2,634.39	2.79	(4,467.69)	(4.26)
Employee Benefit Expenses	8,253.52	8.75	8,185.21	7.80
Finance Costs	4,909.57	5.21	4,276.56	4.08
Depreciation & Amortization	2,988.55	3.17	2,830.96	2.70
Other Expenses	11,237.04	11.92	12,053.27	11.49
Total Expenses	**97,252.05**	**103.16**	**1,09,572.76**	**104.46**
Profit/(Loss) before exceptional item and Tax	(2,977.81)	(3.16)	(4,682.07)	(4.46)
Exceptional Items	-	-	-	-
Profit before Tax	**(2,977.81)**	**(3.16)**	**(4,682.07)**	**(4.46)**
Tax Expenses:				
(i) Current tax	0.00	0.00	0.00	0.00
(ii) Deferred Tax	(762.93)	(0.81)	(1,332.38)	(1.27)
Total Tax Expenses	**(762.93)**	**(0.81)**	**(1,332.38)**	**(1.27)**
Profit/(Loss) for the period from continuing operations	**(2,214.88)**	**(2.35)**	**(3,349.69)**	**(3.19)**
Profit/(Loss) from discontinued operations	**991.55**	**1.05**	**1,337.86**	**1.28**
Tax Expense for discontinued operations	**189.96**	**0.20**	**253.00**	**0.24**
Current tax for current year	539.91	0.57	395.20	0.38
Current tax for prior years	0.05	0.00	0.00	0.00
Deferred tax Expenses/(Income)	(350.00)	(0.37)	(142.20)	(0.14)
Profit/(Loss) from discontinued operations after tax ^	**801.59**	**0.85**	**1,084.86**	**1.03**
Profit/ (Loss) After Tax	**(1,413.29)**	**(1.50)**	**(2,264.83)**	**(2.16)**
Other Comprehensive Income				
1) Items that will not be reclassified to profit or loss				
Remeasurement of Defined benefit plans	66.55	0.07	102.85	0.10
b) Gain/loss on equity instruments designed at FVTOCI	(1.00)	0.00	0.04	0.00
c) Income tax relating to items that will not be reclassified to profit or loss	(23.25)	(0.02)	(35.94)	(0.03)
Total Other Comprehensive Income	42.30	0.04	66.95	0.06
Other Comprehensive Income from discontinuing operations				
i) Items that will not be reclassified to profit or loss				

a) Remeasurement of Defined benefit plan	11.44	0.01	20.13	0.02
b) Gain/loss on equity instruments designed at FVTOC	0.00	0.00	0.00	0.00
Income tax relating to items that will not be reclassified to profit or loss	(2.88)	0.00	(5.07)	0.00
Other Comprehensive Income for the period from discontinued operations	8.56	0.01	15.06	0.01
Other Comprehensive Income for the period	50.86	0.05	82.01	0.08
Total Comprehensive Income for the period	**(1,362.45)**	**(1.45)**	**(2,182.82)**	**(2.08)**

**(%) column represents percentage of total income.*

^Results of Discontinued Operations:

(₹ in lakhs)

Particulars	**For the Year Ended March 31, 2024**		**For the Year Ended March 31, 2023**	
	Amount	**(%)***	**Amount**	**(%)***
Revenue				
Revenue from Operations	34,106.29	97.62	37,536.95	98.93
Other Income	833.05	2.38	405.10	1.07
Total Income	**34,939.34**	**100.00**	**37,942.05**	**100.00**
Expenses:				
Cost of Materials Consumed	17,184.10	49.19	22,870.71	60.28
Changes in Inventory of FG, WIP and Stock in trade	2,950.61	8.44	(1,032.08)	(2.72)
Employee Benefit Expenses	8,068.39	23.09	8,372.95	22.07
Finance Costs	1,113.75	3.19	1,484.71	3.91
Depreciation & Amortization	531.18	1.52	657.56	1.73
Other Expenses	4,099.76	11.73	4,250.34	11.20
Total Expenses	**33,947.79**	**97.16**	**36,604.19**	**96.47**
Profit/(Loss) from discontinued operations	**991.55**	**2.84**	**1,337.86**	**3.53**
Tax Expense for discontinued operations				
Current tax for current year	539.91	1.55	395.20	1.04
Current tax for prior years	0.05	0.00	-	-
Deferred tax Expenses/(Income)	(350.00)	(1.00)	(142.20)	(0.37)
Profit/(Loss) from discontinued operations after tax	**801.59**	**2.29**	**1,084.86**	**2.86**
Other Comprehensive Income from discontinued operations				
i) Items that will not be reclassified to profit or loss				
a) Remeasurement of Defined benefit plan	11.44	0.03	20.13	0.05
Income tax relating to items that will not be reclassified to profit or loss	(2.88)	(0.01)	(5.07)	(0.01)
Other Comprehensive Income for the period from discontinued operations	8.56	0.02	15.06	0.04
Total Comprehensive Income for the period from discontinued operations	**810.15**	**2.32**	**1,099.92**	**2.90**

**(%) column represents percentage of total income.*

Comparison of Historical Results of Operations

Fiscal 2024 compared to Fiscal 2023

Total Revenue

Our total revenue for the year ending March 31, 2024, was ₹ 94,274.24 lakhs as compared to ₹ 1,04,890.69 lakhs for the year ending March 31, 2023, representing a decrease of 10.12%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the year ending March 31, 2024, was ₹ 92,351.88 lakhs as compared to ₹ 1,04,568.12 lakhs for the year ending March 31, 2023, representing a decrease of 11.68%. This is primarily due to slowdown in sales of Textile products on account of geopolitical related reasons during the year.

Other income

Other income for the year ending March 31, 2024, was ₹ 1,922.36 Lakhs as compared to ₹ 322.57 Lakhs for the year ending March 31, 2023, representing an increase of 495.95%. The increase in other income was primarily due to recognition of non-compete fee on sale of stake in M/s. Young Brand Apparel Private Limited.

Expenses

Our total expenditure for the year ending March 31, 2024, was ₹ 97,252.05 Lakhs as compared to ₹ 1,09,572.76 Lakhs for the year ending March 31, 2023, representing a decrease of 11.24%.

Our cost of goods sold was primarily determined by the cost of material consumed, labour, power etc., purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade as follows:

Cost of materials consumed

The Cost of materials consumed for the year ending March 31, 2024, was ₹ 67,124.99 Lakhs as compared to ₹86,607.39 Lakhs for the year ending March 31, 2023, representing a decrease of 22.50%. The change is commensurate with the decrease in sales of its products.

Purchase of Stock-in-Trade

The Purchase of Stock-in-Trade for the year ending March 31, 2024, was ₹ 103.99 Lakhs as compared to ₹ 87.06 Lakhs for the year ending March 31, 2023, representing an increase of 19.45%. The change is due to market conditions.

Changes in Inventories of Stock-in-Trade

The changes inventories of stock-in-trade for the year ending March 31, 2024, was ₹ 2,634.39 Lakhs as compared to ₹ (4,467.69) Lakhs for the year ending March 31, 2023, primarily due to market demand supply scenario.

Employee benefit expenses

Employee benefit expense for the year ending March 31, 2024, was ₹ 8,253.52 Lakhs as compared to ₹ 8,185.21 Lakhs for the year ending March 31, 2023, representing an increase of 0.83%. This was due to increase in salaries, wages and bonus.

Finance cost

Finance cost for the year ending March 31, 2024, was ₹ 4,909.57 Lakhs as compared to ₹ 4,276.56 Lakhs for the year ending March 31, 2023, representing an increase of 14.80%. The increase in finance cost is due to increase in rate of interest charged by the banks due to revision in their MCLR rates.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the year ending March 31, 2024, was ₹ 2,988.55 Lakhs as compared to ₹ 2,830.96 Lakhs for the year ending March 31, 2023, representing an increase of 5.57 %. The increase is due to additions to fixed assets during the year.

Other expenses

Other expenses for the year ending March 31, 2024, was ₹ 11,237.04 Lakhs as compared to ₹ 12,053.27 Lakhs for the year ending March 31, 2023, representing a decrease of 6.77 %. The decrease was mainly due to lower expenses incurred on power and fuel, repairs and maintenance and selling & distribution expenses and this in line with the reduction in turnover.

Profit/Loss before Tax including discontinued operations

The profit/(loss) before tax for the year ending March 31, 2024, of ₹ (1,986.27) Lakhs as compared to ₹ (3,344.21) Lakhs for the year ending March 31, 2023, representing a decrease in loss of 40.54%. Due to the Geopolitical reason consequent to which there has been reduction in turnover and corresponding reduction in expenditures which has resulted in lower level of losses.

Taxation

Total tax expense for the year ending March 31, 2024, ₹ (762.93) Lakhs as compared to ₹ (1,332.38) Lakhs for the year ending March 31, 2023, representing a decrease of 42.74 %. The decrease was due to impact of deferred tax.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year for the year ending March 31, 2024, of ₹ (1413.29) Lakhs as compared to ₹ (2264.83) Lakhs for the year ending March 31, 2023, representing a decrease of 37.60%. The decrease in loss after tax is due to the Geopolitical reason consequent to which there has been reduction in turnover and corresponding reduction in expenditures which has resulted in lower level of losses.

Working for Continued and Discontinued Operations:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2024			For the Year Ended March 31, 2023		
	Continuing	Discontinuing	Total	Continuing	Discontinuing	Total
Revenue						
Revenue from Operations	92,351.88	34,106.29	1,26,458.17	1,04,568.12	37,536.95	1,42,105.07
Other Income	1,922.36	833.05	2,755.41	322.57	405.10	727.67
Total Income	94,274.24	34,939.34	1,29,213.58	1,04,890.69	37,942.05	142,832.74
Expenses:						
Cost of Materials Consumed	67,124.99	17,184.10	84,309.09	86,607.39	22,870.71	1,09,478.10
Purchase of Stock-in-Trade	103.99	-	103.99	87.06	-	87.06
Changes in Inventory of FG, WIP and Stock in trade	2,634.39	2,950.61	5585.00	(4,467.69)	(1,032.08)	(5,499.77)
Employee Benefit Expenses	8,253.52	8,068.39	16,321.91	8,185.21	8,372.95	16,558.16
Finance Costs	4,909.57	1,113.75	6023.32	4,276.56	1,484.71	5,761.27
Depreciation & Amortization	2,988.55	531.18	3,519.73	2,830.96	657.56	3,488.52
Other Expenses	11,237.04	4,099.76	15,336.80	12,053.27	4,250.34	16,303.61
Total Expenses	97,252.05	33,947.79	1,31,199.84	1,09,572.76	36,604.19	1,46,176.95
Profit/(Loss) Before Tax	**(2,977.81)**	**991.55**	**(1986.27)**	**(4,682.07)**	**1,337.86**	**(3,344.21)**
Current tax for current year		539.91	539.91		395.20	395.20
Current tax for prior years		0.05	0.05		-	-

Deferred tax Expenses/(Income)	(762.93)	(350.00)	(1112.93)	(1332.38)	(142.20)	(1,474.58)
Profit/(Loss) from after tax	**(2,214.88)**	**801.59**	**(1413.29)**	**(3,349.69)**	**1084.86**	**(2264.83)**
Other Comprehensive Income						
i) Items that will not be reclassified to profit or loss						
a) Remeasurement of Defined benefit plan	66.55	11.44	77.99	102.85	20.13	122.98
b) Gain/loss on equity instruments designed at FVTOCI	(1.00)		(1.00)	0.04	-	0.04
Income tax relating to items that will not be reclassified to profit or loss	(23.25)	(2.88)	(26.13)	(35.94)	(5.07)	(41.01)
Other Comprehensive Income for the period	42.30	8.56	50.86	66.95	15.06	82.01
Total Comprehensive Income for the period	**(2172.60)**	**810.15**	**(1,362.45)**	**(3,282.74)**	**1099.92**	**(2182.82)**

Results of our Operations on Consolidated Basis

The following table sets forth, for the periods indicated, certain items from our Consolidated financial statements, in each case also stated as a percentage of our total income:

(₹ in Lakhs)

Particulars	For the six months period ended September 30, 2024*		For the six months period ended September 30, 2023*	
	Amount	(%) of Total Income	Amount	(%) of Total Income
Income				
Revenue from Operations	44,873.01	99.68	47,332.95	99.67
Other Income	143.82	0.32	155.06	0.33
Total Income	**45,016.83**	**100.00**	**47,488.02**	**100.00**
Expenses				
Cost of materials consumed	35,018.58	77.79	36,003.49	75.82
Purchases of Stock-in-Trade	629.05	1.40	29.82	0.06
Change in Inventories of finished goods, stock in trade and work in progress	(2,623.79)	(5.83)	660.01	1.39
Employee Benefits Expense	4,129.09	9.17	4,156.72	8.75
Finance Costs	2,301.47	5.11	2,410.96	5.08
Depreciation and Amortization Expenses	1,301.23	2.89	1,543.61	3.25
Other Expenses	5,396.09	11.99	4,596.59	9.68

Total Expenses	**46,151.72**	**102.52**	**49,401.21**	**104.03**
Profit/(Loss) before Tax	**(1,134.89)**	**(2.52)**	**(1,913.19)**	**(4.03)**
Tax Expenses/(Savings):	**(430.80)**	**(0.96)**	**(465.00)**	**(0.98)**
(a) Current Tax Expense for the year	-	**0.00**	-	0.00
(b) Tax Adjustment of earlier years	-	**0.00**	-	0.00
(c) Deferred Tax Expense/(Savings)	(430.80)	**(0.96)**	(465.00)	(0.98)
Profit/(Loss) for the period from continuing Operations	**(704.09)**	**(1.56)**	**(1,448.19)**	**(3.05)**
Profit/(Loss) from discontinued operations	1,801.39	4.00	1,341.14	2.82
Tax Expense/(Savings) of discontinued operations	668.05	1.48	224.18	0.47
Profit/(Loss) from discontinued operations after tax	**1,133.34**	**2.52**	**1,116.96**	**2.35**
Profit/(Loss) for the period	**429.25**	**0.95**	**(331.23)**	**(0.70)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
a) Remeasurement of Defined benefit plans	**-**	**0.00**	**-**	**0.00**
b) Gain/loss on equity instruments designed at FVTOCI	**3.56**	**0.01**	**(0.15)**	**0.00**
c) Income tax relating to items that will not be reclassified to profit or loss	-	0.00	(0.05)	0.00
Other comprehensive income/(loss) for the period from continuing operations	3.56	0.01	(0.20)	0.00
Total Comprehensive Income for the period	**432.81**	**0.96**	**(331.44)**	**(0.70)**

**(%) column represents percentage of total income.*

Results of Discontinued Operations:

(₹ in lakhs)

Particulars	**For the Six Months Period ended September 30, 2024**		**For the Six Months Period ended September 30, 2023**	
	Amount	**(%) of Total Income**	**Amount**	**(%) of Total Income**
Total Income	2,750.67	100.00	17,912.57	100.00
Total Expenses	949.28	34.51	16,571.43	92.51
Profit/(Loss) before Tax	**1801.39**	**65.49**	**1341.14**	**7.49**
Tax Expenses	668.05	24.28	224.18	1.25
Profit/(Loss) after Tax	**1,133.34**	**41.21**	**1,116.96**	**6.24**

Comparison of six months period ended September 30, 2024, with six months period ended September 30, 2023

Total Revenue

Our total revenue for the six months period ended September 30, 2024, was ₹ 45,016.83 lakhs as compared to ₹ 47,488.02 lakhs for the six months period ended September 30, 2023, representing a decrease of 5.20%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the six months period ended September 30, 2024, was ₹ 44,873.01 lakhs as compared to ₹ 47,332.95 lakhs for six months period ended September 30, 2023 representing a decrease of 5.20 %. This is primarily due to slowdown in sales of Textile products on account of geopolitical related reasons during the year.

Other income

Other income for the six months period ended September 30, 2024, was ₹ 143.82 lakhs as compared to ₹ 155.06 lakhs for the six months period ended September 30, 2023, representing a decrease of 7.25%. During the Six Months period ended September 30, 2023, other income included profit on sale of plant and machineries.

Expenses

Our total expenditure for the six months period ended September 30, 2024, was ₹ 46,151.72 lakhs as compared to ₹ 49,401.21 lakhs for the six months period ended September 30, 2023, representing a decrease of 6.58%.

Our cost of goods sold was primarily determined by the cost of material consumed, labour, power etc., purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade as follows:

Cost of materials consumed

The Cost of materials consumed for the six months period ended September 30, 2024, was ₹ 35,018.58 lakhs as compared to ₹ 36,003.49 lakhs for the six months period ended September 30, 2023, representing a decrease of 2.74%. The change is commensurate with the decrease in sales of its products.

Purchase of Stock-in-Trade

The purchase of stock in trade for the six months period ended September 30, 2024, was ₹ 629.05 lakhs as compared to ₹29.82 Lakhs for the six months period ended September 30, 2023 representing an increase of 2009.49%. The increase was due to purchase of a specific variety of fabric, from outside sources to complete the orders.

Changes in Inventories of Stock-in-Trade

The changes inventories of stock-in-trade for the six months period ended September 30, 2024, was ₹ (2,623.79) lakhs as compared to ₹ 660.01 lakhs for the six months period ended September 30, 2023, primarily due to market demand supply scenario.

Employee benefit expenses

Employee benefit expense for the six months period ended September 30, 2024, was ₹ 4,129.09 lakhs as compared to ₹ 4,156.72 lakhs for the six months period ended September 30, 2023, representing a decrease of 0.66 %. This was due to reduction in manpower engagement.

Finance cost

Finance cost for the six months period ended September 30, 2024, was ₹ 2,301.47 lakhs as compared to ₹ 2,410.96 lakhs for the six months period ended September 30, 2023, representing a decrease of 4.54%. The decrease in finance cost is due to repayment of term loans and reduction in working capital loans.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the six months period ended September 30, 2024, was ₹ 1,301.23 lakhs as compared to ₹ 1,543.61 lakhs for the six months period ended September 30, 2023, representing a decrease of 15.70%. The decrease is due to change in useful life of the assets.

Other expenses

Other expenses for the six months period ended September 30, 2024, was ₹ 5,396.09 lakhs as compared to ₹ 4,596.59 lakhs for the six months period ended September 30, 2023, representing an increase of 17.39%. The increase was mainly due to increase in expenses incurred on power and fuel, repairs and maintenance, other manufacturing expenses, administrative expense and selling & distribution expenses.

Profit/Loss before Tax including discontinued operations

The profit/(loss) before tax for the six months period ended September 30, 2024, of ₹ 666.50 lakhs as compared to ₹ (572.05) lakhs for the six months period ended September 30, 2023, representing an increase of 216.51%. The increase in profit before tax is due to improved operating performances of the Company.

Taxation

Total tax expense for the six months period ended September 30, 2024, ₹ (430.80) lakhs of continuing operations as compared to ₹ (465.00) lakhs for the six months period ended September 30, 2023, representing an increase of 7.35%. The increase was due to impact of deferred tax. Total tax expense for the six months period ended September 30, 2024, ₹ 668.05 lakhs of discontinued operations as compared to ₹ 224.18 lakhs for the six months period ended September 30, 2023, representing an increase of 198%. The increase was due to impact of Capital gain on sale of investment.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year for the six months period ended September 30, 2024, of ₹ 429.25 lakhs as compared to ₹ (331.23) lakhs for the six months period ended September 30, 2023, representing an increase of 229.59 %. The increase was due to improved operating performances of the Company specifically due to reduction in cost of raw material.

CONSOLIDATED CASH FLOWS

The following table sets forth certain information relating to our cash flows:

(₹ in lakhs)

Particulars	March 31, 2024	March 31, 2023
Net Cash Flow from/ (used in) Operating Activities (A)	12,535.40	58.08
Net Cash Flow Used in Investing Activities (B)	(686.21)	(4,757.05)
Net Cash Generated from Financing Activities (C)	(11,261.87)	3,832.78
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	587.33	(866.21)
Cash and Cash equivalents attributable to discontinued operations (Net)	(260.87)	161.47
Cash and cash equivalents at the beginning of the year/period	462.60	1167.33
Cash and cash equivalents acquired on acquisition	-	-
Cash and cash equivalents at year/ period end	789.05	462.59

Operating Activities

Net cash from operating activities for period ended March 31, 2024, was ₹ 12,535.40 Lakhs. This is primarily on account of profit/loss before tax from continuing and discontinued operations ₹ (1,986.27) Lakhs and adjustments made on account of depreciation, finance cost, trade and other payables, other current asset and trade and other receivable for the same period.

Net cash from operating activities for period ended March 31, 2023, was ₹ 58.08 Lakhs. This is primarily on account of profit/loss from continuing and discontinued operations ₹ (3,345.29) Lakhs and adjustments made on account of depreciation, finance cost, trade and other payables, other current asset and trade and other receivable for the same period.

Investing Activities

Net cash from investing activities for period ended March 31, 2024, was ₹ (686.21) Lakhs. This was on account of net of purchase/sale of property, plant & equipment (including capital work-in-progress and capital advances).

Net cash from investing activities for period ended March 31, 2023, was ₹ (4,757.05) Lakhs. This was on account of net of purchase/sale of property, plant & equipment (including capital work-in-progress and capital advances).

Financing Activities

Net cash from financing activities for period ended March 31, 2024, was ₹ (11,261.87) Lakhs. This was on account of repayment of borrowings and payment of finance cost.

Net cash from financing activities for period ended March 31, 2023, was ₹ 3,832.78 Lakhs. This was on account of addition of borrowings, repayment of borrowings and payment of finance cost.

CONSOLIDATED CASHFLOW FOR SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2024 COMPARED WITH SIX MONTHS PERIOD ENDED SEPTEMBER 30, 2023.

(₹ in lakhs)

Particulars	For the six months period ended September 30, 2024	For the six months period ended September 30, 2023
Net cash generated from / (used in) Operating activities	429.91	5,446.33
Net cash generated from / (used in) Investing activities	7,010.14	(544.46)
Net cash generated from / (used in) from Financing activities	(6,444.03)	(4,525.12)
Net Increase / (decrease) in Cash & Cash Equivalents	996.02	376.75
Cash and cash equivalents at the beginning of the period	789.05	999.34
Cash and cash equivalents at the end of the period	1,785.07	1,376.09

Contingent Liabilities

The statement of contingent liabilities of our Company as on March 31, 2024, and March 31, 2023, are as mentioned in the table below:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
i) Contingent liabilities:		
A) Claims against the Company not acknowledged as debts: -		
a) TANGEDO demands, pending in appeal	1,505.18	1,386.44
b) Income tax demands (already adjusted against refund)	5.12	-
c) Service Tax	75.08	75.08
d) Town Planning Authority	79.60	79.60
e) Employee Provident Fund	77.91	77.91
B) Contingent Liabilities on Account of Guarantees: -		
a) Guarantees issued to bankers	18.74	18.74
b) corporate guarantee given for loans to Bank	5,500.00	-
c) Guarantee issued in favour of supplier	112.46	112.46
ii) Commitments:		
Estimated number of contracts remaining to be executed on capital account and not provided for:		
Tangible assets	**1,429.67**	**1,125.73**

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Capital Expenditures

Our capital expenditures are mainly related to the purchase of fixed assets located in India. The primary source of financing for our capital expenditures has been cash generated from our operations and borrowings.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled "***Risk Factors***" and chapter titled "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" beginning on pages ***24*** and ***105***, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "***Risk Factors***" on page ***24***

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled "***Risk Factors***" and chapter titled "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" beginning on pages ***24*** and ***105***, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty, timely supply and better sourcing of raw-material. Due to which, we are able to stay competitive. For further details, kindly refer the chapter titled "***Our Business***" beginning on page ***79***.

Total Turnover of Each Major Business Segment

We currently operate in one business segment i.e. Textiles.

New Product or Business Segment

Except as disclosed in "***Our Business***" on page ***79***, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Year ending March 31. Typically, we see an increase in our business during the festive periods and various seasons across the globe. Therefore, our results of operations and cash flows across quarters in a Year ending March 31 may not be comparable sequentially and any such comparisons may not be meaningful or may not be indicative of our annual financial results or our results in any future quarters or periods, see the section titled "***Risk Factors***" beginning on page ***24***.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections "***Risk Factors***" on page ***24***, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details, please refer to the discussion in the chapter titled "***Financial Information***" beginning on page ***101***.

Significant Developments since last balance sheet date

Subsequent to September 30, 2024, the company issued 42,25,806 partly paid Equity Warrants on a preferential basis, with a face value of ₹ 5 each and an issue price of ₹ 62 (inclusive of a premium of ₹ 57). The terms of the issuance are outlined below:

Particulars	Details
Warrants Allotted	42,25,806
Conversion Ratio	1:1
Period of conversion	18 Months from date of allotment
Date of Board Meeting and Allotment	November 04, 2024
Face Value per Warrant	₹5/-
Issue Price per Warrant including premium	₹62/-
Subscription Amount per Warrant including premium	@25% of Issue Price i.e. ₹15.5/-
Premium Amount per Warrant	₹57/-
Amount Received on subscription	₹654.99 Lakhs

For the resulting change subsequent to the above allotment of warrants are captured in the capital structure, refer to chapter "***Capital Structure"*** at page number ***49.***

Except as disclosed in aforementioned paragraphs and in this Draft Letter of Offer, including under "***Our Business***", "***Risk Factors***" and ***"Capital Structure"*** on pages ***79***, ***24*** and ***49*** respectively, to our knowledge no circumstances have arisen since September 30, 2024, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATIONOUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigation involving our Company and subsidiaries whose financial statements are included in the Draft Letter of Offer, either separately (Standalone) or in consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company and subsidiaries, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations and proceedings relating to economic offences against our Company and subsidiaries, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company and subsidiaries, including criminal proceedings, statutory or regulatory actions as 'Material' in the opinion of the Board of directors under Regulation 30 of the SEBI Listing Regulations for the purpose of litigation disclosure in this draft Letter of Offer:

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority, and claims for any direct or indirect tax liabilities, all other pending litigation will be detailed as follows:

A. Involving our Company and Subsidiaries:

a. **Aggregate Monetary Claims**

i. The aggregate monetary claim made by or against our Company in any pending litigation proceeding is in excess of **1%** of the turnover of our Company in the most recently completed Fiscal as per the Restated Standalone Financial Information which amounts to ₹900 Lakhs. Accordingly, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company in any such pending litigation proceeding is in excess of **₹900** Lakhs being **1%** of the turnover of our Company for the **Fiscal 2023-24** as per the Restated Standalone Financial Information**.**

b. **Non-Quantifiable Monetary Liabilities**

i. Where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could nonetheless have a material adverse effect on the position, business, operations, prospects, or reputation of our Company have been considered "material".

B. General Information

a. Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer.

b. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

I. CONTINGENT LIABILITIES OF OUR COMPANY:

a) **Classification of Contingent liabilities:**

(₹. in Lakhs)

Particulars	Amount
- Claims against the company not acknowledged as debts	1505.18
- Disputed liabilities in respect of Income Tax	5.12
- Contingent Liabilities on Account of Guarantees (Guarantee issued in favour of supplier)	112.46
- Other money for which the company is contingently liable.	NIL

b) **Classification of Commitments into:**

(₹. in Lakhs)

Particulars	Amount
Estimated number of contracts remaining to be executed on capital account and not provided for (Tangible Assets)	1429.67
Uncalled liability on shares and other investments partly paid	NIL

Other commitments (specifying nature)	NIL

** Excluding interest on disputed demand and amount involved in litigations for which the tax amount is not ascertainable.*

II. LITIGATION INVOLVING OUR COMPANY

A. Litigation against our Company

a. Criminal Proceedings

There are no criminal cases filed against the company.

b. Civil Proceedings

There are no civil cases against the Company

c. Actions taken by Statutory/Regulatory Authorities

There are no outstanding actions taken by Statutory/Regulatory Authorities

d. Tax Proceedings

There are no tax Proceeding pending against the Company

e. Other Material Litigation

There are no outstanding material litigation cases filed against the company.

f. Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals

There are no outstanding disciplinary actions against our company by SEBI or any stock in the last five Fiscals

B. Litigation by our Company

a. Criminal Proceedings

i. A criminal complaint has also been lodged by our company against Tharun Textiles is registered as STC No.325/2018 in the Judicial Magistrate Court No.1 of Tiruppur. The company supplied yarn to the customer in 2015, who subsequently defaulted on payment. A cheque issued by the customer was returned, prompting us to file a complaint under Section 138 of the Negotiable Instrument Act 1881. Currently, the case is pending for trial, with an amount involved of ₹ 6,16,079.00. Next date of hearing is on December 06, 2024.

ii. A criminal complaint has also been lodged by our company against SKD Exports before the City Crime Branch in Tiruppur. The company supplied yarn in 2018 through an agent named Mr. Tamilarasan. After the customer defaulted on payment, we initiated a criminal complaint under Sections 406 and 420 against both the customer and the agent. The complaint is currently pending for investigation, with an amount involved of ₹ 43,94,798.00.

iii. A criminal complaint has also been lodged by our company against Roots Inc is recorded as CC No.1382/2019 in the Fast Track Magistrate Court No.1 of Coimbatore. The company supplied yarn in 2016, but the customer defaulted on payment when a cheque was returned. Consequently, Our Company filed a complaint under Section 138 of the Negotiable Instrument Act 1881. The current status indicates that the complaint is pending for the appearance of the accused; the case has been transferred on July 24, 2024, to Judicial Magistrate Court No.3 in Coimbatore involving an amount of ₹ 38,45,853.00.

iv. A criminal complaint has also been lodged by our company against Sri Muruga Tex before the City Crime Branch in Tiruppur. The company supplied yarn in 2018 through agent Mr. Tamilarasan, and following a payment default by the customer, Our Company filed a criminal complaint under Sections 406 and 420 against both the customer and the agent. The complaint is currently pending for investigation, with an amount involved of ₹ 39,99,780.00.

v. A criminal complaint has also been lodged by our company against Pranav Export is Recorded as CC No.450/2018 in the Fast Track Magistrate Court No.1 of Coimbatore. Yarn was supplied to the customer in 2018; however, they defaulted on payment when a cheque was returned. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act 1881. This case has been settled out of court with part payment received, and as a result, the complaint has been dismissed. The amount involved was ₹ 8,76,150.00.

vi. A criminal complaint has also been lodged by our company against KG Exim's is recorded as CC No.3101464/2018 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied yarn to the customer in 2018; however, the customer defaulted on payment when a cheque was returned. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act 1881. Currently, the complaint is pending for enquiry, and the case has been transferred to Judicial Magistrate Court-6 in Coimbatore, new case number is pending for re-numbering. The amount involved is ₹ 9,84,691.00.

vii. A criminal complaint has also been lodged by our company against Kumaran Knit Wear is registered as CC No.370/2018 in the Judicial Magistrate Court No.1 of Tiruppur. The company supplied yarn to the customer in 2018, but the customer defaulted on payment when a cheque was returned. Our Company filed complaint under Section 138 of the Negotiable Instrument Act 1881. The current status indicates that the case is pending for execution of a bailable warrant, with an amount involved of ₹ 7,42,880.00. The latest hearing held dated October 10, 2024, wherein the complainant absent. U/s 256 of CRPC petition filed and dismissed. Hence bailable warrant pending against accused and call on May 20, 2025

viii. A criminal complaint has also been lodged by our company against Callisto Garments is originally recorded as CFR No. 763/2021 and later it renumbered as CFR No.16342/2023.in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied yarn to the customer in 2017; however, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act. The complaint is currently pending for recording of the sworn statement of the complainant and thereafter regular case number will be allotted. The amount involved is ₹ 59,48,340.00.

ix. A criminal complaint has also been lodged by our company against Vikram Fashions is recorded as CC No.165/2019 in the Fast Track Magistrate Court No.2 of Coimbatore. Yarn was supplied to the customer in 2018; however, they defaulted on payment when a cheque was returned. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act. The current status indicates that the complaint is pending; however, the case has been settled through court with part payment received. Further, the matter is under mediation and the next date of hearing is December 12, 2024 The amount involved was ₹ 10,00,000.00.

x. A criminal complaint has also been lodged by our company against Mayura Garments is recorded as CMP No.1729/2020 in the Judicial Magistrate Court No.1 of Tiruppur. After recording of the sworn statement of the complainant, regular case number will be allotted. The company supplied yarn to the customer in 2019; however, they defaulted on payment when a cheque was returned. A complaint was filed under Section 138 of the Negotiable Instrument Act. The complaint is currently pending for adducing the sworn statement of the complainant, with an amount involved of ₹ 9,78,127.00.

xi. A criminal complaint has also been lodged by our company against Frank Export is recorded as STC No.123/2024 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied yarn to the customer in the year 2019 However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act. Last hearing held on November 26, 2024, wherein the Complainant was Present, and the court directed to issue fresh summons to accused on payment of process fees. Next hearing date is March 21, 2025, for issue of service. The amount involved is ₹ 35,97,980.00.

xii. A criminal complaint has also been lodged by our company against Sri Saravana Textiles is recorded as CC No.491/2021 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied yarn to the customer in 2019, but the customer defaulted on payment. Our company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The current status indicates that the complaint is pending for the appearance of the accused. The latest hearing date was November 26, 2024, wherein the matter has been transferred to another court. The amount involved is ₹ 14,57,105.00.

xiii. A criminal complaint has also been lodged by our company against ESS ESS Clothing is recorded as CC No.401/2021 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied yarn to the customer in 2019; however, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was November 21, 2024, wherein the Complainant was present, and court directed to issue fresh summons to accused on payment of process fee. Next hearing February 20, 2025, for issue of process. The amount involved is ₹ 19,95,678.00.

xiv. A criminal complaint has also been lodged by our company against Asia Pacific International, is recorded as CC No.05/2021 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied yarn to the customer in 2019; however, they defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was September 06, 2024, wherein the case was transferred to another court. The current status indicates that the complaint is pending for the appearance of the accused, with an amount involved of ₹ 17,26,855.00.

xv. A criminal complaint has also been lodged by our company against Sri Visweshwara Knits is recorded as CMP No.1725/2020 in the Judicial Magistrate Court No.1 of Tiruppur. The Company supplied yarn to the customer in 2019; however, they defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The complaint is currently pending for adducing the sworn statement of the complainant, with an amount involved of ₹ 13,14,989.00.

xvi. A criminal complaint has been lodged by our company against Jawahar Paul Raj. The case is recorded as Cr.No.28/2011 at City Crime Branch, Coimbatore under Sections 406, 420, and 120 B of the IPC and later registered as CC No.537/2012 in the Judicial Magistrate No.7 of Coimbatore. The latest hearing date was on November 25, 2024, wherein accused number A1 and A2 were absent. The next hearing date is fixed on December 03, 2024. The amount involved is ₹ 77,77,130.00.

xvii. A criminal complaint has been lodged by our company against Sidharth Silk Mills, Mumbai. The case is recorded as CC No.1313/2017 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2016. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was October 28, 2024, wherein the case was transferred to another court. The amount involved is ₹ 5,41,449.00.

xviii. A criminal complaint has been lodged by our company against Sidharth Apparels, Tiruppur. The case is recorded as CC No.902/2018 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2017; however, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The Latest hearing date was November 11, 2024, wherein the complainant was present, and accused was absent, Prosecutions witness called on December 06, 2024 for evidence. The amount involved is ₹ 23,70,873.00.

xix. A criminal complaint has been lodged by our company against Sierra Sourcing, Tiruppur through its proprietor, Rafeek Mohiteen. The case is recorded as CC No.1406/2018 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2017. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was October 10, 2024, wherein the case was transferred to another court. The amount involved is ₹ 48,90,440.00.

xx. A criminal complaint has been lodged by our company against Primo Fashion, Tiruppur. The case is recorded as CC No.1399/2019 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2017. However, they defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was August 08, 2024, wherein the case was transferred to Judicial Magistrate No.3 of Coimbatore. The amount involved is ₹ 11,22,382.00.

xxi. A criminal complaint has been lodged by our company against Primo Fashion, Tiruppur. The case is recorded as CC No.1408/2019 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2017. However, they defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was August 08, 2024, wherein the case was transferred to Judicial Magistrate No.3 of Coimbatore. The amount involved is ₹16,08,000.00.

xxii. A criminal complaint has been lodged by our company against Brahmma Creation, Tiruppur. The case is recorded as CFR No.646/2020 in the Fast Track Magistrate Court No.2 of Coimbatore. Regular case number will be assigned after adducing the sworn statement for the complainant. The company supplied knitted fabric to the customer in 2016. However, the customer defaulted on payment when a cheque issued towards part payment was returned. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. There is no update on latest hearing date as on the date of this Draft Letter of Offer. The amount involved is ₹ 7,64,740.00.

xxiii. A criminal complaint has been lodged by our company against Mayura Garments, Tiruppur. The case is recorded as CC No.180/2020 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2018. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The last hearing date was July 24, 2024, wherein the case was transferred to the Judicial Magistrate Court No.6 in Coimbatore. The amount involved is ₹ 13,86,189.00.

xxiv. A criminal complaint has been lodged by our company against JK Fashion, Tiruppur. The case is recorded as CC No.145/2021 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2018. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The last hearing date is October 21, 2024, wherein the both the complainant and the accused were absent, and petition was filed and allowed. The next hearing is on January 21, 2025, for trial. The amount involved is ₹ 14,70,934.00.

xxv. A criminal complaint has been lodged by our company against Savela Garments, Tiruppur. The case is recorded as CC No.326/2020 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2019. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The last hearing date was on August 05, 2024 wherein the case was transferred to the Judicial Magistrate Court No.4 in Coimbatore. The amount involved is ₹ 22,38,995.00.

xxvi. A criminal complaint has been lodged by our company against Adventure Clothing Creation, Tiruppur. The case is recorded as CC No.325/2020 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2019. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was September 09, 2024, wherein the case was transferred to Judicial Magistrate Court No.4 in Coimbatore. The amount involved is ₹ 11,90,938.00.

xxvii. A criminal complaint has been lodged by our company against Jayarupa Apparels, Tiruppur. The case is recorded as Crime No.540/2017 at the Chennimalai Police Station, Erode. The company undertook processing of fabric on a job order basis from the customer in 2016; however, the customer defaulted on paying the job order charges. Our Company filed a criminal complaint under Sections 406 and 420 of the IPC. The case is currently pending for trial, with an amount involved of ₹ 4,81,032.00.

xxviii. A criminal complaint has been lodged by our company against Sri Nivi Impex, Tiruppur. The case is recorded as CC No.309/2018 in the Judicial Magistrate Court No.1 of Tiruppur. The company undertook processing of fabric on a job order basis from the customer in 2016. However, the customer defaulted on paying the job order charges. The buyer of goods provided cheques towards the amount due to our company on behalf of the customer, but these cheques were returned. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was October 24, 2024, wherein the complainant was absent. Further the petition filed U/s 256 of the CRPC was filed and allowed. Accused numbered A1 was present, bailable warrants are pending against the other accused, as such the next hearing date is May 16, 2025 for service pending. The amount involved is ₹ 9,14,126.00.

xxix. A criminal complaint has been lodged by our company against Centaures Lifestyle Brands (P) Limited. The case is recorded as CC No.484/2019 in the Fast Track Magistrate Court No.1 of Coimbatore. The company undertook processing of fabric on a job order basis from the customer in 2016, However, the customer defaulted on paying the job order charges. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The Latest hearing date was July 15, 2024, wherein the complainant was present, however non-bailable warrants pending for accused numbered A1 to A10 to be issued on the next hearing date January 08, 2025. The amount involved is ₹ 9,14,126.00.

xxx. A criminal complaint has been lodged by our company against Jay Vishnu Textiles, Tiruppur. The case is recorded as CC No.1439/2018 in the Fast Track Magistrate Court No.2 of Coimbatore. The company undertook processing of fabric on a job order basis from the customer in 2017. However, the customer defaulted on paying the job order charges. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The last hearing date was July 23, 2024, wherein the case was transferred to other court. The amount involved is ₹ 8,79,405.00.

xxxi. A criminal complaint has also been lodged by our company against RBR Garments (P) Limited, Tiruppur. The case is recorded as CC No.650/2019 in the Fast Track Magistrate Court No.2 of Coimbatore. The company undertook processing of fabric on a job order basis from the customer in 2018. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing was on August 19, 2024 wherein the case was transferred to Judicial Magistrate Court No.6 in Coimbatore. The amount involved is ₹ 5,70,550.00.

xxxii. A criminal complaint has also been lodged by our company against Hindas Motors, Kollam. The case is recorded as CC No.1084/2019 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied inner garments and ladies' wear to the customer in 2018. However, the customer defaulted on. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was September 05, 2024, wherein the case was transferred to Judicial Magistrate Court No.7 in Coimbatore. The amount involved is ₹ 8,00,973.00.

xxxiii. A criminal complaint has also been lodged by our company against Arasu Texport, Tirupur. The case is recorded as CFR No.2181/2021 in the Judicial Magistrate Court of Tirupur. The company supplied knitted fabric to the customer in 2018. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The complaint is currently pending for adducing the sworn statement of the complainant. The amount involved is ₹ 20,29,085.00.

xxxiv. A criminal complaint has also been lodged by our company against CEE DEE Garments, Tirupur. The case is recorded as CFR No.762/2021 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied knitted fabric to the customer in 2018 However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881The complaint is currently pending for adducing the sworn statement of the complainant, The amount involved is ₹ 8,25,014.00.

xxxv. A criminal complaint has also been lodged by our company against Gurunanak Apparels, Ludhiana. The case is recorded as CFR No.206/2024 in the Fast Track Magistrate Court No.1 of Coimbatore. The company supplied inner garments and ladies' wear to the customer in 2018. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The complaint is currently pending for adducing the sworn statement of the complainant. The amount involved is ₹ 1,55,211.00.

xxxvi. A criminal complaint has also been lodged by our company against Lifetime Enterprise, Vizak. The case is recorded as STC No.81/2024 in the Fast Track Magistrate Court No.1 of Coimbatore. The company supplied inner garments and ladies' wear to the customer in 2018. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was November 18, 2024, wherein the complainant was present and the summons numbered D.NO.2243/2024 returned as no such addressee was present the address, a fresh summons to be sent, the next hearing for the summons service is on February 19, 2025. The amount involved is ₹1,61,971.00.

xxxvii. A criminal complaint has also been lodged by our company against Ishan General Stores, Jammu. The case is recorded as STC No.68/2024 in the Fast Track Magistrate Court No.1 of Coimbatore. The company supplied inner garments and ladies' wear to the customer in 2018, However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was on November 15, 2024, wherein the complainant was present and a fresh summons against the accused was pending for the next hearing for service of summons on February 20, 2025. The amount involved is ₹ 1,00,000.00.

xxxviii. A criminal complaint has also been lodged by our company against Success Kurtis collection through proprietor Subhash Batham, Jaipur. The case is recorded as STC No.80/2024 in the Fast Track Magistrate Court No.1 of Coimbatore. The company supplied inner garments and ladies' wear to the customer in 2018. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was November 18, 2024, wherein the complainant was present, but the accused's summons returned as incomplete, and court ordered a fresh issue of summons. The next hearing date is February 19, 2025, for service of summons. The amount involved is ₹ 71,470.00.

xxxix. A criminal complaint has also been lodged by our company against Shree Riddhi Siddhi Exclusive Collection, represented by its proprietor, Prem Kumar Kedia Lalpur. The case is recorded as STC No.42/2024 in the Fast Track Magistrate Court No.1 of Coimbatore. The company supplied inner garments and ladies' wear to the customer in 2018. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was July 26, 2024, wherein the complainant was present, however despite the summons numbered D. No. 937/2024 being served, the accused was absent, the court ordered the issue of bailable warrant against the accused. The next hearing date is January 22, 2025, for the service of warrant. The amount involved is ₹ 1,30,640.00.

xl. A criminal complaint has also been lodged by our company against Meenakshi Tex represented by its proprietor, M.K Kulanthayan, Tirupur. The case is recorded as STC No.140/2024 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied yarn to the customer in 2022. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The last hearing date was November 12, 2024, wherein the complainant and accused were both present and the complaint is currently pending for trial, for the next hearing date, February 14, 2025. The amount involved is ₹ 7,78,349.00.

xli. A criminal complaint has also been lodged by our company against Hanuman Knit Fashion Represented by its Proprietor, K Dhanasekaran, Tirupur. The case is recorded as STC No.335/2024 in the Fast Track Magistrate Court No.2 of Coimbatore. The company supplied yarn to the customer in 2021. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The latest hearing date was November 08, 2024, wherein the complainant was present, and court ordered the summons of the accused, the next hearing date is January 22, 2025, for the issue of service of summons. The amount involved is ₹ 25,30,329.00.

xlii. A criminal complaint has also been lodged by our company against Naren Garments, Tirupur. The case is recorded as CFR No.7986/2024 in the Fast Track Magistrate Court No.2 of Coimbatore. Case number will be allotted once the sworn statement of the complainant is adduced. The company supplied knitted fabric to the customer in 2020 However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The amount involved is ₹ 8,82,248.00.

xliii. A criminal complaint has also been lodged by our company against Tharun Knit Wear, Tirupur. The case is recorded as CFR No.7987/2024 in the Fast Track Magistrate Court No.2 of Coimbatore. Case number will be allotted once the sworn statement of the complainant is adduced. The company supplied knitted fabric to the customer in 2020. However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The amount involved is ₹ 5,74,611.00.

xliv. A criminal complaint has also been lodged by our company against MS Tex, Tirupur. The case is recorded as CFR No.4275/2024 in the Fast Track Magistrate Court No.2 of Coimbatore. Case number will be allotted once the sworn statement of the complainant is adduced. The company supplied yarn to the customer in 2022 However, the customer defaulted on payment. Our Company filed a complaint under Section 138 of the Negotiable Instrument Act, 1881. The amount involved is ₹ 28,31,634.00.

xlv. A criminal complaint has also been lodged by our company against Dinesh Sharma. The case is recorded as Crime No.1280/2024 at the Palladam Police Station, Tirupur. The accused worked as an HR Executive in the garment division of our company during 2023-2024 and prepared forged muster rolls for left workers. Based on these muster rolls, wages were calculated and deposited into respective workers' bank accounts; however, the accused withdrew these amounts using ATM cards handed over by left workers to him. We lodged a criminal complaint before Palladam Police Station under Section 408 of IPC. The case is currently pending for filing of charge sheet, with an amount involved of ₹ 19,37,972.00.

b. Civil Proceedings

i. A winding-up petition has been filed against a Trade Line Enterprise (P) Limited, Chennai in the Madras High Court. The case stems from a transaction in 2012, where the company supplied cotton yarn. The customer defaulted on payments owed by Trade Line Enterprise. As of now, the petition remains pending, with an amount involved of ₹ 14,27,340.00

ii. Our Company has filed a formal petition against M/s Raja Textiles, represented by its proprietor, Mr. Saravanan, under PIM No. 570/2024 with the District Legal Aid Service Committee in Coimbatore. This action arises from a job order agreement established in 2021 for fabric sizing services, which has not been honoured by Raja Textiles, located in Palladam. Our Company has not received payment for the job order charges, totalling ₹ 5,51,190. In light of this situation, Our Company has sought pre-suit mediation to resolve the matter amicably. The petition is currently pending before the committee.

iii. In the case of Bannari Amman Spinning Mills Ltd vs ESI Corporation, the company is contesting a demand for damages amounting to ₹25,24,457 due to delayed registration of employees under the ESI scheme. Following the death of an employee, the ESI authority settled a claim but subsequently demanded damages. The Labour Court granted an interim stay, requiring the company to deposit 30% of the disputed amount, resulting in a remittance of ₹7,58,462 while the case remains pending for arguments

c. Actions taken by Statutory/Regulatory Authorities

There are no appeals by our company against actions taken by Statutory/Regulatory Authorities.

d. Tax Proceedings

There are no outstanding tax proceedings or appeals pending.

e. Other Material Litigations filed by our company

There is no material litigation filed by our company

f. Appeals against disciplinary action by our Company towards SEBI or any stock exchange in the last five Fiscals

There is no appeal filed by our company against any disciplinary action by SEBI or any stock exchange in the last five Fiscals

III. LITIGATION INVOLVING OUR SUBSIDIARIES

A. <u>Litigation against our subsidiaries</u>

a. Criminal Proceedings

There are no criminal proceedings against our subsidiaries

b. Civil Proceedings

There are no civil proceedings against our subsidiaries

c. Actions taken by Statutory/Regulatory Authorities

There are no actions taken by statutory/Regulatory Authorities against our Subsidiaries

d. Tax Proceedings

There is no tax proceedings filed against our subsidiaries

e. Other Material Litigations filed against our subsidiaries

There is no material litigations filed against our subsidiaries

f. Disciplinary Action against our subsidiaries by SEBI or any stock exchange in the last five fiscals

There are no disciplinary actions against our subsidiaries by SEBI or any stock exchange in the last five fiscals

B. Litigation by our subsidiaries

a. Criminal Proceedings

There are no criminal proceedings by our subsidiaries

b. Civil Proceedings

There are no civil proceedings by our subsidiaries.

c. Actions taken by Statutory/Regulatory Authorities

There are no outstanding appeals made against actions taken by Statutory/Regulatory Authorities made by our subsidiaries.

d. Tax Proceedings

There are no appeals made against tax proceeding made by our subsidiaries.

e. Other Material Litigation filed by our subsidiaries

There are no Material Litigation filed by our subsidiaries.

f. Appeal against disciplinary action by our subsidiaries towards SEBI or any stock exchange in the last five Fiscals

There are no appeals pending against disciplinary action by our subsidiaries toward SEBI or any stock exchange in the last five fiscals.

IV. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

V. MATERIAL DEVELOPMENT SINCE MARCH 31ST 2024.

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" on page 105 of this Draft Letter of Offer

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "***Objects of the Issue***" at page ***52*** of this Draft Letter of Offer.

MATERIAL DEVELOPMENTS

For details regarding preferential allotments refer to "***Capital Structure***" and "***Management Discussion and Analysis of Financial Conditions and results of operations***" chapters on page no. ***49*** and ***105.***

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

<u>Sale of Young Brand Apparel Private Limited</u>

Through share purchase agreement dated June 06, 2024 between our company, S.P. Apparels Limited and Young Brand Apparel Private Limited ("YBAPL"), the company sold 48.66% share capital of YBAPL with an intent to show bonafides of the parties in moving forward in the terms of MoU dated February 5, 2024. The seller has 13,03,000 shares of Rs 10/- each on June 05, 2024. Parties have identified certain Disclosed Adjusted Liabilities of the Company that have been agreed to be deducted from the purchase price for the Sale Shares. After giving effect to all adjustments, Parties agree that the total consideration payable by the Purchaser to the Seller is INR 79,54,00,000 (Indian Rupees Seventy-Nine Crores and Fifty-Four Lakhs) inclusive of applicable Taxes (including capital gains taxes payable by the Seller), towards the sale of the Sale Shares pursuant to this Agreement ("Purchase Price"). Prior to the Effective Date, the Purchaser has already paid a portion of the Purchase Price, i.e. INR 15,00,00,000 (Indian Rupees Fifteen Crores) as an advance amount pursuant to the MoU ("Advance Amount"). On Closing, the Purchaser shall pay the balance of the Purchase Price after deduction of the Advance Amount i.e. INR 64,54,00,000 (Indian Rupees Sixty-Four Crores and Fifty-Four Lakhs) ("Final Amount").

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in its meeting dated November 14, 2024, have authorised this Issue under Section 62(1)(c) of the Companies Act, 2013.

Our Board of Directors had its meeting held on [●] determined the Issue Price as ₹ [●] per Rights Equity Share in consultation with the Lead Manager and the Rights Entitlement as [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held on the Record Date.

Our Company has received 'in-principle' approval for listing of the Rights Equity Shares to be allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letters dated [●] and [●] issued by BSE and NSE, respectively for listing of the Equity Shares to be allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoters or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offenders under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaultersissued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company follows the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. [●] is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to ₹ 5,000 lakhs. The present Issue being of less than ₹ 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file a copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in.

Disclaimer from our Company, our Directors and the Lead Manager

Our company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.bannarimills.com or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager andtheir respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, sales person or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Tamil Nadu, India only.

Disclaimer clause of BSE

As required, a copy of this Draft Letter of Offer will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Disclaimer clause of NSE

As required, a copy of this Draft Letter of Offer will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer priorto the filing with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the issue is [●].

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 had amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with BSE Limited and National Stock Exchange of India Limited and not with SEBI.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form and the Right Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Letter of Offer shall be filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The Letter of Offer and its accompanying documents shall be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, inwhole or in part, for any purpose. If the Letter of Offer is received by any person in any jurisdiction whereto do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares, or the Rights Entitlement referred to in the Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Sharesor accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transferof the Equity Shares or Rights Entitlement.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED ("**THE SECURITIES ACT"**) OR ANY U.S. STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TOBE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America (ii) does not include the relevant certification set out in the Application Form Headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933 as amended (the "**Securities Act"**), or any state securities law in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISIDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue and the Bankers to the Issue* to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.
* *This consent shall be taken before filing of Letter of Offer*

Our company has received written consent dated December 21, 2024 from our Statutory Auditor, namely, P.N Raghavendra Rao & Co. , Chartered Accountants for inclusion of their examination report May 29, 2024 and May 30, 2023 on our Consolidated Financial Information for the financial years ended March 31, 2024 and March 31, 2023 and limited review report dated November 14, 2024 on the unaudited consolidated financial statements for the six month period ended September 30, 2024 to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to this statement of Tax Benefits dated December 21, 2024 in the form and context in which it appears in this Draft Letter of Offer in the Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our company has received written consent dated December 21, 2024 from our statutory Auditor namely, P.N Raghavendra Rao & Co. , Chartered Accountants to include their name as required on this Draft Letter of Offer and as an expert as defined under Section 2(38) of the Companies Act, 2013 in relation to its (i) examination report dated May 29, 2024 and May 30, 2023 on our Consolidated Financial Information for the financial years ended 2024 and 2023 (ii) limited review report dated November 14, 2024 on the unaudited consolidated financial statements for the six month period ended September 2024 and (iii) statement of tax benefits dated December 21, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S securities Act.

Except for the abovementioned documents, provided by Statutory Auditor our company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer except for the right issue made by the company during the financial year 2021. There have been no instances in the past, wherein our Company has failed to achieve the objectives in its previous issues.

Perform vis-à-vis objects – Last issue of listed subsidiaries or Associates

Our Subsidiary are not listed as on date of this Draft Letter of Offer. There are no associates who are listed as on date of this Draft Letter of Offer.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 03, 2011, and shall comply with the SEBI circular no. SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023, and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which meets at least once every year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints are received by our Company on a case-to-case basis, i.e. grievances are being received on the Company's email address and are typically disposed of in a timely manner from the date of receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "***Terms of the Issue***" beginning on page ***136*** of this Draft Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

LINK INTIME INDIA PRIVATE LIMITED
C – 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083, Maharashtra, India
Telephone: +91 81081 14949
Facsimile: NA
E-mail: bannari.rights2024@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance: bannari.rights2024@linkintime.co.in
Contact person: Shanti Gopalakrishnan
SEBI Registration No: INR000004058
Validity of Registration: Permanent

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/Refund Orders etc.

Nachimuthugounder Krishnaraj, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

252, Mettupalayam Road,
Coimbatore - 641 043,
Tamil Nadu, India
Telephone: +91 4222435555
Email:krishnaraj@banarimills.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

Overview

The Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, SEBI master circulars, ASBA circulars, other applicable circulars and the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

(i) our Company at www.bannarimills.com,

(ii) the Registrar atwww.linkintime.co.in,

(iii) the Lead Manager, at, www.saffronadvisor.com

(iv) Securities and Exchange Board of India at www.sebi.gov.in; and

(v) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.linkintime.co.in.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.bannarimills.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the

Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company.

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "***Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page ***147***.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

(i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

(ii) the requisite internet banking.

Applicants should note that they should very carefully fill in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see *"Grounds for Technical Rejection"* beginning on page *143.* Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, - see "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" beginning on page ***140***.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

(f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021

Don't(s) for Investors applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

(c) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(e) Do not submit the Application Form using a third party ASBA account.

(f) Avoid applying on the Issue Closing Date due to risk of delay/restrictions in making any physical application.

(g) Do not submit multiple applications.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to the Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Bannari Amman Spinning Mills Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID.
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialized form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹ [●] for per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at bannari.rights2024@linkintime.co.in; and

17. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in *"**Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers**"* on page ***162***, and shall include the following:

"I/ We hereby make representations, warranties and agreements set forth in *"**Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers**"* on page ***162***.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB, or funds are not blocked in the Investor's ASBA Accounts on or before the Issue.

Closing Date

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The remaining procedure for Application shall be same as set out in "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page ***140***.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "***Basis of Allotment***" on page ***154***.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

(a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under "***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA** process*" on page ***140***.

(d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under the Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under the Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the intimation on unblocking of ASBA Account would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(m) Investors are required to ensure that the number of Rights Equity Shares applied by them do not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple Applications.

(s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, as amended.

(t) Ensure that your PAN is linked with Aadhaar, and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejection

Applications made in the Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Applicants not having the requisite approvals to make application in the Issue.

(s) Application from Investors that are residing on U.S. address as per the depository records.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights

Entitlements in each demat account of the Investors, and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple applications. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see *"**Procedure for Applications by Mutual Funds**"* beginning on page ***146***.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in *"**Capital Structure – Subscription to the Issue by the Promoters and the Promoter Group**"* on page ***50***.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to, are pre-approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in the Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in the Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors, or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding [●], days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered as set out in ***–"Basis of Allotment"*** on page ***154***.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of [●], days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar www.linkintime.co.in, by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., https://www.bannarimills.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar www.linkintime.co.in. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on Application

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on **'T+2 rolling settlement basis'**, where **'T'** refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility; or (ii) internet banking. The Registrar will not accept any payments against the Application Forms if such payments are not made through ASBA facility or internet banking.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In cases where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "**The Issue**" beginning on page ***41***.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share face value of ₹ 5 each for every [●] Equity Shares of face value of ₹ 5 each held on the Record Date. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares face value of ₹5 each or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares of face value of ₹5 each shall have "**zero**" entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favor of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under the Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number dated [●] and [●] from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: **532674**) and NSE (Scrip Code: **BASML**) under the ISIN: INE186H01022. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within fifteen days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to the Issue by our Promoters and members of the Promoter Group

For details of the intent and extent of subscription by our Promoters and members of the Promoter Group, see "***Capital Structure – Subscription to the Issue by the Promoters and the Promoter Group***" beginning on page ***50***.

Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

(a) The right to receive dividend, if declared;

(b) The right to receive surplus on liquidation;

(c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

(d) The right to free transferability of Rights Equity Shares;

(e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and

(f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VI. GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be Allotted in the Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participants.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation (Hindi also being the regional language in the place where our Registered and Corporate Office is located).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favor of a person named by them; or (iii) apply for the shares renounced in their favor. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/ Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at bannari.rights2024@linkintime.co.in. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager, and our Company will not be responsible for any such allotments made by relying on such approvals.

The Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" BEGINNING ON PAGE 155.

VII. ISSUE SCHEDULE

Particulars	Date
Last Date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for on Market Renunciation of Rights Entitlements #	[●]
Issue Closing Date*	[●]
Finalisation of Basis of Allotment (On or About)	[●]
Date of Allotment (On or About)	[●]
Date of Credit (On or About)	[●]
Date of Listing (On or About)	[●]

 # Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
** Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

VIII. BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favor, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be "**unsubscribed**" .

Upon appro". of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

IX. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of fifteen days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such rate as specified under applicable law from the expiry of such 15 day's period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

X. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

(a) Unblocking amounts blocked using ASBA facility.

(b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) **National Electronic Fund Transfer** ("**NEFT**") - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) **Direct Credit -** Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) **RTGS** - If the refund amount exceeds ₹200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XI. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

a) Tripartite agreement dated October 06, 2005 amongst our Company, NSDL and the Registrar to the Issue; and

b) Tripartite agreement dated March 15, 2021 amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice will be directly sent to the Investors by the Registrar, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing to its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 ."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

XIII. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of the Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of the Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

C. Details of all unutilized monies out of the Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XIV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.

3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) Adequate arrangements shall be made to collect all ASBA Applications.

7) As on date our Company does not have any convertible debt instruments.

8) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XV. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with the Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "***Bannari Amman Spinning Mills Limited – Rights Issue 2024***" on the envelope and postmarked in India) to the Registrar at the following address:

Link Intime India Private Limited
C-101, 1st floor, 247 Park
L.B.S. Marg, Vikhroli (West)

Mumbai 400 083
Maharashtra, India
Tel: +91 81081 14949
E-mail: bannari.rights2024@linkintime.co.in
Investor Grievance ID: bannari.rights2024@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar www.linkintime.co.in. Further, the helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 81081 14949.

4. The Investors can visit following links for the below-mentioned purposes:

   a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in.

   b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.linkintime.co.in.

   c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.linkintime.co.in and

   d) Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: bannari.rights2024@linkintime.co.in.

The Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT"**), Ministry of Finance, Department of Economic Affairs through the FDI Policy (defined below).

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Policy, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occurin any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer or any other Issue Material in anyjurisdiction where action for such purpose is required, except that the Letter of Offer will be filed with SEBI and the Stock Exchanges.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter ofOffer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of theLetter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation orsolicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer and any other Issue Materials should not distribute or send the Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India. If the Letter of Offer or any other Issue Material is received by any personin any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlementsor the Rights Equity Shares.

The Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the RightsEntitlements, or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements (including their credit) and the Rights Equity Shares are only being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S Securities Act to eligible Equity Shareholders located in jurisdictions where such offer and sale are permitted under the laws of such jurisdictions. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit this Draft Letter of Offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in offshore transactions in reliance on Regulation S.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, in behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the Purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulation S under the U.S Securities Act)

3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer;

7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the

stabilization or manipulationof the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

11. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully readand reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements andthe Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in the Letter of Offer); and (vi) will have made its own determination that any investment decision toexercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes " Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Manager or any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights EquityShares or the accuracy, completeness or adequacy of the Exchange Information.

13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including the Letter of Offer and the Exchange Information (collectively, the **Information**") has been prepared solely by our company ; and (ii) neither the Lead Manager nor any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shallbe relied upon as, a promise, representation or warranty by the Lead Manager or any of its affiliates.

14. The purchaser will not hold our Company, the Lead Manager or its affiliates responsible for any misstatements in oromissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.

15. The purchaser understands and acknowledges that the Lead Manager is assisting our Company in respect of this Issueand that the Lead Manager is acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitabilityof any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from their engagement with our Company and in connection with this Issue.

16. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the RightsEquity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in the Letter of Offer and theApplication Form. The purchaser understands that none of our Company, the Registrar, the

Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is inthe United States, or is ineligible to participate in this Issue under applicable securities laws.

17. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distributionor resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outsidethe United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from theregistration requirements of the Securities Act and applicable state securities laws.

18. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.

19. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Manager with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

20. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.

21. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.

22. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

23. The purchaser shall hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities andexpenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Draft Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

24. The purchaser acknowledges that our Company, the Lead Manager, their affiliates and others will rely upon the truthand accuracy of the foregoing acknowledgements, representations and agreements.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.bannarimills.com from the date of the Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

a. Issue Agreement dated December 10, 2024, entered between our Company and the Lead Manager.

b. Registrar Agreement dated December 18, 2024, entered amongst our Company and the Registrar to the Issue.

c. Escrow Agreement dated **[●]** amongst our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

2. Material Documents

a. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

b. Certificate of incorporation dated July 10, 1989.

c. Certificate of commencement of business dated September 14, 1989.

d. Prospectus dated October 04, 2005, filed with SEBI, Stock Exchanges, RoC and other regulatory authorities during the initial public offering of our Company.

e. Fresh certificate of incorporation dated October 11, 1991, consequent upon change of name of our Company Bannari Amman Spinning Mills Limited.

f. Resolution of the Board of Directors dated November 14, 2024, in relation to the Issue.

g. Resolution of the Board of Directors dated December 21, 2024, for approving and adopting this Draft Letter of Offer.

h. Resolution of the Board of Directors dated **[●]** approving and adopting the Letter of Offer.

i. Resolution of our Board dated **[●]**, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

j. Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Bankers to the Issue, Legal Advisor, the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer and the Letter of Offer in their respective capacities.

k. Annual Reports of the Company for the past Three financial years.

l. The limited review report dated November 14, 2024, of the Statutory Auditor on the unaudited consolidated and standalone financial statements for the six months period ended September 30, 2024 and September 30, 2023 included in this Draft Letter of Offer

m. Statement of Tax Benefits dated December 21, 2024, from the Statutory Auditor included in this Draft Letter of Offer.

n. Tripartite Agreement dated October 06, 2005, between our Company, NSDL and the Registrar to the Issue.

o. Tripartite Agreement dated March 15, 2021, between our Company, CSDL and the Registrar to the Issue.

p. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government, and the regulations or guidelines issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sangampalayam Vedanayagam Arumugam (Chairman & Managing Director)	
Tharanipathy Rajkumar (Independent Director)	Sangampalayam Kandasami Sundararaman (Non- Executive Non-Independent Director)
Kollengode Padmanabhan Ramakrishnan (Independent Director)	Priya Bhansali (Independent Director)
Sadhana Vidhyashankar (Independent Director)	Shanmugavelayutham Sihamani (Independent Director)
Kulandai Samy Gounder Sadhasivam (Non- Executive Non-Independent Director)	Chellamuthu Sivasamy (Independent Director)
Srinivasan Seshadri (Chief Financial Officer)	

Place: Coimbatore

Date: December 21, 2024