



ANNUAL REPORT
2023-2024

K G DENIM LIMITED

K G Denim Limited



**32nd Annual Report
2023-24**

K G DENIM LIMITED

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K G DENIM LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Shri KG Baalakrishnan
Executive Chairman

Shri B Sriramulu
Managing Director

Shri B Srihari
Managing Director

Shri A Velusamy

Shri A P Seturaaman

Shri N Govindarajan

Shri Jaganmohan Ramachandran

Shri D Kumaravel w.e.f. 01.04.2023

Shri R Selvakumar w.e.f. 07.08.2023

Shri N B Anand w.e.f. 24.08.2024

Smt Geetha w.e.f. 29.08.2024

Smt Lakshmi Pattabi Raman upto 15.07.2024

CHIEF FINANCIAL OFFICER:

CA Ramaprabha S - w.e.f. 14.08.2024

CA Manickam S - upto 14.08.2024

COMPANY SECRETARY:

Shri P Rajesh

CORPORATE IDENTITY NUMBER:

L17115TZ1992PLC003798

REGISTERED OFFICE:

Then Thirumalai
Coimbatore - 641 302
Phone :04254-235240/235401
Email: cskgdl@kgdenim.in

STATUTORY AUDITORS:

M/s. Gopalaiyar and Subramanian
Chartered Accountants
Coimbatore

INTERNAL AUDITORS:

M/s. Mohan & Venkataraman
Chartered Accountants
Coimbatore

SECRETARIAL AUDITOR :

MDS & Associates LLP
Company Secretaries
Coimbatore

COST AUDITOR:

Shri M Nagarajan
Cost Accountant
Coimbatore

BANKERS:

Indian Bank
Union Bank of India
State Bank of India
South Indian Bank Limited
Bank of Maharashtra

REGISTRAR AND SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
"Subramanian Building",
No.1, Club House Road,
Chennai - 600 002.
Phone : 044 - 28460390
Email : investor@cameoindia.com

K G DENIM LIMITED

NOTICE OF 32ND ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the Members of K G Denim Limited will be held at 3.30.P.M. Indian Standard Time (IST) on Monday, 30th September, 2024 at the Registered Office of the Company at Then Thirumalai, Coimbatore – 641302, to transact the following business(es):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31.03.2024 and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Ayyalusamy Velusamy (DIN: 00002204), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri KG Baalakrishnan (DIN: 00002174), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Ratification of remuneration payable to Cost Auditors and in this regard, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri M Nagarajan (Membership No: 6384), Cost Accountant, who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025 on a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes and re-imbursalment of travelling and out of pocket expenses incurred by him for the purpose of audit, be and are hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. Re-appointment of Shri N Govindarajan (DIN: 00366402), as an Independent Director of the Company and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the relevant provisions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Govindarajan be and is hereby re-appointed as an Independent Director of the Company, to hold office for his second term of 5 (five) consecutive years with effect from 29th July 2025, and who will also attain the age of 75 (seventy-five) years on 29th December 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

6. Appointment of Shri Nallusamy Balasubramaniam Anand (DIN: 00785555) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the relevant provisions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Nallusamy Balasubramaniam Anand, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years with effect from 24th August 2024.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above Resolution.

7. Appointment of Smt Geetha (DIN : 10753728) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the relevant provisions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt Geetha be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years with effect from 29th August 2024 and is not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above Resolution.

STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 4

The Board of Directors of the Company based on the recommendations of the Audit Committee of the Company, appointed Shri M Nagarajan (Membership No: 6384), Cost Accountant, Coimbatore, as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2024-25 and also approved the remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes thereon and reimbursement of travelling and out-of-pocket expenses incurred by them during

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the course of the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors of the Company shall be recommended by the Audit Committee and approved by the Board of Directors subject to the ratification by the Members at the Annual General Meeting of the Company. Accordingly, the consent of the members is being sought for the ratification of the said remuneration payable to the Cost Auditors of the Company for the financial year 2024-25.

The Board recommends the resolution as set out under Item No.4 of the Notice for the approval of the members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution as set out under Item No. 4.

ITEM NO. 5

Shri N Govindarajan (DIN: 00366402) was appointed as an Independent Director of the Company by the Members at the 28th Annual General Meeting held on 30th November, 2020 to hold office for five (5) consecutive years for a term upto 28th July, 2025.

As per Section 149(10) of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years.

Therefore, keeping in view his qualification and experience of Shri Govindarajan the Board of Directors are of the opinion that his continuation would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director of the Company.

The brief profile of Shri Govindarajan and other disclosures as required under Secretarial Standards 2 are furnished and forms part of this Notice.

Nomination and Remuneration Committee of the Board of Directors and the Board of Directors, on the basis of report of performance evaluation of Shri Govindarajan, has recommended his re-appointment as Independent Director for a second term of five (5) consecutive years, subject to the approval of Members, to hold office with effect from 29th July, 2025. Further, the Board of Directors is of the opinion that the continued association of Shri Govindarajan would be immensely beneficial to the Company.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) provides that "no listed Company shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect". Accordingly, Shri Govindarajan will attain the age of 75 years on 29th December 2024 and hence, continuation of his directorship beyond the age of 75 years also requires the approval of members by way of a Special Resolution.

In the opinion of the Board, Shri Govindarajan fulfils the conditions of appointment as specified under the provisions of the Act and the Listing Regulations and he is independent of the management. The disclosure as required under Regulation 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice. During the tenure of appointment, Shri Govindarajan shall not be liable to retire by rotation as provided under Section 149(13) of the Companies Act, 2013.

Shri Govindarajan, being the appointee as an Independent Director, has expressed his consent for appointment and has furnished necessary declarations to the effect that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that his name is included in the databank as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has not debarred from holding the office of Director by any statutory authority.

The Company has also received notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Govindarajan for the office of Independent Director of the Company. Copy of the draft letter for appointment of Shri Govindarajan as Independent Director setting out the terms and conditions would be available for inspection by the Members electronically on the Company's website (www.kgdenim.com) and also available at the Registered Office of the Company during normal business hours on all working days.

Accordingly, the Board recommends a Special Resolution in relation to justification and eligibility for re-appointment of Shri Govindarajan as an Independent Director for second term of five (5) consecutive years, for approval by the shareholders of the Company.

Except Shri Govindarajan, being the proposed appointee as an Independent Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out as Item No.5 of this Notice.

ITEM NO. 6

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meetings held on 24th August 2024 have recommended the appointment of Shri Nallusamy Balasubramaniam Anand (DIN : 00785555), as an additional director in the capacity of an Independent Director of the Company with effect from 24th August 2024. Further, the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 ('the Act'), proposing his candidature for the office of Independent Director of the Company.

Shri Anand, is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and is not debarred from holding

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the office of Director by virtue of any statutory authority. Shri Anand, has given his consent to act as a Director along with the declaration to the effect that he meets the criteria of independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that his name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, in terms of Regulation 25(2A) of the Listing Regulations the proposed appointment of Shri Anand requires the approval of the members by way of a Special Resolution.

In the opinion of the Board, Shri Anand, fulfils the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and is also independent of the Management.

Nomination and Remuneration Committee and the Board of Directors have evaluated /reviewed the balance of skills, knowledge and experience on the Board and identified the role and capabilities required of an Independent Director and considered that the appointment of Shri Anand, with his experience and expertise will be of immense value addition to the Board.

Shri Anand, an engineering a graduate, is a Director on the Board of 6 Companies and also the Managing Director of couple private limited Companies. He possess a rich experience as a member of the Board for nearly two decades.

A copy of the draft Appointment Letter issued to Shri Anand, upon his appointment as an Independent Director, containing the terms and conditions of such appointment, would be available to Members electronically on Company's website (www.kgdenim.com) and also available for inspection at the Registered Office of the Company during the normal business hours 9:00 am, India Standard Time (IST) to 4:00 pm (IST) on all working days without payment of fee.

The disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are appended to this Notice.

Accordingly, the Board recommends the Special Resolution for the appointment of Shri Anand, as an Independent Director for a term of five (5) consecutive years for approval by the Members of the Company.

Except Shri Anand, being the proposed appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution as set out as Item No. 6 of the Notice.

ITEM NO. 7

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meetings held on 24th August 2024 have recommended the appointment of Smt Geetha (DIN : 10753728), as an additional director in the capacity of an Independent Director of the Company with effect from 29th August 2024. Further, the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 ('the Act'), proposing her candidature for the office of Independent Director of the Company.

Smt Geetha, is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and is not debarred from holding the office of Director by virtue of any statutory authority. Smt Geetha, has given her consent to act as a Director along with the declaration to the effect that she meets the criteria of independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that her name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, in terms of Regulation 25(2A) of the Listing Regulations the proposed appointment of Smt Geetha requires the approval of the members by way of a Special Resolution.

In the opinion of the Board, Smt Geetha, fulfils the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for her appointment as an Independent Director of the Company and is also independent of the Management.

Nomination and Remuneration Committee and the Board of Directors have evaluated /reviewed the balance of skills, knowledge and experience on the Board and identified the role and capabilities required of an Independent Director and considered that the appointment of Smt Geetha, with her experience and expertise will be of immense value addition to the Board.

Smt Geetha, a post-graduate in law and interior design and a bachelor of science, is practicing as a corporate/legal adviser for nearly two decades. Her professional experience with international exposure would immensely add value to the Board of Directors of the Company.

The appointment of Smt Geetha shall meet the requirement for appointing at least one woman director on the Board in terms of Section 149 of the Act as well as the Regulation 17 of the Listing Regulations.

A copy of the draft Appointment Letter issued to Smt Geetha, upon her appointment as an Independent Director, containing the terms and conditions of such appointment, would be available to Members electronically on Company's website (www.kgdenim.com) and also available for inspection at the Registered Office of the Company during the normal business hours 9:00 am, India Standard Time (IST) to 4:00 pm (IST) on all working days without payment of fee.

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The disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are appended to this Notice.

Accordingly, the Board recommends the Special Resolution for the appointment of Smt Geetha, as an Independent Director for a term of five (5) consecutive years for approval by the Members of the Company.

Except Smt Geetha, being the proposed appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution as set out as Item No. 7 of the Notice.

| Name of the Director | Shri KG Baalakrishnan | Shri A Velusamy | Shri N Govindarajan | Shri Nallusamy Balasubramaniam Anand | Smt Geetha |
|---|---|--|---|--|--|
| DIN | 00002174 | 00002204 | 00366402 | 00785555 | 10753728 |
| Date of Birth/Age | 06-03-1940/ 84 years | 11-05-1956/ 68 years | 29-12-1950/ 73 years | 20-05-1967/ 57 Years | 16-09-1971/ 52 Years |
| Nationality | Indian | Indian | Indian | Indian | Indian |
| Date of appointment on the Board | 03-11-2003 | 01-04-2010 | 29-07-2020 | 24-08-2024 | 29-08-2024 |
| Qualification | B.Com, B.L | B.Sc, B.L | Electrical Engineer | BE Mechanical | B.Sc, PG in Interior Design & PG in Law from Nottingham Law School |
| Experience / Area of Expertise | More than 5 decades of practical experience in the setting up and management of textile units | Vast experience in Financial and Legal activities | Vast experience in various areas like oil and gas exploration | Vast experience in hosiery garments manufacturer | Vast experience in Legal and Financial areas |
| No. of Shares held in the Company | 25,78,560 equity shares of Rs.10/- each | 500 equity shares of Rs.10/- each | Nil | NIL | NIL |
| Inter-se Relationship with other directors | Shri KG Baalakrishnan is the father of Shri B Sriramulu, Shri B Srihari, Managing Directors of the Company | NA | NA | NA | NA |
| Board position held | Executive Chairman | Non- Executive Non-Independent Director | Independent Director | Independent Director | Independent Director |
| Terms of Appointment/ Re-appointment | Liable to retire by rotation | Liable to retire by rotation | As set out in Item No 5 of the Notice | As set out in Item No. 6 of the Notice | As set out in Item No.7 of the Notice |
| Remuneration sought to be paid | Rs.5 lakhs per month | Sitting fees only | Sitting fees only | Sitting fees only | Sitting fees only |
| Remuneration last drawn | 60 Lakhs per annum | Sitting fees – Rs. 0.30 Lakhs | Sitting fees – Rs. 1.25 Lakhs | NA | NA |
| No. of Board Meetings attended during the year | 6 | 5 | 6 | NA | NA |
| List of Directorships held in other Companies | 1. Sri Kannapiran Mills Limited 2. Sri Balamurugan Textile Processing Limited 3. Trigger Apparels Limited 4. Crocodile India Private Limited 5. Anandhi Power Limited 6. K G B Securities and Investments Private Limited 7. KGB Education Foundation | 1. Sri Kannapiran Mills Limited 2. Trigger Apparels Limited. 3. Anandhi Power Limited 4. K G B Securities and Investments Private Limited | Nil | 1.Cibi Bio Products India Private Limited 2. Cibi Textiles Private Limited 3. Cibi Anand Impex Private Limited 4. Boffo Agro Farms Private Limited 5. Global Coconut Farmers Producer Company Limited 6. Birdscale Technology And Services Private Limited 7. Krithisha Agro Farms Private Limited 8.Jayesh Farms India Private Limited | Nil |
| Details of Membership in Committees of Other Companies | Nil | Nil | Nil | Nil | Nil |
| Names of listed entities in which the person has resigned in the past three years | Nil | Nil | Nil | Nil | Nil |

K G DENIM LIMITED

By order of the Board
For **K G DENIM LIMITED**

Place: Coimbatore
Date: 29th August 2024

KG Baalakrishnan
Executive Chairman
DIN: 00002174

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.
2. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Members may note that M/s. Gopalaiyer and Subramanian, (Firm Registration No. 000960S) Chartered Accountants, Coimbatore were appointed as the Statutory Auditors of the Company by the shareholders at their Annual General Meeting (AGM) held on 28th September 2022, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2027. Hence, no resolution is being proposed for the appointment of statutory auditors at this 32nd Annual General Meeting.
5. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mds@mdsassociates.in with a copy marked to the Company at cskgdl@kgdenim.in and to its RTA at investor@cameoindia.com.
7. Members / Proxies should bring the attendance slips duly filled and signed, along with PAN/ DP ID & Client ID/ Folio No. for attending the meeting.
8. Members may note that the Notice of the 32nd Annual General Meeting and the Annual Report for the financial year 2023-24 have been made available on the Company's website www.kgdenim.com and also the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of Central Depository Services (India) Limited at www.evotingindia.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
9. Members attending the AGM in person shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) in respect of the Director seeking re-appointment/ appointment at the 32nd Annual General Meeting are furnished as annexure and forms part of the Notice.
11. The Company has paid the annual listing fees for the period 2024-25 to the Stock Exchange, BSE Limited, Mumbai.
12. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and share transfer books of the Company will remain closed during the period from Tuesday, 24th September, 2024 to Monday, 30th September, 2024 (both days inclusive) for ascertaining the list of members entitled to attend the AGM and vote on the resolutions.
13. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account Number,

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Name of the Bank, Branch, IFSC, MICR code and place with PIN Code) to their respective Depository Participant(s) and not with the Company. Members whose shareholding is in the physical mode are requested to direct the above details to the Company or to the RTA. Regular updation of bank particulars is intended to prevent fraudulent encashment of dividend warrants.

14. a. Members are requested to notify any change in their address, immediately:
 - i. to their Depository Participant(s) ("DPs") in respect of the shares held in electronic form, and
 - ii. to the Company or its RTA, in respect of the shares held in physical form together with proof of address viz, Aadhar Card /Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.b. In case the registered mailing address is without the Postal Identification Number Code ("PIN CODE"), Members are requested to kindly inform their PIN CODE immediately to the Company/ RTA/ DPs.
15. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination forms in respect of their physical shareholdings. Any member wishing to avail this facility may submit to the company's Registrar & Share Transfer Agent in the prescribed Form SH-13 (hosted on the website of the Company and RTA). Should any assistance be desired, members shall get in touch with the Company's Registrar & Share Transfer Agent. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.
16. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agent ("RTA"), the details of such folios together with the share certificates for consolidating their holdings into one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
17. Non-Resident Indian ("NRI") Members are requested to inform the Company or RTA or the concerned Depository Participants, as the case may be, immediately:
 - a) the change in the residential status on return to India for permanent settlement or
 - b) the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
18. Those members who have not encashed dividend warrants of earlier years may return the time barred dividend warrants to the Company or its Registrar and Share transfer Agents for revalidation of such instruments.
19. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary / RTA of the Company.

Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unpaid dividend can be viewed on the Company's website. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority. Details of Shareholders whose shares are liable to be transferred to IEPF are available on the Company's website. The Shareholders whose unclaimed dividend /share has been transferred to the 'Investor Education and Protection Fund', may claim the same from the IEPF authority by filing Form IEPF-5 along with the requisite documents.
20. Shareholders holding shares in demat form and who have not yet registered their e-mail address are requested to register their email address with their respective Depository Participant (DP) immediately. Shareholders holding shares in physical form are requested to dematerialize their shares and register their email address with our Registrar & Share Transfer Agents, Cameo Corporate Services Limited, 'Subramanian Building' No.1, Club House Road, Chennai – 600002; email id: investor@cameoindia.com.
21. A. Securities and Exchange Board of India ("SEBI") had earlier mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrar and Share Transfer Agents with effect from 1st April 2019.

B. Further, SEBI had mandated the listed entities to issue shares only in dematerialised mode, with effect from 25th January

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2022 to Shareholder(s)/claimant(s) holding shares in physical mode, as against their service requests including for transmission or transposition of shares.

As per the said circular, the Company has opened a separate Escrow Demat Account for the purpose of crediting the shares of the Shareholders who fail to submit the letter of confirmation with the respective Depository Participant within the prescribed timeline.

C. Further, SEBI vide its circular(s) dated 3rd November 2021 and 16th March 2023 has also mandated that the Shareholders holding shares in physical form are required to update their PAN, KYC details, bank details and nomination details with the RTA on or before 1st October 2023, failing which the securities held by such Shareholder will be frozen by the RTA. The securities once frozen will revert to normal status only upon receipt of requisite KYC documents or upon dematerialisation of the said securities. Shareholders holding shares in physical form may also note that once the securities are frozen, the dividend payments will be processed only upon receipt of requisite KYC details and thereafter credited to the bank account of the Shareholder electronically. Therefore, Members holding share(s) in physical form are requested to immediately update their KYC details / dematerialise their shareholding in the Company.

D. Further, SEBI vide its circular(s) dated 3rd November 2021 and 16th March 2023 has also mandated that the Shareholders holding shares in physical form are required to compulsorily link their PAN and Aadhaar. Accordingly, the physical folios in which PAN and Aadhaar are not linked have been frozen by the RTA. The securities which have been frozen will revert to normal status only upon receipt of requisite KYC documents or upon dematerialisation of the said securities.

Necessary prior intimation(s) in this regard was provided to the Shareholders. A copy of the said circular dated 16th March 2023 is available on the Company's website www.kgdenim.com.

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) in the prescribed form with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agents.
23. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
24. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company Secretary at least seven working days prior to the date of the 32nd Annual General Meeting, the same will be replied by the company suitably.
25. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.
26. Members are requested to forward their share related queries and communications directly to the Registrar and Share Transfer Agents of the Company – Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600002, India, email id: investor@cameoindia.com or the Company Secretary of the Company; email id: cskgdl@kgdenim.in.
27. As per the green initiative taken by the Ministry of Corporate Affairs, members are advised to register their email address with the Company in respect of shares held in physical form and with the concerned depository participant in respect of shares held in demat form to enable the Company to serve documents in electronic form.
28. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its Registrar and Share Transfer Agent, Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai – 600002; email id: investor@cameoindia.com., by quoting the Folio number or the Client ID number with DP ID number.
29. Members are requested to note that the 32nd Annual General Meeting will be held at Then Thirumalai, Coimbatore – 641302, the Registered Office of the Company. The route map containing the complete particulars of the venue is printed on this Notice.

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VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s), amendments, clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), the Company is providing to its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting ("remote e-voting") using an electronic voting system provided by Central Depository Services (India) Limited ("CDSL"), for all Members' of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting/ voting during the AGM. Instructions to Shareholders provided hereinafter for remote e-voting explain the process and manner for generating/ receiving the password, and for casting of vote(s) in a secure manner.

However, the Members are requested to take note of the following items:

- i) Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as on Monday, 23rd September, 2024, may refer to this Notice of the Annual General Meeting, posted on Company's website www.kgdenim.com for detailed procedure with regard to remote e-voting. Any person who ceases to be a member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- ii) The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their vote through electronic voting system or polling paper at the Annual General Meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by the member, the Member shall not be allowed to change it subsequently.
- iii) The remote e-voting period begins on Friday, 27th September, 2024 at 9.00 AM (IST) and ends on Sunday, 29th September, 2024 at 5.00 PM (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 23rd September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iv) In view of the SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing the ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under IDeAS section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholder/Member section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> |

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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

iv) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- v) After entering these details appropriately, click on "SUBMIT" tab.
- vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

i) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

i) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

i) The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

i) It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

i) Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. cskgdl@kgdenim.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - , Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

GENERAL INSTRUCTIONS

i) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Monday, 23rd September, 2024.

ii) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Meeting.

iii) The Company has appointed Shri. M D Selvaraj, Managing Partner of MDS & Associates LLP, Company Secretaries, Coimbatore as the Scrutinizer to scrutinize the remote e-voting and e-voting process at the meeting in a fair and transparent manner and for the purpose of ascertaining the majority.

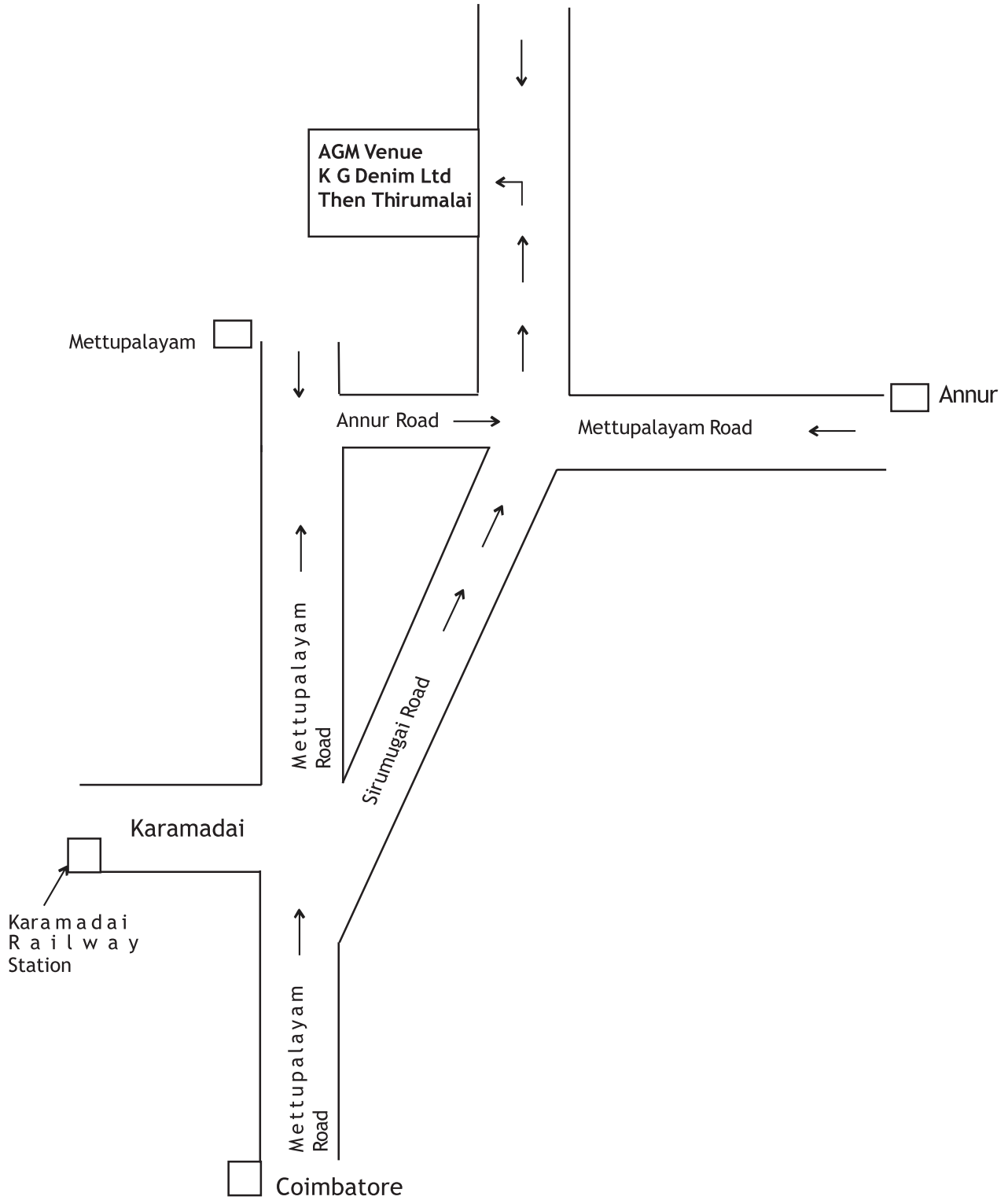
iv) The Chairman shall, at the 32nd Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting by way of electronic voting system or polling paper for all those members who are present at the 32nd Annual General Meeting but who have not cast their votes by availing remote e-voting facility.

v) The Scrutinizer shall after the conclusion of the e-voting at the Annual General Meeting, will first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

vi) The results shall be declared within the time stipulated under the applicable laws. The results declared along with the consolidated scrutinizer's report shall be placed on the company's website www.kgdenim.com and on the website of CDSL and communicated to the Stock Exchange where the company's shares are listed.

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ROUTE MAP OF VENUE OF 32ND ANNUAL GENERAL MEETING



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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 32nd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2024.

FINANCIAL RESULTS

The highlights of the standalone performance of your Company during the financial year 2023-24 are given hereunder;

(Rs. In Lakhs)

| <i>Particulars</i> | <i>Standalone</i> | | <i>Consolidated</i> | |
|--|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| | <i>Current Year 2023-24</i> | <i>Previous Year 2022-23</i> | <i>Current Year 2023-24</i> | <i>Previous Year 2022-23</i> |
| Total Revenue | 25,969.55 | 51,563.20 | 26,774.95 | 53,713.61 |
| Total Expenditure before interest, depreciation, exceptional, extraordinary items and income tax | 25,891.89 | 51,436.69 | 26,579.01 | 53,539.45 |
| Gross Profit before interest, depreciation, exceptional, extraordinary items and income tax | 77.66 | 126.51 | 195.94 | 174.16 |
| Less: Finance Cost | 2,391.47 | 2,230.46 | 2,557.82 | 2,320.18 |
| Depreciation | 1,457.21 | 1,572.21 | 1,470.86 | 1,582.58 |
| Profit/(Loss) before Exceptional & Extra-ordinary items | (3,771.01) | (3,676.16) | (3,832.74) | (3,728.60) |
| Add: Exceptional Items (Income) | 256.75 | - | 256.75 | - |
| Profit /(Loss) before tax | (3,514.26) | (3,676.16) | (3,575.99) | (3,728.60) |
| Less: Deferred tax | (988.21) | (936.70) | (1,003.25) | (931.67) |
| Profit / (Loss) for the period | (2,526.05) | (2,739.46) | (2,572.74) | (2,796.93) |

OPERATIONS

The Operating Revenue of the Company stands reduced by 49.64% from Rs. 51,563.20 Lakhs in the previous year to Rs. 25,969.55 Lakhs in the current year. After charging depreciation, interest and other overheads, the Company recorded a loss of Rs. 3,514.26 Lakhs as compared to the loss of Rs. 3,676.16 Lakhs in the previous year. The details of division-wise performance and other operational details are discussed at length in the Management Discussion and Analysis section.

During the year the Company has received notice from the Government of Tamil Nadu through the local District Administration directing the Company not to draw the water from Bhavani river which is the only source of water for the Company. Hence, major operations of the Company remain shut down in view of the prevailing water scarcity.

There has been no change in the nature of business of the Company.

ENVIRONMENT, SOCIAL AND GOVERNANCE

The Company holds due certification under Occupational Health and Safety Management System-ISO-45001 which is also focused on environmental management system. It ensures that the manufacturing of products is carried on without affecting the environment in the working area and surroundings.

The Company has once again achieved outstanding scores in the apparel industry as verified by a leading brand assessor continuously this year also and has been meticulously following various environmental measures and carbon reduction programs to achieve the above. The Company has introduced in-house developed Agitated Thin Film Dryer (ATFD) to concentrate the RO reject water to fine tune the existing Zero Liquid Discharge system.

The Company is maintaining a hospital for serving the community including supply of medicines at subsidised cost. As a part of social environmental protection, agro forestry has been developed with a demo plant with the technical support of Forest College, Coimbatore. Besides necessary essential services like providing potable drinking water to nearby villages, financial aids to schools etc., are also rendered.

HEALTH AND SAFETY

The Company has obtained certification under Occupational Health and Safety Management System-ISO-45001 which is an Integrated Management System focusing on an organization's occupational health and safety management system. This standard

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guides us to identify and control the conditions and factors that affect the well-being of employees, contractors, visitors and any other person in the workplace.

The Company is implementing various health and safety practices in continuous manner as per Occupational Health and Safety Management System-ISO-45001 standards and legal requirements.

The Company is conscious of improving the occupational and personal health of its employees. In addition, the Company contributes to the well-being of its employees as also people living around the factory premises by organising free medical camps, health check-up at in-house hospitals on regular basis.

The Company provides a safer work environment for its employees. Basic equipment are provided to ensure safety from fire.

Awareness classes are being conducted periodically with the help of internal/external agencies about the basic safety, fire fighting, mock drills, mass evacuation, first aid, etc.,

DIVIDEND

Since the Company has incurred loss during the year under review, the Board of Directors has not recommend dividend for the year 2023-24.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve during the year under review. However, the amount of loss of Rs. 2323.35 Lakhs for the current year has been adjusted against the surplus under the head "other equity" of the Company.

SHARE CAPITAL

During the year under review, the Company has not altered/modified its authorised share capital and the Company has not made any fresh issue of shares.

As on 31st March 2024, the authorized capital of the Company is Rs. 31,00,00,000/- divided into 3,10,00,000 equity shares of Rs. 10/- each, and the Issued, Subscribed and Paid-up equity capital of the Company is Rs. 25,63,78,250/- divided into 2,56,37,825 equity shares of Rs. 10/- each fully paid up.

TRANSFER OF UNCLAIMED DIVIDEND/SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Sections 124 and 125 of the Companies Act, 2013, (the "Act") unclaimed or unpaid dividend relating to the financial year 2016-17 is due for remittance to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

During the year under review, as per the requirements of Section 124(6) of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules) 53,535 Equity Shares of Rs. 10/- each on which dividend had remained unclaimed for a period of 7 years have been transferred to the credit of the demat account identified by the IEPF Authority. Accordingly, 8,25,130 Equity Shares of the Company stand transferred to the credit of the Demat Account of the IEPF Authority as on 31st March 2024.

WEB LINK OF ANNUAL RETURN

The Annual Return of the Company for the financial year 2023-24 as required under Section 92(3) of the Act can be accessed on the Company's website at the link <https://www.kgdenim.com/annual-return/>

BOARD AND ITS COMMITTEE MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW

The details of the composition of the Board and its Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and the Meetings held and attendance of the Directors at such Board / Committee Meetings are provided in the Corporate Governance Report under relevant heads which forms a part of this Report.

STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on meeting of the Board of Directors (SS-1) and General Meetings (SS-2).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement of Section 134(3)© of the Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that

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- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departure from those standards;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper system to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE ACT OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There was no instance of fraud as identified or reported by the Statutory Auditors during the course of their audit.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI Listing Regulations'] so as to qualify themselves as Independent Directors. Further, they have also declared that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Based on the confirmation / disclosures received from the Directors and on verification of the relationships disclosed, the following Non-Executive Directors are identified as Independent:

Mr. Jaganmohan Ramachandran, Mrs. Lakshmi Pattabi Raman, Mr. A P Seturaaman, Mr. N Govindarajan and Mr. Duraipandian Kumaravel.

Pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the names of all the independent directors have been included in the data bank of the Indian Institute of Corporate Affairs.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The Board of Directors have evaluated the Independent Directors appointed/ re-appointed during the year 2023-24 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors are satisfactory.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial year ended 31st March, 2024 relate and the date of the report.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS

Pursuant to the provisions of Section 178 of the Act and in terms of Regulation 19(4) of the SEBI Listing Regulations on the recommendation of the Nomination and Remuneration Committee, the Company has framed a policy on nomination, appointment and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company including criteria for determining qualifications, positive attributes, independence of a director and other matters pursuant to the provisions of Section 178 of the Act and in terms of Regulation 19(4) of the SEBI Listing Regulations. The Remuneration Policy can be accessed on the Company's website at the link <https://www.kgdenim.com/wpcontent/uploads/2022/06/nominationandremunerationcommitteepolicy.pdf>

COMMENTS ON AUDITORS' REPORT

There is no qualification, reservation or adverse remark or disclaimer made by M/s. Gopalaiyer and Subramanian, Statutory Auditors in their report. However, MDS & Associates LLP, Secretarial Auditors of the Company have qualified the following

K G DENIM LIMITED

observations in their Secretarial Audit Report:

Delay in submission of certain events or information to the stock exchange which are material in nature pursuant to Regulation 30 of SEBI Listing Regulations and disclosure of related party transactions for the half year ended 31st March 2023.

The information regarding the issue of duplicate certificate to one shareholder was not intimated to the stock exchange.

The management stated that the lapses were noted for future compliances in a timely manner.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE ACT

No loan, guarantee or investment was made by the Company under Section 186 of the Act during the year under review. Details of investments made during the earlier years are provided under the notes to Balance Sheet appearing elsewhere in this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties as defined under the Act and SEBI Listing Regulations during the financial year 2023-24 were in the ordinary course of business and on an arm's length basis and not material in nature and thus a disclosure in Form AOC-2 is exempted.

The Policy on Related Party Transactions can be accessed through the link at <https://www.kgdenim.com/wp-content/uploads/2022/06/rpt.pdf>.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure-1** attached to this report.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Board had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. The Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure is reviewed by the Audit Committee and Board of Directors on a Quarterly basis.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Board had formed a Corporate Social Responsibility (CSR) Committee of Board of Directors comprising of Mr. KG Baalakrishnan, Mr. A.P Seturaaman and Mr. A Velusamy. The CSR policy of the Company deals with allocation of funds, activities, identification of programs, approval, implementation, monitoring and reporting mechanisms under the policy.

The Company has incurred a loss during the immediately preceding financial year and hence no amount had been allocated for the CSR expenditure. Thus, no amount has been spent on the CSR activities of the Company for the financial year 2023-24. Hence disclosure of Annual Report on Company's CSR activities is not applicable. The policy relating to CSR has been displayed on the Company's website and can be accessed at the link <https://www.kgdenim.com/wp-content/uploads/2016/04/corporate-social-responsibility-policy.pdf>

ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, the Board of Directors evaluated the annual performance of the members of the Board and its Committees vis-a-vis the nature of business of the Company, its performance during the year and the contribution of each of the Directors based on the criteria laid down by the Nomination and Remuneration Committee.

The Independent Directors has also convened a separate meeting for this purpose on 13th February 2024 and inter-alia, reviewed the performance of the Non- Independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company and the Board.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors at their Meeting held on 7th August 2023 have appointed Mr. Ramaswamy Selvakumar (DIN: 00051608) as a Whole-time Director of the Company with effect from 7th August 2023 for a term of three (3) consecutive years. Subsequently, his appointment was approved by the Shareholders at their Meeting held on 29th September 2023.

Shri A Velusamy (DIN: 00002204), Director and Shri KG Baalakrishnan (DIN: 00002174), Executive Chairman of the Company retire

K G DENIM LIMITED

by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment. Your directors recommend their re-appointment.

The Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 14th August, 2024 after considering the qualifications, credentials and the required criteria as per statutory requirements, have recommended to the Shareholders for their approval, the proposal for:

Re-appointment of Shri N Govindarajan (DIN: 00366402) as Non-Executive Independent Director of the Company for a further period of 5 (five) years with effect from 29th July 2025 and continuance of the Directorship of Shri N Govindarajan, who will attain the age of 75 years on 29th December, 2024.

During the period under review, Smt.Lakshmi Pattabi Raman (DIN: 09488828) has resigned from Directorship of the company with effect from 15th July 2024. The Board wishes to place on record their sincere appreciation for the valuable services rendered by Smt.Lakshmi Pattabi Raman during her tenure of office as Director of the Company.

Key Managerial Personnel of the Company as required pursuant to Section 2(51) and 203 of the Companies Act, 2013 are -

| | |
|-----------------------|-------------------------------|
| Shri KG Baalakrishnan | - Executive Chairman, |
| Shri B Sriramulu | - Managing Director, |
| Shri B Srihari | - Managing Director, |
| Shri R Selvakumar | - Whole-time Director |
| CA Ramaprabha S | - Chief Financial Officer and |
| Shri P Rajesh | - Company Secretary. |

During the year, CS Rajesh P was appointed as the Company Secretary w.e.f 15.12.2023 in place of CS Krishnaveni P and CA Ramaprabha S was appointed as the Chief Financial Officer w.e.f 14.08.2024 in place of CA Manickam S

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has 2 (Two) subsidiaries namely, Trigger Apparels Limited and KG Denim (USA) Inc.

I. Trigger Apparels Limited

Trigger Apparels Limited is engaged in the marketing of readymade garments. The turnover of the Company during the year under review was Rs. 1698.93 Lakh as against Rs. 4663.45 Lakh during the previous year. During the year the Company has incurred a net loss of Rs. 46.54 Lakh as against a net profit of Rs. 5.85 Lakh during the previous year.

II. KG Denim (USA) Inc.

The turnover of the Company during the year under review was Rs. 57.49 Lakh (INR) as against Rs. 84.98 Lakh (INR) during the previous year. During the year the Company has incurred a net loss of Rs. 0.15 Lakh as against a net loss of Rs. 63.32 Lakh during the previous year. The operations of the Company are expected to improve in the forthcoming reporting period.

The Consolidated Financial Statements incorporating the Financial Statements of the subsidiary companies are attached to the Annual Report as required under the applicable Accounting Standard(s) and the SEBI Listing Regulations. The standalone Annual Financial Statements of Trigger Apparels Limited and KG Denim (USA) Inc., subsidiary companies are posted on the Company's website at the link <https://www.kgdenim.com/investors-page/annual-reports/>

However, the Company does not have any Joint Venture or Associate Companies. The Statement containing salient features of the Financial Statement of the subsidiaries pursuant to the provision of Section 129 of the Act is attached herewith in Form AOC-1 and is attached as **Annexure-2** to this report.

FIXED DEPOSITS

Since the Company has not accepted any fixed deposit covered under Chapter V of the Act, there are no deposits remaining unclaimed or unpaid as on 31st March, 2024 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operation in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit Committee of the Board periodically reviews the Internal Financial Control Systems and their adequacy and recommends corrective

K G DENIM LIMITED

action as and when necessary to ensure that an effective internal control mechanism is in place.

The Directors confirm that the Internal Financial Control systems are adequate with respect to the operations of the Company. The report of Auditors pursuant to Section 143(3)(l) of the Act certifying the adequacy of Internal Financial Control is annexed with the Auditors Report.

AUDITORS

STATUTORY AUDITORS

Pursuant to Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Gopalaiyer and Subramanian (Firm Registration No. 000960S), Chartered Accountants, Coimbatore, have been appointed as the Statutory Auditors of the Company at the 30th Annual General Meeting held on 28th September, 2022 for a period of 5 (five) consecutive years from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2027.

The Company has obtained the necessary consent and certificate from M/s. Gopalaiyer and Subramanian, Chartered Accountants, to the effect that their appointment would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from being appointed as the Statutory Auditors of the Company.

SECRETARIAL AUDITORS

MDS & Associates LLP, Company Secretaries, Coimbatore (LLPIN: ABZ 8060) (Peer Review No: 3030/2023) have been appointed as the Secretarial Auditors of the Company for the year 2024-25 to carry out the Secretarial Audit, pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The report of the Secretarial Auditors for the financial year 2023-24 is annexed as **Annexure-3** to this Report.

COST AUDITORS

The Board of Directors on the recommendation of the Audit Committee, has appointed Shri. M. Nagarajan, Cost Accountant as the Cost Auditor of the Company for the financial year 2024-25. Pursuant to Section 148 of the Act read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable for the year 2024-25 to the Cost Auditor of the Company is subject to ratification by the Shareholders at the ensuing Annual General Meeting.

DISCLOSURE ON MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE ACT

The maintenance of cost records as specified by the Central Government under Section 148(1) of the Act is applicable to the Company and accordingly the cost accounts and records are made and maintained.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

There are three petitions filed against the Company by the operational creditors and the proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016. However, the management is confident of settling issues out of the Court.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

INDUSTRIAL RELATIONS

The relationship between the management and the employees at all levels during the year under review has been cordial and productive.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to define the policy and redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

K G DENIM LIMITED

The following is a summary of sexual harassment complaints received and disposed of during the year 2023-24:

- | | |
|--------------------------------------|-------|
| i. Number of complaints received | - Nil |
| ii. Number of complaints disposed of | - NA |
| iii. Number of complaints pending | - NA |

PARTICULARS OF EMPLOYEES

The statement pursuant to Section 134 of the Act read with the Companies(Accounts) Rules, 2014 and Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached to this report as **Annexure-4**.

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of the SEBI Listing Regulations, a report on Corporate Governance along with a Certificate from the Company Secretary in Practice confirming the compliance of the provisions of Corporate Governance, is attached to this report as **Annexure-5** which forms an integral part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors has been duly constituted in accordance with the provisions of Section 177 of the Act. The details relating to the composition, meetings and functions of the Committee are set out in the Corporate Governance Report forming part of this Annual Report. The Board has accepted the Audit Committee recommendations during the year whenever required and hence no disclosure is required under Section 177(8) of the Act with respect to rejection of any recommendations of Audit Committee by the Board.

CEO/CFO CERTIFICATION

As required under Regulation 33(2)(a) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have furnished necessary certificate to the Board on the Financial Statements presented, which is annexed to this report.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's Code of Conduct. During the year under review, there was no complaint received under this mechanism. The policy can be accessed on the Company's website at the link <https://www.kgdenim.com/wp-content/uploads/2015/10/Whistle-Blower-Policy.pdf>.

CAUTIONARY STATEMENT

The statement in this Directors' Report & Management Discussion and Analysis contain forward looking statements regarding Company's projections & expectations and the actual results could differ materially from those expressed on account of various factors like raw material prices, change in demand, government regulation etc., and the readers are cautioned against placing undue reliance on the same.

ACKNOWLEDGEMENT

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. The Directors further wish to place on record their appreciation for the co-operation extended by all sections of the employees.

Our humble prayers to Sri Venkateswaraswamy Vari of Then Thirumalai for the continued prosperity of the Company.

Coimbatore
14th August, 2024

By Order of the Board
For **K G DENIM LIMITED**

KG Baal Krishnan
Executive Chairman
DIN: 00002174

K G DENIM LIMITED

Annexure-1

PARTICULARS PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:

A. Conservation of Energy:

(i) Steps Taken for conservation of Energy:

The energy review meetings are regularly conducted by Energy Cell headed by Certified Energy Auditor. Benchmark figures arrived in all the utilities and deviations are monitored on regular basis and corrective and preventive actions are taken as and when required.

The major efforts are mentioned below:

1. Usage of LED lights have been encouraged and all the new lights to be purchased will be only LED's.
2. All our climate-controlled Labs have been renovated with PUF insulation wall and ceiling panels for thermal insulation to bring down the energy consumption of HVAC equipment, about a 10% reduction in energy consumption on this account has been achieved.
3. Continued monitoring of leakages in Air, Steam, Water and Gas lines have been in force and reviewed periodically to control the energy consumption.

(ii) Steps Taken by the Company for utilizing alternate sources of energy:

The Company has installed Solar cell and linked the same to LED streetlights for energy conservation

(iii) Capital Investment on energy conservation equipment: Nil

B. Technology absorption & Research & Development

1) Efforts made towards technology absorption, adaptation and innovation: Nil

2) The Benefits derived like product improvement, cost reduction, product development or import substitution: Nil

3) Information of Imported Technology (imported during the last 5 years from the beginning of the Financial Year)

- | | |
|--------------------------|------|
| a) Technology Imported | None |
| b) Year of Import | N.A. |
| c) Technology absorption | N.A. |

4) Expenditure incurred on Research & Development:

| Expenditure on R&D | 2023-24 | 2022-23 |
|---|---------|---------|
| Capital | - | - |
| Revenue | 39.23 | 67.30 |
| Total | 39.23 | 67.30 |
| R&D Expenditure as a percentage of Turnover | 0.15% | 0.13% |

Foreign Exchange earnings & outgo:

The details of foreign exchange earnings and outgo are furnished below:

| Particulars | 2023-24 | 2022-23 |
|---------------------------|----------|-----------|
| Foreign Exchange Earnings | 6,823.85 | 16,650.77 |
| Foreign Exchange Outgo | 85.70 | 537.24 |

By Order of the Board
For K G DENIM LIMITED

KG Baalakrishnan
Executive Chairman
DIN: 00002174

Place: Coimbatore
Date : 14th August 2024

K G DENIM LIMITED

Annexure-2

Form AOC-1

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

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiary

| Sl. No | Particulars | Details | Details |
|--------|---|--------------------------|--------------------------|
| 1. | Name of the subsidiary | Trigger Apparels Limited | KG Denim (USA) Inc. |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01.04.2023 to 31.03.2024 | 01.04.2023 to 31.03.2024 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Rupees (in Lakhs) | USD \$ |
| 4. | Share capital | 600.00 | 700 |
| 5. | Reserves & surplus | (2,197.84) | (2,01,335.82) |
| 6. | Total assets | 3,264.31 | 1,54,549.10 |
| 7. | Total Liabilities | 4,862.14 | 3,55,184.92 |
| 8. | Investments | Nil | Nil |
| 9. | Turnover | 1,698.93 | 68,957.94 |
| 10. | Profit / (loss) before taxation | (61.58) | (180.08) |
| 11. | Provision for taxation | (15.04) | Nil |
| 12. | Profit / (loss) after taxation | (46.54) | (180.08) |
| 13. | Proposed Dividend | Nil | Nil |
| 14. | % of shareholding | 75% | 100 |

Notes: The following information shall be furnished at the end of the statement:

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

Part "B": Associates and Joint Ventures - NIL

Place: Coimbatore
Date : 14th August 2024

By Order of the Board
For K G DENIM LIMITED

KG Baalakrishnan
Executive Chairman
DIN: 00002174

K G DENIM LIMITED

FORM NO. MR-3

Annexure-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
K G DENIM LIMITED
(CIN: L17115TZ1992PLC003798)
Then Thirumalai
Coimbatore - 641302.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **K G Denim Limited** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of **K G Denim Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
 - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
 - f) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and

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

- a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
- b) Listing Agreement entered into by the Company with the BSE Limited;

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above except to the extent of the following:

1. The disclosure of related party transactions for the half year ended 31st March 2023 in respect of the Audited financial results declared on 25th May 2023 was submitted by the listed entity on 26th May 2023, which is not within the time stipulated under Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. During the year under review, the Company had reported events or information which are material in nature, to the stock exchanges, beyond the time as prescribed under Regulation 30(6) read with Part A of Schedule III of SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/ HO/ CFD/ CFD-PoD-1/P/ CIR/ 2023/ 123 dated 13th July 2023.
3. During the year under review, the Company has issued duplicate share certificate to one shareholder on 19/03/2024 and the information regarding the issue of duplicate certificate was not intimated to BSE Limited (both pdf & XBRL) pursuant to Regulation 39(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

K G DENIM LIMITED

4. The Annual Performance Reports (APR) with respect to the foreign subsidiary of the Company i.e., K G Denim USA were not submitted by the Company to the designated AD bank, which is not in compliance with the Foreign Exchange Management Act, 1999.

We further report that, during the year under review, there were no actions/ events in pursuant of the following Rules/ Regulations requiring compliance thereof by the Company:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and
- e. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

We further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws specifically applicable to the Company.

We further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable, except to the extent of the following:

1. During the year under review, there was a delay in payment of wages to the workers and staffs of the Company which is not in compliance with the Minimum Wages Act, 1948 and the Payment of Wages Act, 1936.
2. The Company is irregular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance and Tamil Nadu Labour Welfare Fund to the appropriate authority which is not in compliance with The Employees Provident Fund Act, 1952 & Employees State Insurance Act, 1948 and The Tamil Nadu Labour Welfare Fund Rules, 1973.
3. The amount of gratuity is not paid within 30 days by the Company to its employees and is still pending for settlement with simple interest, which is not in compliance with the Payment of Gratuity Act, 1972 and The Payment of Gratuity (Central) Rules, 1972.
4. The Company has not made the payment of bonus to its workers and staffs for the financial year 2022-23 under the Payment of Bonus Act, 1965.

We further report, that the compliance of applicable financial laws, like direct and indirect tax laws by the Company have not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that

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

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

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

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

We further report that during the audit period, the company has obtained necessary approval of the members through a special resolution for appointment of Shri. Duraipandian Kumaravel (DIN: 00004827) as an Independent Director of the Company with effect from 1st April, 2023 for a term of five consecutive years through Postal Ballot on 11th May 2023.

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Other than the above, there were no instances of:

- | Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- | Redemption / buy-back of securities
- | Major decision taken by the members pursuant to Section 180 of the Companies Act, 2013.
- | Merger / Amalgamation / Reconstruction etc.
- | Foreign technical collaborations.

For MDS & Associates LLP
Company Secretaries

Place : Coimbatore
Date : 14.08.2024

M.D.SELVARAJ
Managing Partner
Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023
UDIN : F000960F000946432

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

ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE

To
The Members,
K G DENIM LIMITED
(CIN: L17115TZ1992PLC003798)
Then Thirumalai,
Coimbatore - 641302.

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MDS & Associates LLP
Company Secretaries

Place : Coimbatore
Date : 14.08.2024

M. SELVARAJ
Managing Partner
Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023
UDIN : F000960F000946432

K G DENIM LIMITED

Annexure - 4

Statement pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| | | | | |
|--|--|---|--------------------|---------------------|
| 1. | The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and percentage increase of each Director, MD, ED, CFO and Company Secretary in the financial year: | Name of KMP | Designation | Ratio to median |
| | | Shri KG Baalakrishnan | Executive Chairman | 59.37 |
| | | Shri B Sriramulu | Managing Director | 47.50 |
| | | Shri B Srihari | Managing Director | 47.50 |
| | | Shri S Manickam | CFO | 11.07 |
| | | Shri P Rajesh (from Dec 23) | CS | 2.01 |
| | | Not paid any remuneration to other Non - Executive Directors | | |
| 2. | Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | Name of Director | Designation | Percentage increase |
| | | Shri KG Baalakrishnan | Executive Chairman | - |
| | | Shri B Sriramulu | Managing Director | - |
| | | Shri B Srihari | Managing Director | - |
| | | Shri S Manickam | CFO | - |
| | | Smt P Krishnaveni | CS | - |
| | | Shri P Rajesh | CS | - |
| Not paid any remuneration to other Non-Executive Directors | | | | |
| 3. | The median remuneration for the year 2023-24 is | Rs.1,10,062/- | | |
| 4. | The percentage decrease in the median remuneration of employees in the financial year | 8.22 % | | |
| 5. | The number of permanent employees on the rolls of Company | 667 | | |
| 6. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification hereof and any exceptional circumstances for increase in the managerial remuneration | There has been a decrease of 8.22 % in the remuneration of employees. There was no increase in the remuneration of the Executive Chairman and Managing Directors. | | |

K G DENIM LIMITED

| | | |
|----|--|---|
| 7. | Affirmation that the remuneration is as per the remuneration policy of the Company | Your Directors affirm that the remuneration is as per the remuneration policy of the Company. |
|----|--|---|

Disclosure under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Particulars of Top Ten Employees of the Company in terms of remuneration drawn:

| Name, Designation & Age of the Employee | Gross Remuneration paid (in Lakhs.) | Date of Commencement of Employment (Experience in year) | Qualification & Previous Employment | Percentage of equity shares held | Previous Employment |
|---|-------------------------------------|---|-------------------------------------|----------------------------------|--|
| KG Balakrishnan Executive Chairman & 83 | 60.00 | 03.11.2003 | B.Com, BL 20 Years | 10.06 | NA |
| B Sriramulu Managing Director & 56 | 48.00 | 03.11.2003 | B Tech, MS 20Years | 8.61 | NA |
| B Srihari Managing Director & 54 | 48.00 | 03.11.2003 | B Tech, ME 20Years | 8.71 | NA |
| S Manickam, Chief Financial Officer & 63 | 21.65 | 01.03.2018 | CA, ICWA 38 Years | Nil | 1. NLC India Limited, Neyveli -13 Years. 2. Private Practice as Chartered Accountant, Coimbatore- 5 Years. 3. Pioneer Poultry Group, Palladam- 5 Years. 4. Bannari Amman Spinning Mills Limited Coimbatore –10 Years. |
| S. Gopinath, Head of Sales & 52 | 20.49 | 01.04.1994 | B.Sc Computer Science, 30 Years | Nil | Bharath Information Technology, Coimbatore -1 Year 8 Months |
| Srinivasan R, General Manager & 60 | 20.50 | 01.07.2021 | MA, MBA (Marketing), 35 Years | Nil | Anglo French Textiles, Puducherry – 8 Years |
| Selvakumar R, Vice President – Commercial & 53 | 18.54 | 01.01.1993 | B.E Demt, 30 Years | Nil | NA |

K G DENIM LIMITED

| | | | | | |
|---|-------|------------|---------------|------|---|
| Pranav Sriraman, VicePresident – Home Textiles & 29 | 14.49 | 17.11.2017 | B.E, 5 Years | 0.26 | NA |
| Kalyanasundaram S Vice President - Sales | 12.55 | 24.07.1966 | MBA, 26 Years | NIL | 1. Arvind Mills Limited, Ahamadbad 5 -Years |
| Srihari S DGM - Marketing & 42 | 7.30 | 29.05.1982 | MBA, 19 Years | NIL | 1. KPR Knits, Tirupur - 2 Years 2. Texport Syndicate Bangalore - 2 Years, 3. Integra Apparels, Bangladesh - 2 Years 4. JVS Export, Madurai - 9 Years |

During the financial year 2023-24, there were no employees in the Company who was in receipt of remuneration exceeding in aggregate Rs. 1.02 Crores, if employed for the whole year and Rs. 8.50 Lakhs per month, if employed for any part of the year.

Note:

1. All employees are on the permanent rolls of the Company.
2. Except Shri B Sriramulu, Shri B Srihari and Shri Pranav Sriraman who is a relative of Shri KG Baalakrishnan, no other employee is relative (in terms of the Companies Act, 2013) of any Director of the Company. Further, no employee of the Company is covered by Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, that is employee, holding by himself or with his family, shares of 2% or more in the Company and drawing remuneration in excess of a Managing Director.
3. The remuneration details are for the year 2023-24 and all other particulars are as on 31st March, 2024

By Order of the Board
For **K G DENIM LIMITED**

K G Baalakrishnan
Executive Chairman
DIN: 00002174

Place: Coimbatore
Date : 14th August 2024

K G DENIM LIMITED

Annexure 5

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to building long term shareholders' value with full emphasis on Corporate Governance. The Company communicates corporate, financial and product information online on its website – www.kgdenim.com. The Company believes that all operations and actions must serve the goal of enhancing overall shareholder value, over a sustained period of time. The Company's philosophy envisages transparency, accountability and equitable benefits of highest level in its maximum possible operating fields and interaction with all its related stakeholders including esteemed Shareholders, Workmen, Officers, Government, Banks, Vendors and Customers.

2. BOARD OF DIRECTORS –

a. Composition, Category and Attendance of Directors:

The Company's Board of Directors presently comprises of Nine (9) Directors including four (4) Executive and Five (5) Non-Executive Directors including four (4) are Independent Directors and one (1) is Non-Executive Non-Independent Director. Shri KG Baal Krishnan is the Executive Chairman and Shri B Sriramulu and Shri B Srihari are the Managing Directors, Shri R Selvakumar is a Whole-time Director and all others are Non-Executive Directors of the Company. The Directors are professionals who have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

To ensure effective participation of all Directors, as a matter of practice, an annual calendar for Board, Committees of the Board and General Meeting(s) of the Company are determined and intimated to the Directors well in advance. The Company ensures that timely and relevant information is made available to all Directors in advance, to facilitate their effective participation and contribution during meetings and deliberations.

The Board has met Six times during the financial year on 01.04.2023, 25.05.2023, 07.08.2023, 07.11.2023, 03.01.2024 and 13.02.2024. The details of attendance of each Director at Board Meetings, last Annual General Meeting ("AGM") and their Directorship in other Indian Companies and membership in the Committees thereof are given below:

| Name of the Director | Category | Attendance Particulars | | Number of Directorships held in other Companies # | Number of Board & Committee Memberships held in other Companies \$ (Chairman / Member) |
|---|--------------------------------|------------------------|----------|---|--|
| | | Board Meeting | Last AGM | | |
| Shri.K.G. Balakrishnan DIN: 00002174 | Executive Chairman /Promoter | 6 | Yes | 5 | - |
| Shri.B. Sriramulu DIN: 00002560 | Managing Director/Promoter | 6 | Yes | 3 | - |
| Shri.B. Srihari DIN: 00002556 | Managing Director/Promoter | 6 | Yes | 5 | - |
| Shri.A.Velusamy DIN: 00002204 | Non-Executive/ Non-Independent | 5 | No | 3 | - |
| Shri. N. Govindarajan DIN: 00366402 | Non-Executive/ Independent | 6 | Yes | - | - |
| Shri. A.P. Seturaaman DIN: 07331898 | Non-Executive Independent | 6 | Yes | - | - |
| Shri.Jaganmohan Ramachandran DIN: 09125603 | Non-Executive/ Independent | 4 | No | - | - |
| Shri. Duraipandian Kumaravel DIN: 00004827 w.e.f 01.04.2023 | Non-Executive/ Independent | 3 | Yes | - | - |

K G DENIM LIMITED

| | | | | | |
|--|--------------------------------|---|----|---|---|
| Shri. R.Selvakumar DIN: 00051608 w.e.f 07.08.2023 | Whole-time Director | 5 | No | - | - |
| Smt. T. Anandhi DIN: 00050786 (Upto 04.08.2023) | Non-Executive/ Non-Independent | 2 | NA | 1 | - |
| Smt. Lakshmi Pattabi Raman DIN: 09488828 (Upto 15.07.2024) | Non-Executive/ Independent | 4 | No | - | - |

Excludes directorships in Private Companies, Foreign Companies, Section 8 Companies & Govt. Companies.

\$ Only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26 of SEBI Listing Regulations.

Shri B Sriramulu and Shri B Srihari, Managing Directors, are sons of Shri KG Baal Krishnan, Executive Chairman of the Company. None of the other directors on the Board of the Company are related to each other.

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the Listing Regulation.

As per the disclosures received from the directors, none of the directors serve as member of more than 10 Committees nor they serve as the Chairman / Chairperson of more than 5 Committees, as specified under the Listing Regulations.

b. Other Directorships in listed entities:

None of the Director holds directorship in other listed entity.

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2024:

| S. No | Name of Director | No. of equity Shares held (as on March 31, 2024) |
|-------|---|--|
| 1. | Shri.A.Velusamy | 500 |
| 2. | Shri. N. Govindarajan | - |
| 3. | Shri. A.P. Seturaaman | - |
| 4. | Shri. Jaganmohan Ramachandran | - |
| 5. | Shri. D. Kumaravel | - |
| 6. | Smt. T Anandhi Upto 04.08.2023 | 20,31,000 |
| 7. | Smt. Lakshmi Pattabi Raman Upto 15.07.2024 | - |

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year.

The Company has not issued any type of convertible instruments to non-executive directors.

INDEPENDENT DIRECTORS

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 (the 'Act') along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

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Independent Director Databank Registration:

As per the requirements of the Companies Act, 2013, all the Independent Directors of the Company have applied online to the Indian Institute of Corporate Affairs for inclusion of their name in the Independent Director Databank and obtained registration thereof as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company has received declarations from all the Independent Directors of the Company confirming that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Familiarization Program for Independent Directors:

The Board Members are regularly updated on changes in Corporate and allied laws, Taxation Laws and matters thereto. In the quarterly Board Meetings, Managing Director and Senior Management conduct a session for the Board Members to share updates about the Company's business strategy, operations and the key trends in the industry relevant to the Company. These updates help the Board Members to keep themselves abreast with the key changes and their impact on the Company.

At the time of the appointment of an Independent Director, a meeting is set up with the Key Managerial Personnel to discuss the functioning of the Board and the nature of operations of the Company.

The Familiarization Program for Independent Directors have been posted on the Company's website at the link <https://www.kgdenim.com/wp-content/uploads/2023/03/familiarisationprogramme-independent-directors-06032023.pdf>

Key Board Qualifications, skills, expertise and attributes:

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its Committees and the management.

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of Company's Business Vertical(s) and those already available with the Board are as follows:

| Category | Expertise | Skill / Competencies |
|---|--|---|
| Non-Executive Non-Independent Directors | In- depth Industry Knowledge, Textile Business Policies Legal and Regulatory Framework Strategic Management | Entrepreneurial Governance Leadership Technical Analytical Organizational Technological Planning Resource Management and Utilisation People Management Communication Behavioural |
| Independent Directors | In- depth Industry Knowledge Textile Business Policies Audit, Taxation and Financial Management Legal and Regulatory Framework | Technical / Professional Analytical Technological Behavioural |
| Executive Directors | In- depth Industry Knowledge Textile Business Policies Audit, Taxation and Financial Management Legal and Regulatory Framework Strategic Management | Governance Leadership Technical Analytical Organizational Technological Planning Resource Management and Utilisation People Management Communication Behavioural |

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In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of a mark against a Director's name may not mean that the Director does not possess the said qualification or skill.

Board Qualifications - Area of Expertise

| Name of the Directors / Skills | Leadership | Board Service, Legal and Governance | Business Strategy | Technology & Innovation | Financial | Sales and Marketing | Human Resources |
|---|-------------------|--|--------------------------|------------------------------------|------------------|----------------------------|------------------------|
| Shri KG Baalakrishnan (DIN: 00002174) | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Shri B Sriramulu (DIN: 00002560) | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Shri B Srihari (DIN: 00002556) | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Shri A Velusamy (DIN: 00002204) | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Shri N Govindarajan (DIN: 00366402) | Yes | Yes | Yes | Yes | Yes | - | - |
| Shri A P Seturaaman (DIN: 07331898) | Yes | Yes | Yes | Yes | Yes | - | - |
| Shri Jaganmohan Ramachandran (DIN: 09125603) | Yes | Yes | Yes | Yes | Yes | - | - |
| Shri. D Kumaravel (DIN: 00004827) w.e.f. 01.04.2023 | Yes | Yes | Yes | Yes | - | - | - |
| Shri. R. Selvakumar DIN: 00051608 w.e.f 07.08.2023 | Yes | Yes | Yes | Yes | Yes | - | Yes |
| Smt. T. Anandhi DIN: 00050786 (Upto 04.08.2023) | Yes | Yes | Yes | Yes | Yes | Yes | - |
| Smt Lakshmi Pattabi Raman (DIN: 09488828) (Upto 15.07.2024) | Yes | Yes | Yes | Yes | Yes | - | - |

Resignation of Independent Directors before expiry of tenure:

During the year under review, Smt. Lakshmi Pattabi Raman resigned from the position of Independent Directorship before the expiry of her tenure with effect from 15th July 2024 due to personal reason and other professional commitments. The Board hereby confirms that there is no other material reason other than the above stated in the resignation letter received for her.

Separate meeting of the Independent Directors:

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on 13th February, 2024 without the presence of Non-Independent Directors and Members of the Management. The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, considering views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

COMMITTEES OF THE BOARD:

The Board Committees play a crucial role in the governance structure of the Company and help in delegating particular matters that require greater and more focused attention. The Board has constituted the following committees of Directors to deal with matters referred to it for timely decisions.

1) Audit Committee 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee, 4) Corporate Social Responsibility (CSR) Committee, 5) Related Party Transaction (RPT) Committee.

K G DENIM LIMITED

3. AUDIT COMMITTEE:

Brief description of terms of reference:

The Board has constituted a well-qualified Audit Committee in compliance with Section 177 of the Act read with Regulation 18 of the Listing Regulations. All the members of the Audit Committee have knowledge of finance, accounts and engineering industry.

The role, powers and functions of the Audit Committee are as per Section 177 of the Act and under Regulation 18 of the Listing Regulations.

During the year under review, the Committee met Five (4) times on 25.05.2023, 07.08.2023, 07.11.2023 and 13.02.2024. The Composition of the Audit Committee and the attendance of each member of the Committee are given below.

The Composition, name of members, meetings and attendance during the year:

| <i>Name of the Members</i> | <i>Category</i> | <i>No. of Meetings held during the year</i> | <i>No. of Meetings attended</i> |
|--|---------------------------------------|---|---------------------------------|
| Shri. Jaganmohan Ramachandran – (Chairman) | Non-Executive /Independent Director | 4 | 3 |
| Shri.A.P.Seturaaman,– (Member) | Non-Executive /Independent Director | 4 | 4 |
| Shri.N.Govindarajan, (Member) | – Non-Executive /Independent Director | 4 | 4 |

The Chairman of the Audit Committee did not attend the Annual General Meeting (“AGM”) held on 29.09.2023, due to personal pre-occupations. A member of the Committee nominated by him attended the AGM on his behalf.

4. NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference:

The constitution and terms of reference of Nomination and Remuneration Committee are as per the provision under Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013.

During the year under review, the Committee met six times on 01.04.2023, 19.05.2023, 31.07.2023, 07.08.2023, 11.12.2023 and 13.02.2024.

The Composition, name of members, meetings and attendance during the year:

| <i>Name of the Members</i> | <i>Category</i> | <i>No. of Meetings held during the year</i> | <i>No. of Meetings attended</i> |
|---|--|---|---------------------------------|
| Shri.Jaganmohan Ramachandran (Chairman) | Non-Executive /Independent Director | 6 | 5 |
| Shri.A.Velusamy (Member) | Non-Executive / Non - Independent Director | 6 | 6 |
| Shri.A.P.Seturaaman (Member) | Non-Executive/ Independent Director | 6 | 6 |
| Mr.N.Govindarajan (Member) | Non-Executive /Independent Director | 6 | 5 |

The Chairman of the Nomination and Remuneration Committee did not attend the Annual General Meeting (“AGM”) held on 29.09.2023, due to personal pre-occupations. A member of the Committee nominated by him attended the AGM on his behalf.

The Company pays remuneration to Managing Directors and Executive Directors by way of salary, perquisites and commission as approved by the members of the Company. The Non-executive Directors are not paid any remuneration except by way of sitting fees for attending the Meetings of the Board / Committee(s).

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The salient features of the Remuneration policy of the Company is annexed to the Board's Report and the detailed policy can also be accessed on the Company's website at the link <https://www.kgdenim.com/wp-content/uploads/2022/06/nomination-and-remuneration-committee-policy.pdf>

Details of Remuneration to Directors:

Remuneration and sitting fees paid to Executive and Non-Executive Directors during the year ended 31st March, 2024 are as follows:

(Rs. In Lakhs)

| Name of the Directors | Salary | Perquisites | Commission | Sitting Fees | Total |
|---|---------------|--------------------|-------------------|---------------------|--------------|
| Mr. K.G. Balakrishnan Whole-time Director/ Chairperson | 60.00 | -- | -- | -- | 60.00 |
| Mr.B. Srihari Managing Director | 48.00 | -- | -- | -- | 48.00 |
| Shri.B. Sriramulu Managing Director | 48.00 | -- | -- | -- | 48.00 |
| Shri.A.Velusamy Non-Executive - Non- Independent Director | -- | -- | -- | 0.30 | 0.30 |
| Shri.N. Govindarajan Independent Director | -- | -- | -- | 1.25 | 1.25 |
| Shri.A.P. Seturaaman Independent Director | -- | -- | -- | 1.70 | 1.70 |
| Shri.R. Jagannathan Independent Director | -- | -- | -- | 1.25 | 1.25 |
| Mrs. Lakshmi Pattabi Raman Independent Director | -- | -- | -- | 0.50 | 0.50 |
| Shri.D. Kumaravel Independent Director | -- | -- | -- | 0.60 | 0.60 |
| Shri.R. Selvakumar Whole-time Director | 12.62 | -- | -- | -- | 12.62 |

The Company does not pay remuneration to any of its Non-Executive Directors except sitting fees for attending the Board/ Committee Meeting(s).

No benefits, other than the above are given to the Directors. No performance linked incentive, severance fee, bonus, pension and/or stock option is given to the Directors. No service contracts were entered into with the Directors, their appointment is governed by the respective resolutions passed at the General Meeting of the Company in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except as stated above, none of the Directors have any pecuniary relationship with the Company.

The criteria making payments to Non – Executive Directors is appearing on the website of the Company at the link <https://www.kgdenim.com/wp-content/uploads/2022/07/criteriaformaking-payment.pdf>

The Company currently does not have any Stock Option Scheme

Senior Management

The particulars of senior management including the changes therein since the close of the previous financial year are as follows:

| Name of Senior Management Personnel | Designation | Date of Appointment | Date of Cessation, if any |
|--|--------------------------|----------------------------|----------------------------------|
| Shri.S. Gopinath | Vice President Marketing | 01.04.1994 | NA |
| Shri.S. Manickam | Chief Financial Officer | 01.03.2018 | NA |
| Shri.R. Saravanan | Factory Manager | 04.01.2000 | NA |
| Shri.P. Rajesh | Company Secretary | 15.12.2023 | NA |
| Smt. P. Krishnaveni | Company Secretary | NA | 15.12.2023 |

K G DENIM LIMITED

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholders Relationship Committee (SRC) pursuant to the applicable provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations to comply with the terms of reference as specified therein.

The Stakeholders Relationship Committee comprises three Directors. The Committee is chaired by Shri A P Seturaaman, Non- Executive Independent Director. During the year under review, the Committee met Twelve times on 10.04.2023, 17.04.2023, 29.05.2023, 14.07.2023, 14.08.2023, 20.09.2023, 16.10.2023, 31.10.2023, 15.11.2023, 27.11.2023, 02.01.2024 and 19.03.2024.

The Composition, name of members, meetings and attendance during the year:

| <i>Name of the Member</i> | <i>Category</i> | <i>No. of Meetings held during the year</i> | <i>No. of Meetings attended</i> |
|------------------------------|--|---|---------------------------------|
| Mr.A.P.Seturaaman - Chairman | Non-Executive Independent Director | 12 | 12 |
| Mr.A.Velusamy - Member | Non-Executive and Non - Independent Director | 12 | 8 |
| Mr.N.Govindarajan - Member | Non-Executive Independent Director | 12 | 11 |

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting held on 29.09.2023.

During the year, the Company has received 3 complaints and replied all the 3 complaints to the satisfaction of shareholders. There were no pending / outstanding complaints as on 31.03.2024.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

In compliance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee to comply with the terms of reference as provided therein.

The CSR Policy has also been framed and its details are uploaded in the Company's website.

During the year under review, the Committee has met four times on 20.05.2023, 01.08.2023, 31.10.2023 and 08.02.2024.

The Composition, name of members, meetings and attendance during the year:

| <i>Name of the Member</i> | <i>Category</i> | <i>No. of Meetings held during the year</i> | <i>No. of Meetings attended</i> |
|---------------------------------|--|---|---------------------------------|
| Mr.K.G.Baalakrishnan (Chairman) | Executive and Non Independent Director | 4 | 4 |
| Mr.A.P.Seturaaman - Member | Non-Executive Independent Director | 4 | 4 |
| Mr.A.Velusamy - Member | Non-Executive and Non Independent Director | 4 | 2 |

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, placed separately, forms part of this Annual Report.

K G DENIM LIMITED

8. GENERAL BODY MEETINGS:

a. Annual General Meeting:

Location and time for last three AGMs held and the Special Resolutions, if any, passed thereat, are as given below:

| Year | Date of Meeting | Time of Meeting | Venue of the Meeting | Special Resolutions Passed, if any |
|-----------|-----------------|-----------------|---|---|
| 2022-2023 | 29/09/2023 | 3.00 pm | Registered office of the Company – Then Thirumalai, Coimbatore – 641302 | <ol style="list-style-type: none"> To re-appoint Shri KG Baalakrishnan (DIN: 00002174) as Executive Chairman of the Company for a period of three (3) years with effect from 3rd November 2023. To re-appoint Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company for a period of three (3) years with effect from 3rd November 2023. To re-appoint Shri B Srihari (DIN: 00002556) as Managing Director of the Company for a period of three (3) years with effect from 3rd November 2023. To appoint Shri. R. Selvakumar (DIN: 00051608) as a Whole-time Director of the Company |
| 2021-2022 | 28/09/2022 | 3.30 pm | Video Conferencing (VC) / Other Audio Visual Means (OAVM). | Adoption of a new set of Articles of Association in place of the existing Articles of Association. |
| 2020-2021 | 27/09/2021 | 3.30 pm | Video Conferencing (VC) / Other Audio Visual Means (OAVM). | Fixing remuneration of Shri KG Baalakrishnan (DIN : 00002174) as the Executive Chairman of the Company with effect from 01.04.2021 to 02.11.2023 |

b. Extraordinary General Meeting

No extraordinary general meeting of the members was held during the financial year 2023 - 2024.

c. Postal Ballot and E-Voting

| Date of Postal Ballot Notice: 1 st April 2023 | | | | | | | |
|--|--------------------|---------------------------|----------------------|--|--------------------|------------|---------------|
| Cut -off date: 7 th April 2023 | | | | Voting period for Postal Ballot (E-Voting): 12 th April 2023 to 11 th May 2023 | | | |
| Date of approval: 11 th May 2023 | | | | | | | |
| Particulars of Resolution | Type of resolution | No. of valid votes polled | Votes cast in favour | | Votes cast against | | Invalid Votes |
| | | | No. of votes | % of votes | No. of votes | % of votes | |
| Approval for the appointment of Shri D Kumaravel (DIN:00004827) as an Independent Director of the Company with effect from 1 st April, 2023 for a term of five consecutive years. | Special Resolution | 1,47,02,736 | 1,46,82,726 | 99.86 | 20,010 | 0.14 | |

K G DENIM LIMITED

Shri. M.D. Selvaraj, Managing Partner of MDS & Associates LLP, Company Secretaries, Coimbatore, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner for the postal ballots for the year 2023-24.

d. Postal Ballot proposed to be conducted

As on date of this report, the Company does not foresee the need for postal ballot to pass any resolution in the financial year 2024-25.

9. MEANS OF COMMUNICATION

The Company is conscious of the importance of timely dissemination of adequate information to the Stakeholders. The Company is regularly publishing quarterly unaudited and audited financial results and notices advertisements in The Financial Express and Dinamani (vernacular language). The Company is posting the quarterly results and other statutory information on the Company's weblink <https://www.kgdenim.com/newspaper-advertisement> The Company does not display any official news releases on the website of the Company and also it has not made any presentations to the institutional investors or to the analysts during the year.

10. GENERAL SHAREHODLER INFORMATION

| | | |
|-------|---|---|
| i. | 32 nd Annual General Meeting date, time and venue | Monday, 30 th September 2024 at 3.30 PM Venue: Then Thirumalai, Coimbatore – 641302, (Registered Office of the Company) |
| ii. | Financial calendar | 1 st April 2023 to 31 st March 2024 |
| iii. | Dividend payment date | Not Applicable |
| iv. | Date of Book Closure | 24 th September, 2024 to 30 th September, 2024 (Both days inclusive) |
| v. | Listing on Stock Exchanges | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. The Company has paid the Listing Fees for the financial year 2023-24 to the above Stock Exchange |
| vi. | Scrip Code Name ISIN No | 500239 KGDENIM INE104A01012 |
| vii. | Registrars and Share Transfer Agents for both Dematerialised and physical shares | Cameo Corporate Services Limited "Subramanian Building", No.1 Club House Road, Chennai – 600 002 |
| viii. | Details of Compliance Officer | Shri. P. Rajesh Company Secretary Then Thirumalai, Coimbatore – 641 302 Ph: 04254 – 235568 Fax: +91 4254 235400 Email: cskgdl@kgdenim.in |
| ix. | Share Transfer System | Share transfer services are carried out by dematerialised form through NSDL and CDSL platforms and monitored by the Company's Registrar and Share Transfer Agents (STA) , viz., Cameo Corporate Services Limited. Request for share Transmission and Transposition, as duly coordinated by the STA, are considered and approved by the Share Transfer Committee of the Company. |

K G DENIM LIMITED

| | | |
|------|--|--|
| | | All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets quarterly and reviews the Share Transfer Committee's activities. |
| x | Dematerialisation of shareholding and liquidity | Number of shares dematerialized: 2,49,02,871 Percentage : 97.13 % (Promoters have completely dematerialized their shareholdings) |
| xi | Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity | Not Applicable |
| xii | Commodity price risk or foreign exchange risk and hedging activities | Nil |
| xiii | Plant location | Then Thirumalai, Jadayampalayam Village, Coimbatore - 641 302 |
| xiv | Address for Correspondence and Registered office | Then Thirumalai, Coimbatore - 641 302 |
| xv | Reconciliation of Share Capital Audit | A qualified Company Secretary in Practice has carried out the reconciliation of share capital audit o reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL. |
| xvi | List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad | The Company has approached India rating to obtain credit rating for Company. |

The shares of the company are regularly traded and in no point of time the shares were suspended for trading in the stock exchange.

K G DENIM LIMITED

a. Market Price Data

The details of the monthly highest and lowest closing quotations of the Equity Shares of the Company at the BSE Ltd., during the financial year 2023-24 are given below: (in Rs.)

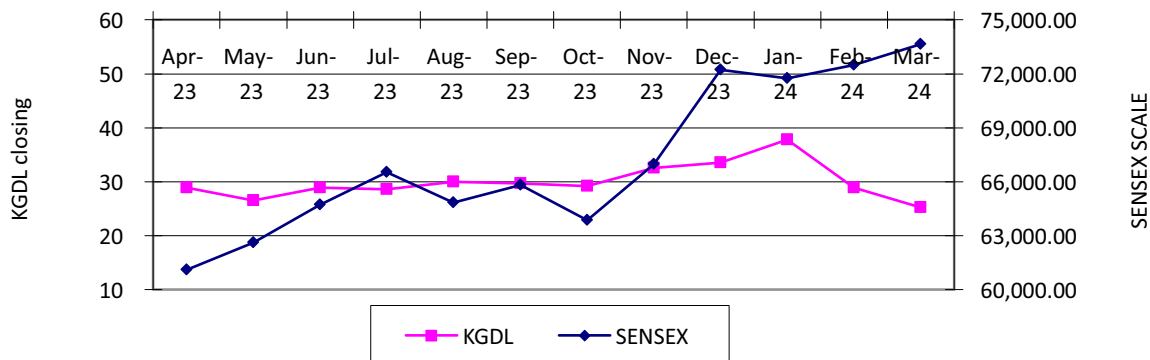
| MONTH | BSE | |
|-----------------|-------|-------|
| | HIGH | LOW |
| April, 2023 | 32.70 | 23.50 |
| May, 2023 | 30.32 | 26.46 |
| June, 2023 | 31.45 | 25.10 |
| July, 2023 | 30.85 | 26.55 |
| August, 2023 | 32.30 | 26.00 |
| September, 2023 | 34.70 | 25.35 |
| October, 2023 | 33.79 | 28.20 |
| November, 2023 | 35.00 | 28.23 |
| December, 2023 | 38.00 | 31.77 |
| January, 2024 | 41.90 | 33.50 |
| February, 2024 | 40.50 | 28.42 |
| March, 2024 | 31.58 | 23.70 |

b. Share price Performance in comparison with BSE Sensex:

Company's Share Price performance in comparison with BSE Sensex :

| MONTH | KG DENIM LTD – BSE (Share Price – Close) | BSE SENSEX (Close) |
|-----------------|---|--------------------|
| April, 2023 | 28.95 | 61,112.44 |
| May, 2023 | 26.50 | 62,622.24 |
| June, 2023 | 28.88 | 64,718.56 |
| July, 2023 | 28.60 | 66,527.67 |
| August, 2023 | 29.99 | 64,831.41 |
| September, 2023 | 29.75 | 65,828.41 |
| October, 2023 | 29.25 | 63,874.93 |
| November, 2023 | 32.58 | 66,988.44 |
| December, 2023 | 33.61 | 72,240.26 |
| January, 2024 | 37.86 | 71,752.11 |
| February, 2024 | 28.89 | 72,500.30 |
| March, 2024 | 25.27 | 73,651.35 |

Movement of Share Price - BSE during 2023 -2024



K G DENIM LIMITED

c. Shareholding Pattern as on 31st March 2024

| Category | Number of Shares Held | % of Shareholding |
|---|------------------------------|--------------------------|
| Promoter & Promoter Group | 1,50,58,956 | 58.74 |
| Mutual Fund | 3,200 | 0.01 |
| Directors and their Relatives | 500 | 0.00 |
| Investor Education and Protection fund (IEPF) | 8,25,130 | 3.21 |
| Indian Public | 87,06,930 | 33.97 |
| Hindu Undivided Family | 4,63,427 | 1.81 |
| NRI | 2,23,387 | 0.87 |
| Clearing Member | 1,000 | 0.00 |
| Bodies Corporate | 3,55,095 | 1.39 |
| Trusts | 200 | 0.00 |
| Total | 2,56,37,825 | 100.00 |

d. Distribution of Shareholding:

| Shareholding (Range) | No. of Holders | % of Holders | No. of shares | % of shares |
|-----------------------------|-----------------------|---------------------|----------------------|--------------------|
| 1 – 100 | 4991 | 49.31 | 3,73,285 | 1.45 |
| 101 – 500 | 3415 | 33.74 | 9,93,850 | 3.88 |
| 501 – 1000 | 808 | 7.98 | 6,77,975 | 2.64 |
| 1001 – 2000 | 376 | 3.72 | 5,75,776 | 2.25 |
| 2001 – 3000 | 152 | 1.50 | 3,91,120 | 1.53 |
| 3001 – 4000 | 70 | 0.69 | 2,51,291 | 0.98 |
| 4001 - 5000 | 61 | 0.60 | 2,95,106 | 1.15 |
| 5001 - 10000 | 110 | 1.09 | 8,48,117 | 3.31 |
| 10001 and above | 139 | 1.37 | 2,12,31,305 | 82.81 |
| Total | 10122 | 100.00 | 2,56,37,825 | 100.00 |

11. OTHER DISCLOSURES:

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

All the related party transactions are entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of The Companies Act, 2013 and the Listing Regulation. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel or otherwise which may have potential conflict with the interest of the Company at large.

The details of the transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Kindly refer to the notes forming part of accounts for the details of Related Part Transactions.

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

No penalties and/or strictures were imposed on the Company by SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

c. Details of establishment of vigil mechanism/ whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behaviour or any violation of the Company's code of conduct. The Audit Committee has been authorized to review the cases received under the Whistle Blower Policy of the Company and address the grievances of all the personnel in the Company. The Whistle Blower policy can be accessed on the Company's Website at the link <https://www.kgdenim.com/wp-content/uploads/2015/10/whistleBlower-Policy.pdf>

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Listing Regulations.

The Company has adopted the non-mandatory requirement relating to Reporting of Internal Auditors to the Audit Committee as recommended in terms of Regulation 27(1) read with Part E of Schedule II of the Listing Regulations.

e. Web link where policy for determining 'material' subsidiaries is disclosed

The Company has formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website at <https://www.kgdenim.com/wp-uploads/2016/04/material-subsidiary.pdf>

f. Web link where policy on dealing with related party transactions

The policy on dealing with related party transactions can be accessed on the Company's website at <https://www.kgdenim.com/wp-uploads/2022/06/rpt.pdf>.

g. Disclosure of commodity price risks and commodity hedging activities.

During the financial year ended 31.03.2024, the Company did not engage in commodity hedging activities.

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the financial year ended 31st March 2024, the company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

K G DENIM LIMITED

i. Certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:

A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

j. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

k Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

The Company has paid a sum of Rs. 6.00 Lakhs as fees on consolidated basis to the Statutory Auditors and all entities in the network firm / entity of which the Statutory Auditor is a part for the services rendered by them

I. Disclosures in relation to the Sexual Harassment of Women

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- I. Number of complaints filed during the financial year – NIL
- ii. Number of complaints disposed of during the financial year – NIL
- iii. Number of complaints pending as on end of the financial year – NIL

m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount – NIL.

n. Details of material subsidiaries of the listed entity , including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries – Not Applicable

o. Disclosure on Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

p. Disclosure on risk management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

q. Other disclosures:

Further, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of Listing Regulations.

12. Disclosure of certain types of agreements binding listed entities – Not Applicable

13. Compliance Certificate from the company secretary in practice

A Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been obtained from MDS & Associates LLP, Company Secretaries in Practice and annexed to Annual Report

K G DENIM LIMITED

14. Disclosures with respect to demat suspense account/ unclaimed suspense account

Pursuant to Regulation 39(4) read with Schedule VI of Listing Regulation, the Company does not have any unclaimed shares. Hence, opening of unclaimed suspense account is not applicable.

The Company has opened Suspense Escrow Demat Account in compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022. No share has been credited to that account during the financial year under review.

15. Certificate from CEO and CFO:

The CEO and CFO certification of the Financial Statements for the year has been submitted to the Board of Directors, as required under Listing Regulations.

16. Code of Conduct:

As provided under the Listing Regulations, the Board of Directors of the Company laid down the Code of Conduct for the Directors and the Senior Management Personnel. A declaration has been received from the Managing Director to the effect that the Directors and Senior Management Personnel have confirmed compliance with the said Code of Conduct.

17. Code for Prevention of Insider Trading

The Company has framed a code of conduct to regulate, monitor and report trading by Insiders based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Directors / Officers / Designated Employees.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same has been displayed on the Company's official weblink kgdenim.com/wp-content/uploads/2015/10/fair-disclosurecode.pdf

DECLARATION

I, KG Baal Krishnan, Chairman and Executive Director of K G Denim Limited, hereby declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2024 affirm compliance with the said code of conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Coimbatore
14.08.2024

By order of the Board
For K G Denim Limited

KG Baal Krishnan
Chairman and Executive Director
(DIN: 00002174)

K G DENIM LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31/03/2024

To

The Members of K G Denim Limited

Dear Sir,

We have examined the compliance of the conditions of Corporate Governance by M/s. K G Denim Limited ("the Company") for the financial year ended March 31, 2024 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2024.

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

For MDS & Associates LLP

Company Secretaries

Place : Coimbatore

Date : 14.08.2024

M.D.SELVARAJ

Managing Partner

Membership No.: FCS 960 C P No.: 411

Peer Review No. 3030/2023

UDIN: F000960F000946487

K G DENIM LIMITED

CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

To

The Board of Directors

K G Denim Limited
Coimbatore - 641302

We, the undersigned, in our respective capacity as Managing Director and Chief Financial Officer of K G Denim Limited (“the Company”) to the best of our knowledge and belief, certify that:

I. We have reviewed the Audited Financial Statements for the Quarter and Year Ended 31st March 2024, and to the best of our knowledge and belief, we state that :

- a) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws, and regulations.

II. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the Quarter and Year ended which are fraudulent, illegal, or violative of the Company's code of conduct.

III. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

IV. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

- a. there have been no significant changes in the internal control over financial reporting during the Quarter and Year ended;
- b. there have been no significant changes in the accounting policies made during the Quarter and Year ended; and
- c. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Coimbatore
Date: 23.05.2024

B Sriramulu
Managing Director

S Manickam
Chief Financial Officer

K G DENIM LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
K G DENIM LIMITED
(CIN: L17115TZ1992PLC003798)
Then Thirumalai,
Coimbatore - 641302

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. K G DENIM LIMITED having CIN: L17115TZ1992PLC003798 and having registered office at Then Thirumalai Coimbatore - 641302 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|--|----------|--------------------------------|
| 1 | *Mr. Govindaswamynaidu Balakrishnan (Whole-time Director/ Executive Chairman) | 00002174 | 03/11/2003 |
| 2 | *Mr. Balakrishnan Srihari (Managing Director) | 00002556 | 03/11/2003 |
| 3 | *Mr. Balakrishnan Sriramulu (Managing Director) | 00002560 | 03/11/2003 |
| 4 | Mr. Ayyalusamy Velusamy | 00002204 | 01/04/2010 |
| 5 | Mr. N Govindarajan | 00366402 | 29/07/2020 |
| 6 | Mr. Annamaili Ponnusamy Seturaaman | 07331898 | 05/11/2015 |
| 7 | Mr. Jaganmohan Ramachandran | 09125603 | 14/02/2022 |
| 8 | Mrs. Lakshmi Pattabi Raman | 09488828 | 14/02/2022 |
| 9 | Mr. Duraipandian Kumaravel | 00004827 | 01/04/2023 |
| 10 | Mr. Ramaswamy Selvakumar (Whole-time director) | 00051608 | 07/08/2023 |

Mr. K.G. Baalakrishnan / Mr. B. Sriramulu and Mr. B. Srihari were re-appointed as Executive Chairman / Managing Directors of the Company respectively, with effect from 3rd November 2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MDS & Associates LLP
Company Secretaries

M.D.SELVARAJ

Managing Partner

Place : Coimbatore

Date :14.08.2024

Membership No.: FCS 960 C P No.: 411

Peer Review No. 3030/2023

UDIN: F000960F000946531

K G DENIM LIMITED

Management Discussion and Analysis Report

Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Industry structure and developments: K G Denim Limited is a leading manufacturer of Denim Fabric. It has manufacturing facilities for Denim Fabric, Apparel Fabric, Readymade Garments and Home Textile products also generating steam for captive consumption and power for both captive consumption and outside sales.

India's economy witnessed remarkable growth in the financial year 2023-24, expanding by ~7.3%. However, Indian textile Exports experienced a decline for the second consecutive year in 2023-24, mainly attributed to the geopolitical tensions casting a shadow on the global trade. However, there is a silver lining; the textile industry is optimistic about the demand recovery for their products in FY 2024-25. Firstly, the domestic market continues to witness steady demand growth. Secondly, the large retailers in the overseas market are expected to start restocking inventory ahead of the season, leading to a gradual recovery in exports.

Opportunities and Threats:

Inflation has affected consumers and manufacturers alike with manufacturers and suppliers having to pay much more across their supply chains, from the cost of freight to wage increases for their workers. This has put textile manufacturers in a difficult situation. The Indian textiles market is expected to be worth more than USD 209 billion by 2029.

Opportunities:

Emerging retail industries and malls provide huge opportunities for textile businesses. India has availability of skilled labour at a lower cost which in turn reduces the cost of production. India also has large varieties of cotton fibers which make it distinct from other countries. Indian textile industry is a self-reliant industry. It has a complete value chain from the procurement of raw materials to the production of finished goods.

Threads:

Infrastructural bottlenecks and efficiency such as transaction time at ports and transportation time. Competition in the global market, especially from the textile and garment industries in Bangladesh and China. Competition from other developing countries. Expenses like indirect taxes, power and interests are comparatively high in India. India is the geographical distance from the major global markets of the US, Europe and Japan. Big geographical distance results in high shipping expenses and lengthy lead time.

Product-wise performance:

The Company's business is manufacturing and selling Denim Fabric, Apparel Fabric, Home textiles products & Readymade Garments. It consists of 70% of total revenue. Balance revenue from other divisions namely Home textiles, Readymade Garments and Power Plant. The company is also having a power plant for captive consumption of power and steam and also sells power units to outside parties

Fabric Divisions:

The business of manufacturing and selling Denim and Apparel fabric comes under the fabric division. Unfortunately, demand for our products is very low in the export market due to geopolitical issues. Though we have a demand for our products in the domestic market, still we are unable to achieve an estimated margin in the fabric business due to abnormal increases in yarn prices and also coal prices. Due to the increase in the above raw material and input cost, our capacity utilization is low and Working capital problem which ultimately affected our profit margin. However coming financial year 2024-25, the prices of yarn and coal prices are coming down very sharply and demand for our products both export and domestic is in increasing trend and we are able to achieve more than 65% of capacity and also prices of our products are stable and we foresee a productive financial year 2024-25 with a commendable profit margin.

Home Textiles and Readymade Garments:

Home Textile division is manufacturer and seller of Home textiles products in the export market only and most of the products are exported to the US and Europe. Due to the recession in the above countries. However we have identified plenty of opportunities for our home textiles products in export markets namely Africa, Australia, Russia, Singapore and Malaysia apart from US and Europe. Now the prices of grey fabric are coming down in proportion to yarn prices and export orders are coming up regularly. Hence we hope we will achieve good business volume along with good margins in the coming years.

Power Plant:

We are utilizing the required power and steam from our own power plant. During the year, we expected a good reduction in the coal prices. But unfortunately, the prices were not reduced much. However, in financial year 2024-25, coal prices fell dramatically, which in turn decreased the cost of power and fuel for our products. This will help us to increase our profit margin.

Outlook

The Market is coming back to normal after the last 12 months of demand drop due to the geopolitical situation. Our company has orders currently to sell at close to 70% capacity. It is a current reporting period our margins have been affected due to high raw material and fuel prices. Now the decreasing trend of yarn prices, fuel prices and other input costs and high demand for

K G DENIM LIMITED

our products will foresee healthy margins in the financial year 2024-25.

Risks and concerns

The Company recognizes that risk is an integral and unavoidable component of the business. The Company is committed to managing the risk in a proactive and effective manner. Identify the key risks having a severe impact on our business and take suitable measures to mitigate them.

The common risks are operational risks, raw material risk, disaster risk, financial risk, foreign exchange risk and market risks etc.,. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans company are imperative. Senior Executives is continuously monitoring the risk areas that could have an impact on the performance of the company and take appropriate actions to maximize opportunities in all activities and to minimize adversity.

Internal control systems and their adequacy:

The Company has a proper and adequate internal control system that is commensurate with its size and nature of business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded, and reported correctly.

The internal control system is responsible for addressing the evolving risks in the business, reliability of financial information, timely reporting of operational and financial transactions, safeguarding of assets and stringent adherence to the applicable laws and regulations. The internal auditors of the Company are responsible for regular monitoring and review of these controls. The Audit Committee periodically reviews the audit reports and ensures correction of any variance, as may be required. Key observations are communicated to the management who undertakes prompt corrective actions.

Financial performance with respect to operational performance

The financial performance of the company during the financial year 2023-24 has been discussed in the Directors Report and the audited financial statements, which have been prepared in accordance with the requirement of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, discloses a true and fair view of the performance of the company during the said period.

Material development in Human Resources / Industrial Relations front, including number of people employed :

Number of people employed - 667

Industrial relations in your plant and organization remained harmonious throughout the year. Your company emphasizes the safety of people working on its premises. Structured safety meetings were frequently held, and safety programs were organized from time to time. The management continues to lay emphasis on identifying and developing talent in organizations with a view to retaining them and imparting further training to those capable of handling additional responsibilities. This works to increase employee satisfaction within the organization, by providing employees with fresh challenges and opportunities. Developing people and harnessing their ideas are high priorities for the company.

Financial Ratios: -

The key Financial Ratios of the company are given below with an explanation in case of significant change

| Sl.No | Financial Ratios | FY 2023-24 | FY 2022-23 | % of change | Reason for change |
|-------|------------------------------------|------------|------------|-------------|--|
| 1 | Current Ratio | 0.76 | 0.84 | - | - |
| 2 | Debt Equity Ratio | 5.89 | 2.86 | - | Significant decline in business due to adverse market Conditions |
| 3 | Trade Receivable Turnover Ratio | 2.63 | 5.41 | - | |
| 4 | Inventory Turnover Ratio | 2.73 | 4.41 | - | |
| 5 | Net Capital Turnover Ratio | -4.06 | -24.72 | (84)% | |
| 6 | Return on Capital employed Ratio % | (2.80)% | (2.80)% | (200)% | |
| 7 | Net profit margin Ratio % | (9.85)% | (5.36)% | 84% | |
| 8 | Return on Investment % | 17% | 13% | 29% | |

CAUTIONARY STATEMENT

The Management Discussion and Analysis contain forward looking statements regarding Company's projections and expectations and the actual results could differ materially from those expressed on account of various factors like raw material prices, change in demand, government regulation etc., and the readers are cautioned against placing undue reliance on the same.

For K G DENIM LIMITED

Place: Coimbatore
Date: 14 August 2024

KG Baalakrishnan
Executive Chairman,
DIN : 00002174

K G DENIM LIMITED

Independent Auditor's Report To the Members of KG Denim Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of KG Denim Limited ('the Company'), which comprise the standalone balance sheet as at 31 March 2024, the standalone statement of profit and loss (including Other Comprehensive Income), the standalone Statement of Cash Flow and the Standalone Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements ("the 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 ('Ind AS'), specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, 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 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.

| Sr.No | Key Audit Matter | Auditor's Response |
|-------|--|--|
| 1. | <p>Litigations - Contingencies</p> <p>The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p> <p>Claims against the Company not acknowledged as debts are disclosed in the Financial Statements by the Company after a careful evaluation of the facts and legal aspects of the matters involved. The outcome of such litigation is uncertain and the position taken by management involves significant judgement and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings.</p> <p>Refer Note 41 to the Financial Statement</p> | <p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <p>Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal counsel and/or legal team and minutes of Board to confirm the operating effectiveness of these controls.</p> <p>Involving our direct and indirect tax specialists to assess relevant historical and recent judgements passed by the appropriate authorities in order to challenge the basis used for the accounting treatment and resulting disclosures.</p> |

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Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Corporate Governance Report, Management Discussion and Analysis, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report, Corporate Governance Report. The Management Discussion and Analysis are expected to be made available to us after the date of this auditor's report.

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

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

When we read the Board's report, Corporate Governance Report, Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

9 Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements

10. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
 12. 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.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
15. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying standalone financial statements.
 - (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 financial statements dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - (e) on the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company as on 31st March 2024 and the operating effectiveness of such controls, refer to our report in "**Annexure B**".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of and limits laid down under 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 (as amended), 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 as at 31st March 2024 in the standalone financial statements;

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ii. the Company did not have any long-term contracts including derivatives 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 during the year ended 31st March 2024.

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 securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("the 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 ("the 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 person(s) or entity(ies), including foreign entities ("the 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.

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representation under sub-clauses (a) and (b) above contains any material misstatement.

v. The Company has not declared or paid any dividend during the year and hence reporting under this clause does not arise.

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

(b) 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 Gopalaiyer and Subramanian
Chartered Accountants
FRN. 000960S

Place : Coimbatore
Date : 29th May 2024

R. Mahadevan
Partner
M.No.027497
UDIN: 24027497BKAVBF1671

K G DENIM LIMITED

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in the Independent Auditors' Report of even date to the members of K G Denim 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 and relevant details of right to use assets.

(B) The Company does not have any intangible assets and hence clause (i) (a) (B) of the order is not applicable.

(b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of property tax receipts, registered sale deed / transfer deed / conveyance deed and the records of the Company provided to us, we report that, title in respect of self-constructed buildings and the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d), The Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 inventories (except for stocks held with third parties) were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the frequency of such verification is reasonable and no material discrepancies were noticed at the time of verification.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 Crore, in aggregate, during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements (comprising stock statements, statements on ageing analysis of the debtors / other receivables, and other stipulated financial information) filed by the Company with such banks are not in agreement with the unaudited book of account of the company of the respective quarters as given hereunder.

Rs. in Lakhs

| Quarter ended as on | Inventory | | | Trade Receivables | | |
|---------------------|----------------------------|------------------------------|------------------|----------------------------|------------------------------|------------------|
| | As per Stock Statement (A) | As per Books of Accounts (B) | Difference (A-B) | As per Stock Statement (C) | As per Books of Accounts (D) | Difference (C-D) |
| 30-06-2023 | 8867.13 | 8758.74 | 108.39 | 8339.63 | 8808.04 | -468.41 |
| 30-09-2023 | 9902.76 | 9635.84 | 266.92 | 9957.25 | 9892.42 | 64.83 |
| 31-12-2023 | 8959.55 | 9106.30 | -146.75 | 9808.74 | 9597.76 | 210.98 |
| 31-03-2024 | 9222.51 | 9489.05 | -266.54 | 9547.10 | 9533.41 | 13.69 |

Note: The difference was on account of different methods of stock valuation adopted in respect of Inventories and Pending reconciliation of Sundry debtors for the purpose of reporting in Quarterly Bank Statements vis-à-vis books of accounts.

iii. (a) In our opinion and according to the information and explanations given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, except corporate guarantee of 500 lakhs to its subsidiary Trigger Apparels Limited.

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, and terms and conditions of the guarantees provided (including in earlier years) are not prejudicial to the Company's interest.

(c) The company has not granted any loans and advance in the nature of loans and hence paragraph 3 iii (c), (d), (e) and (f) of the order is not applicable.

iv. The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans given, investments made and the guarantees and securities provided, as applicable.

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v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit with the meaning of Sections 73 to 76 of the Act and the Rules framed there under. Accordingly, reporting under clause 3(v) of the Order is not applicable to the company.

vi. The Central Government has prescribed maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed and such accounts and records have been made and maintained.

vii. In respect of statutory dues

(a) In our Opinion, the Company has not been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. However, there were no undisputed amounts payable in respect of the aforesaid statutory dues which are in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no due which have not been deposited with the appropriate authorities on account of any dispute except for the following;

| Name of Statute | Nature of Dues | Amount (Rs. in lacs) | Period to which the amount relates | Forum where the dispute is pending |
|-----------------|--|----------------------|---|---|
| Customs Act | Custom Duty | 112.61 | FY 2013-14 | Customs Excise and Service Tax appellate tribunal, Chennai. Rs. 112.61 Lakhs was stayed by CESTAT, Chennai. |
| | Custom – Duty draw back and Advance License Scheme | 222.74 | 1 st April 2005 to 30 th September 2006 | High Court of Madras (Madurai Bench) |

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

ix (a) The Company has not defaulted in repayment of its interest and principal amount of loans taken from banks and financial institutions. The Company has not taken loans from the Government.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not taken any Term Loan during the year and hence reporting under clause 3(ix)(c) does not arise.

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

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

(f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or (fully, partly or optionally) convertible debentures during the year. Accordingly, reporting under clause 3 (x) (b) of the Order is not applicable to the Company.

xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

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(b) No report under sub-section (12) of section 143 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 upto the date of this report.

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

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

xiii In our opinion and according to the information and explanations given to us all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, wherever applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

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

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its them and accordingly, provisions of section 192 of the Act, 2013 are not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

(c) The Company is not a Core Investment Company (CIC), as defined in the Regulations made by Reserve Bank of India.

(d) The Group does not have any CICs.

xvii. The Company has incurred cash losses to the extent of Rs.2040.68 lacs in the current financial year covered by our audit and Rs. 2077.30 lacs in the immediately preceding financial year.

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

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

xx. In the absence of average net profits in the immediately three preceding years, there is no requirement for the company to spend any amount under section 135 of the Act and hence accordingly, reporting under clause (xx) of the order is not applicable for the year.

For Gopalaiyer and Subramanian

Chartered Accountants

FRN. 000960S

Place : Coimbatore
Date : 29th May 2024

R. Mahadevan

Partner

M.No.027497

UDIN: 24027497BKAVBF1671

K G DENIM LIMITED

Annexure - B to the Independent Auditors' Report

Independent Auditor's Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of KG Denim Limited ("the Company") as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those charged with Governance for Internal Financial Controls

2. The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 the company's 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.

Auditors' Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note 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 with reference to standalone financial statements were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

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authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place : Coimbatore
Date : 29th May 2024

For Gopalaiyer and Subramanian
Chartered Accountants
FRN. 000960S

R. Mahadevan
Partner
M.No.027497
UDIN: 24027497BKAVBF1671

K G DENIM LIMITED

STANDALONE BALANCE SHEET AS AT 31st MARCH 2024

(Rs. in Lakhs)

| Particulars | | Note No. | 31.03.2024 | 31.03.2023 |
|-------------|---|----------|------------------|------------------|
| | | | Audited | Audited |
| I. | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, plant and equipment | 1 | 13,704.36 | 15,055.66 |
| | (b) Capital work-in-progress | 1 | - | - |
| | (c) Right of Use Asset | 2 | 9.84 | 51.74 |
| | (d) Non current financial asset | | | |
| | Non-current investments | 3 | 330.86 | 329.46 |
| | (e) Deferred tax Assets | 4 | 1,269.33 | 281.12 |
| | (f) Other non current assets | 5 | 237.25 | 233.73 |
| | | | 15,551.64 | 15,951.71 |
| 2 | Current assets | | | |
| | (a) Inventories | 6 | 9,489.05 | 9,262.85 |
| | (b) Current financial asset | | | |
| | (i) Trade receivables, current | 7 | 9,533.41 | 9,950.29 |
| | (ii) Cash and cash equivalents | 8 | 44.25 | 14.23 |
| | (iii) Bank balance other than (ii) above | 9 | 323.28 | 317.35 |
| | (c) Current tax assets (net) | 10 | 279.68 | 254.35 |
| | (d) Other current asset | 11 | 5,366.44 | 4,653.50 |
| | | | 25,036.11 | 24,452.57 |
| | | | 40,587.75 | 40,404.28 |
| II. | EQUITY AND LIABILITIES | | | |
| 1 | EQUITY | | | |
| | (a) Equity share capital | 12 | 2,564.90 | 2,564.90 |
| | (b) Other equity | 13 | 972.00 | 3,295.36 |
| | Total Equity | | 3,536.90 | 5,860.26 |
| 2 | LIABILITIES | | | |
| | Non-current liabilities | | | |
| | (a) Non current financial liabilities | | | |
| | (i) Borrowings | 14 | 3,244.90 | 4,494.37 |
| | (ii) Lease Liabilities | 15 | 9.68 | 9.68 |
| | (b) Long-term provisions | 16 | 598.87 | 692.79 |
| | (d) Government grants | 17 | 130.87 | 301.50 |
| | | | 3,984.32 | 5,498.34 |
| | Current liabilities | | | |
| | (a) Current financial liabilities | | | |
| | (i) Borrowings | 18 | 17,574.21 | 14,792.35 |
| | (ii) Lease Liabilities | 19 | 0.43 | 45.18 |
| | (ii) Trade payable - Micro and Small Enterprises | | 909.50 | 11.27 |
| | (iii) Trade payable - Others | 20 | 13,794.31 | 13,512.85 |
| | (b) Other current financial liabilities | 21 | 552.30 | 448.91 |
| | (c) Short-term provisions | 22 | 65.15 | 64.49 |
| | (d) Government grants | 23 | 170.63 | 170.63 |
| | | | 33,066.53 | 29,045.68 |
| | | | 40,587.75 | 40,404.28 |
| | Significant Accounting Policies | 34 | | |
| | The notes form an integral part of these financial statements | | | |

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

UDIN : 24027497BKAVBF1671
Place : Coimbatore
Date : 29.05.2024

Partner
Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P RAJESH
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

K G DENIM LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2024

(Rs. in Lakhs) Except EPS

| Particulars | | Note No. | 31.03.2024 | 31.03.2023 |
|-------------|---|----------|--------------------|--------------------|
| | | | Audited | Audited |
| I | INCOME | | | |
| | Revenue from operations | 24 | 25,642.88 | 51,105.71 |
| | Other Income | 25 | 326.67 | 457.49 |
| | Total Income | | 25,969.55 | 51,563.20 |
| II | EXPENSES | | | |
| | Cost of materials consumed | 26 | 12,761.08 | 27,283.80 |
| | Purchases of Stock-in-Trade | 27 | 487.04 | 276.70 |
| | Changes in inventories of finished goods , work-in-progress and Stock-in-Trade | 28 | (572.58) | 4,981.92 |
| | Other Manufacturing Expense | 29 | 6,847.33 | 11,083.41 |
| | Employee benefits expense | 30 | 4,372.93 | 5,165.42 |
| | Finance cost | 31 | 2,391.47 | 2,230.46 |
| | Depreciation and amortization expense | | 1,457.21 | 1,572.21 |
| | Other expenses | 32 | 1,996.08 | 2,645.44 |
| | Total expenses | | 29,740.56 | 55,239.36 |
| III | Profit before exceptional items and tax | | (3,771.01) | (3,676.16) |
| IV | Exceptional items - DEPB Receipts | 33 | 256.75 | - |
| V | Profit before tax (III- IV) | | (3,514.26) | (3,676.16) |
| VI | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax | | (988.21) | (936.70) |
| | (3) Prior Year Tax | | - | - |
| | | | (988.21) | (936.70) |
| VII | Profit/(loss) (after tax) (V-VI) | | (2,526.05) | (2,739.46) |
| VIII | Other Comprehensive Income (Net of Tax) | | | |
| | Items that will not reclassified to Profit or Loss | | | |
| | Fair value of Equity Instruments | | 1.40 | 0.81 |
| | Gratuity valuations through OCI | | 201.30 | 101.86 |
| | | | 202.70 | 102.67 |
| IX | Total Comprehensive Income for the year (VII + VIII) | | (2,323.35) | (2,636.79) |
| X | Earnings per equity share: | | | |
| | (1) Basic | | (9.85) | (10.69) |
| | (2) Diluted | | (9.85) | (10.69) |
| | Weighted Number of Equity Shares | | 2,56,37,825 | 2,56,37,825 |
| | Significant Accounting Policies | 34 | | |
| | The notes form an integral part of these financial statements ____ | | | |

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

Partner

Membership No.027497

UDIN: 24027497BKAVBF1671

Place : Coimbatore

Date : 29.05.2024

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P RAJESH
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

K G DENIM LIMITED

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2024

(Rs. In Lakhs)

| PARTICULARS | | PERIOD ENDED 31.03.2024 | PERIOD ENDED 31.03.2023 |
|-------------|--|----------------------------|----------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES: | Audited | Audited |
| | Net profit before tax and extraordinary Items | (3,771.01) | (3,676.16) |
| | Adjustments for: | | |
| | Fair Valuation of Instruments | 1.40 | 0.81 |
| | Depreciation and Amortization expenses | 1,457.21 | 1,572.21 |
| | Finance Cost | 2,391.47 | 2,230.46 |
| | Loss on sale of Fixed Assets | 11.11 | (8.93) |
| | Apportioned on Government Grants | (170.63) | (170.63) |
| | Operating Profit before working capital changes | (80.45) | (52.24) |
| | Adjustments for: | | |
| | (Increase)/Decrease in Trade and other receivables | 416.88 | (908.99) |
| | (Increase)/Decrease in Inventories | (226.20) | 6,142.47 |
| | (Increase)/Decrease in Other Non current assets | (3.53) | 15.34 |
| | (Increase)/Decrease in Other Current assets | (738.26) | 447.68 |
| | Increase/(Decrease) in Trade and other payables | 1,283.09 | (628.22) |
| | Increase/(Decrease) in Provisions and Others | (93.68) | (17.19) |
| | Increase/(Decrease) in Gratuity Valuations through oci | 201.30 | 101.86 |
| | Cash generated from operations | 759.16 | 5,100.71 |
| | Cash flow before exceptional item | 759.16 | 5,100.71 |
| | Exceptional Item | 256.75 | |
| | Cash flow after extraordinary items | 1,015.91 | 5,100.71 |
| | Income Tax | -.00 | -.00 |
| | Net cash (used in)/generated from operating activities | 1,015.91 | 5,100.71 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES: | | |
| | Non Current Investments | (1.40) | (0.81) |
| | Sale of property, plant and equipment | 21.68 | 12.84 |
| | Purchase of property, plant and equipment | (131.50) | (265.45) |
| | Margin money deposit with bank | (5.92) | (40.05) |
| | Net cash (used in)/generated from investing activities | (117.15) | (293.47) |
| C. | CASH FLOW FROM FINANCING ACTIVITIES: | | |
| | Proceeds / Repayment from Long term borrowings | (1,249.47) | (3,270.05) |
| | Proceeds / Repayment from short term borrowings | 2,781.85 | 659.35 |
| | Payment for Equity Dividend | | |
| | Distribution Tax on Equity Dividend | | |
| | Interest paid | (2,391.47) | (2,230.46) |
| | Repayment towards lease liabilities | (9.65) | -.00 |
| | Net cash (used in)/generated from financing activities | (868.73) | (4,841.16) |
| | Net Increase in cash and cash equivalents | 30.02 | (33.92) |
| | Cash and cash equivalents as at 1st April, 2023 / 2022 | | |
| | (Opening Balance) | 14.23 | 48.16 |
| | Cash and cash equivalents as at 31st March, 2024 / 2023 | | |
| | (Closing Balance) | 44.25 | 14.23 |
| | Cash and cash equivalents as per above comprises of the following | | |
| | Cash and cash equivalents | 44.25 | 14.23 |
| | Balance as per Statement of Cash Flows | 44.25 | 14.23 |

Notes: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, 'Statement of Cash Flows'.

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

Partner

Membership No.027497

UDIN: 24027497BKAVBF1671

Place : Coimbatore

Date : 29.05.2024

For and on behalf of the Board of Directors

KG BAALAKRISHNAN

Executive Chairman

DIN : 00002174

P RAJESH

Company Secretary

B SRIRAMULU

Managing Director

DIN : 00002560

S MANICKAM

Chief Financial Officer

B SRIHARI

Managing Director

DIN : 00002556

K G DENIM LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2024

A. EQUITY SHARE CAPITAL

(1) Current Reporting Period (Rs. In Lakhs)

| Balance as at 01.04.2023 | Changes in equity share capital due to prior period errors | Restated balance as at 01.04.2023 | Changes in equity share capital during the current year | Balance as at 31.03.2024 |
|--------------------------|--|-----------------------------------|---|--------------------------|
| 2,564.90 | | 2,564.90 | | 2,564.90 |

(2) Previous Reporting Period (Rs. In Lakhs)

| Balance as at 01.04.2022 | Changes in equity share capital due to prior period errors | Restated balance as at 01.04.2023 | Changes in equity share capital during the current year | Balance as at 31.03.2023 |
|--------------------------|--|-----------------------------------|---|--------------------------|
| 2,564.90 | | 2,564.90 | | 2,564.90 |

B. OTHER EQUITY

(Rs. In Lakhs)

| | Capital Redemption Reserve | Securities Premium Reserve | General Reserves | Surplus | Total |
|---|----------------------------|----------------------------|------------------|------------|------------|
| Balance as at 1st April, 2022 | 1.61 | 444.44 | 1,549.28 | 3,936.82 | 5,932.15 |
| Profit (loss) for the year | | | | (2,739.46) | (2,739.46) |
| Other Comprehensive Income for the year | | | | 102.67 | 102.67 |
| Total Comprehensive Income for the year | | | | (2,636.79) | (2,636.79) |
| Balance as at 31st March, 2023 | 1.61 | 444.44 | 1,549.28 | 1,300.03 | 3,295.36 |
| Profit (loss) for the year | | | | (2,526.05) | (2,526.05) |
| Other Comprehensive Income for the year | | | | 202.70 | 202.70 |
| Total Comprehensive Income for the year | | | | (2,323.35) | (2,323.35) |
| Balance as at 31st March, 2024 | 1.61 | 444.44 | 1,549.28 | (1,023.33) | 972.00 |

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

UDIN: 24027497BKAVBF1671 Partner
Place : Coimbatore Membership No.027497
Date : 29.05.2024

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

P.RAJESH
Company Secretary

K G DENIM LIMITED

இணைப்பு 10 - சொத்துக்களின் பட்டியல்

(Rs. In Lakhs)

| Fixed Assets | Land | Buildings | Plant & Equipment | Electrical Machinery | Furniture & Fixtures | Vehicles | Office Equipment | Other (Specify nature) | Total | Capital Work in Progress |
|-------------------------------|-----------------|-----------------|-------------------|----------------------|----------------------|---------------|------------------|------------------------|-------------|--------------------------|
| Gross Carrying Value | | | | | | | | | | |
| Deemed Cost as at April, 2023 | 1,097.98 | 6,209.97 | 16,507.10 | 743.38 | 207.81 | 739.32 | 216.72 | 10.37 | 2.10 | 25,734.75 |
| Additions brought in to use | - | 63.57 | 34.16 | 26.69 | - | 0.90 | 6.18 | - | - | 131.50 |
| (-) Disposals | - | - | 48.62 | - | 1.93 | 9.99 | 2.63 | - | - | 63.17 |
| As at March 31, 2024 | 1,097.98 | 6,273.54 | 16,492.64 | 770.07 | 205.88 | 730.23 | 220.27 | 10.37 | 2.10 | 25,803.08 |
| Depreciation | | | | | | | | | | |
| As at April, 2023 | - | 1,496.40 | 8,010.94 | 410.38 | 118.51 | 493.58 | 138.99 | 9.85 | 0.45 | 10,679.09 |
| Depreciation for the year | - | 212.44 | 1,092.17 | 63.81 | 16.50 | 47.37 | 18.47 | 0.01 | 0.40 | 1,451.17 |
| (-) On Disposals | - | - | 17.69 | - | 1.07 | 9.12 | - | 2.49 | - | 30.37 |
| As at March 31, 2024 | - | 1,708.84 | 9,085.42 | 474.19 | 133.94 | 531.83 | 157.46 | 7.37 | 0.85 | 12,099.89 |
| Net Carrying Value | | | | | | | | | | |
| As at March 31, 2024 | 1,097.98 | 4,564.70 | 7,407.22 | 295.88 | 71.94 | 198.40 | 62.81 | 3.00 | 1.25 | 13,703.17 |
| As at March 31, 2023 | 1,097.98 | 4,713.57 | 8,496.16 | 333.00 | 89.30 | 245.74 | 77.73 | 0.53 | 1.65 | 15,055.66 |

Note:

1. Building includes Prayer Hall and Gold plating thereon of Rs.109.14 Lakhs in Gross Carrying value, Rs.22.40 Lakhs in Depreciation Block and Rs. 86.74 Lakhs in Net Block (Previous year Rs. 109.14 in Gross Carrying value, Rs.20.28 Lakhs in Depreciation Block and Rs. 88.86 Lakhs in Net Block)
2. Furniture & Fittings includes Prayer Hall of Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block. (Previous year Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block).
3. Title deeds of all the immovable properties are held in the name of the Company only.
4. The Company has not done any revaluation of property, plant & equipment (including right of use assets) during the year.
5. There is no Capital-work-in progress as on the date of the balance sheet as at 31st March 2024. There is no project which is temporarily suspended.
6. There are no intangible assets under development as on the date of the balance sheet as at 31st March 2024.

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

UDIN: 24027497BKAVBF1671

Place : Coimbatore

Date : 29.05.2024

Partner

Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P.RAJESH
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

K G DENIM LIMITED

NOTE 2 RIGHT OF USE ASSETS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|--------------|--------------|
| Gross Carrying Value | | |
| Deemed Cost as at 1st April, 2023/2022 | 77.22 | 115.66 |
| Additions | - | - |
| Disposals | (41.90) | (38.44) |
| Balance as at 31st March, 2024/2023 | 35.32 | 77.22 |
| Depreciation | | |
| As at 1st April, 2023/2022 | 25.48 | 25.48 |
| Additions | - | - |
| Disposal | - | - |
| Balance as at 31st March, 2024/2023 | 25.48 | 25.48 |
| Net Block as at 31st March, 2024/2023 | 9.84 | 51.74 |

NOTE 3 INVESTMENTS-NON CURRENT

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|--------------------|--------------------|
| A NON-TRADE INVESTMENTS | | |
| Equity (Quoted) | | |
| i Indian Bank - 605 Equity Shares of Rs.10/- each | 3.15 | 1.75 |
| TOTAL - A | 3.15 | 1.75 |
| B EQUITY INVESTMENTS | | |
| I Trade Investments (Subsidiary Companies) | | |
| i Trigger Apparels Limited - Subsidiary | | |
| 45,00,000 Equity Shares of Rs.10/- each-Un quoted Less : Provision for impairment (*) | 450.00 (450.00) | 450.00 (450.00) |
| | - | - |
| ii KG Denim (USA) Inc - Wholly owned Subsidiary-Un quoted Less : Provision for impairment | 0.46 (0.46) | 0.46 (0.46) |
| | - | - |
| SUB TOTAL | - | - |
| II TRADE INVESTMENTS | | |
| i Sri Kannapiran Mills Limited | 327.46 | 327.46 |
| 3,31,588 Equity Shares of Rs.10/-each-Quoted (P.Y. 3,31,588 Equity Shares) | - | - |
| ii Cotton Sourcing Company Ltd | 1.00 | 1.00 |
| 10,000 Equity Shares of Rs.10/-each-Un quoted Less : Provision for impairment | (0.75) | (0.75) |
| | 0.25 | 0.25 |
| SUB TOTAL | 327.71 | 327.71 |
| TOTAL (B = I+ II) | 327.71 | 327.71 |
| GRAND TOTAL (A + B) | 330.86 | 329.46 |
| | | |
| Particulars | 31.03.2024 | 31.03.2023 |
| Aggregate amount of quoted investments | 4.32 | 4.32 |
| Market value of quoted investments | 3.15 | 1.75 |
| Aggregate amount of unquoted investments at Cost | 778.92 | 778.92 |
| Aggregate Value of impaired Investments | -451.21 | -451.21 |

Note: (*) A provision of impairment losses for Rs. 450.46 Lakhs was recongized during 2019-20 on account of erosion in networth of its subsidiary Trigger Apparels Limited and wholly owned subsidiary KG Denim (USA) Inc.

K G DENIM LIMITED

NOTE 4 DEFERRED TAX ASSETS (NET)

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|-----------------|---------------|
| Opening Balance | 281.12 | (655.58) |
| On account of Business loss & Depreciation as per books of accounts & IT purpose(DTA) | 988.21 | 936.70 |
| Net Deferred Tax Asset | 1,269.33 | 281.12 |

NOTE 5 OTHER NON-CURRENT ASSETS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|---------------|---------------|
| a. Capital Advances | | |
| Advance for Capital Goods - Un secured considered good | 209.95 | 211.44 |
| TOTAL | 209.95 | 211.44 |
| b. Security Deposits | | |
| Security Deposits - Un secured considered good | 27.30 | 22.29 |
| TOTAL | 27.30 | 22.29 |
| GRAND TOTAL | 237.25 | 233.73 |

NOTE 6 INVENTORIES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---------------------------------|-----------------|-----------------|
| a. Raw Materials and components | 1,193.50 | 1,416.97 |
| | 1,193.50 | 1,416.97 |
| b. Work-in-progress | 2,017.03 | 1,384.54 |
| | 2,017.03 | 1,384.54 |
| c. Finished goods | 4,444.96 | 4,398.15 |
| Goods-in transit | 144.53 | 251.25 |
| | 4,589.49 | 4,649.40 |
| d. Stores and Spares | 1,675.97 | 1,809.49 |
| | 1,675.97 | 1,809.49 |
| e. Others (Specify nature) | | |
| Stock of Waste | 13.06 | 2.45 |
| | 13.06 | 2.45 |
| TOTAL | 9,489.05 | 9,262.85 |

Mode of valuation : Refer note 34 ii(e) in significant Accounting Policies.

NOTE 7 TRADE RECEIVABLES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Current Receivables | | |
| Trade receivables Unsecured Considered Good | 9,533.41 | 9,950.29 |
| Trade receivables Unsecured Considered as Doubtful Debts | 414.57 | 414.57 |
| Less: Provision for Doubtful Debts | (414.57) | (414.57) |
| TOTAL | 9,533.41 | 9,950.29 |

(Non Current Nil), (Refer Notes for Credit risk and Market risk)

K G DENIM LIMITED

AS AT 31 March 24 - Outstanding for following periods from due date of payment

(Rs.in Lakhs)

| Particulars | < 6 months | 6M-1 Yrs | 1-2Yrs | 2-3 Yrs | >3 yrs | Total |
|---|-----------------|-----------------|-----------------|---------------|---------------|-----------------|
| (i) Undisputed Trade Receivable- Considered Good | 5,581.77 | 1,922.78 | 1,972.01 | 56.85 | - | 9,533.41 |
| (ii) Undisputed Trade Receivable-which have significant increase in credit risk significant | 94.94 | 26.74 | 31.92 | 118.44 | 142.53 | 414.57 |
| (iii) Undisputed Trade Receivables credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables Considered good | | | | | | |
| (v) Disputed Trade Receivables -which have increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit impaired | | | | | | |
| TOTAL | 5,676.71 | 1,949.52 | 2,003.93 | 175.29 | 142.53 | 9,947.98 |

AS AT 31 March 23 - Outstanding for following periods from due date of payment

(Rs.in Lakhs)

| Particulars | < 6 months | 6M-1 Yrs | 1-2Yrs | 2-3 Yrs | >3 yrs | Total |
|---|-----------------|-----------------|-----------------|---------------|---------------|------------------|
| (i) Undisputed Trade Receivable- Considered Good | 4,755.93 | 3,200.65 | 1,831.09 | 162.62 | - | 9,950.29 |
| (ii) Undisputed Trade Receivable-which have significant increase in credit risk | 94.94 | 26.74 | 31.92 | 116.87 | 144.10 | 414.57 |
| (iii) Undisputed Trade Receivables credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables Considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables -which have significant increase in credit risk | | | | | | |
| (vi) Disputed Trade Receivables - Credit impaired | | | | | | |
| TOTAL | 4,850.87 | 3,227.39 | 1,863.01 | 279.49 | 144.10 | 10,364.86 |

NOTE 8 CASH AND CASH EQUIVALENTS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|------------------------|--------------|--------------|
| a. Balances with banks | 41.61 | 6.76 |
| b. Cash on hand | 2.64 | 7.47 |
| Total | 44.25 | 14.23 |

K G DENIM LIMITED

NOTE 9 OTHER BANK BALANCES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-----------------------------|---------------|---------------|
| a. Others Bank Balances | | |
| Unclaimed Dividend Account | 31.18 | 39.86 |
| b. Others | | |
| Margin Money Deposits on LC | 292.10 | 277.49 |
| Total | 323.28 | 317.35 |

NOTE 10 CURRENT TAX ASSETS (NET)

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---------------------------|---------------|---------------|
| Tax Paid in advance (net) | | |
| For Duties & Taxes | 279.68 | 254.35 |
| Total | 279.68 | 254.35 |

NOTE 11 OTHER CURRENT ASSETS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--------------------------------------|-----------------|-----------------|
| a. Export incentives Receivable | 208.30 | 214.33 |
| b. IGST Refund Receivable | 154.83 | 144.40 |
| c. DEPB Receivable- | 184.84 | - |
| d. Duty Drawback Receivable - | 71.91 | - |
| e. REC Certificate Income Receivable | 63.99 | 64.38 |
| f. Interest Receivable | 6.70 | - |
| g. Input Credit GST Receivable | 2,434.32 | 2,100.08 |
| h. Insurance Claim Receivable | 27.19 | 174.81 |
| i. Advance for Material Purchase | 1,400.75 | 1,328.56 |
| j. Advance for Expenses / Others | 586.50 | 450.90 |
| k. Prepaid Expenses | 227.11 | 176.04 |
| Total | 5,366.44 | 4,653.50 |

NOTE 12 SHARE CAPITAL

(Rs. In Lakhs)

| <u>Share Capital</u> | 31.03.2024 | 31.03.2023 |
|---|-----------------|-----------------|
| <u>Authorised</u> | | |
| 3,10,00,000 Equity Shares of Rs.10 each | 3,100.00 | 3,100.00 |
| 10,00,000 10% Cumulative Redeemable Preference shares of Rs.100 each | 1,000.00 | 1,000.00 |
| <u>Issued, Subscribed & Paid up share capital</u> | | |
| 2,56,37,825 Equity Shares of Rs.10 each (Previous year 2,56,37,825 Equity shares of Rs. 10 each) | 2,563.78 | 2,563.78 |
| <u>ADD:</u> | | |
| 37,400 forfeited equity shares | 1.12 | 1.12 |
| Total | 2,564.90 | 2,564.90 |

K G DENIM LIMITED

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

| Particulars | No of Shares | 31.03.2024 | No. of Shares | 31.03.2023 |
|------------------------------------|--------------|------------|---------------|------------|
| At the beginning of the year | 25637825 | 2,563.78 | 25637825 | 2,563.78 |
| Outstanding at the end of the year | 25637825 | 2,563.78 | 25637825 | 2,563.78 |

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having at par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back.

Details of shareholders holding more than 5% shares of total Equity Shares of the Company

| Name of Shareholder | 31.03.2024 | | 31.03.2023 | |
|------------------------------|--------------|--------------|--------------|--------------|
| | No of Shares | % of holding | No of Shares | % of holding |
| Sri Kannapiran Mills Limited | 32,65,183 | 12.74% | 32,65,183 | 12.74% |
| Shri KG Baalakrishnan | 25,78,560 | 10.06% | 25,78,560 | 10.06% |
| Shri B Sriramulu | 22,08,659 | 8.61% | 22,08,659 | 8.61% |
| Shri B Srihari | 22,31,859 | 8.71% | 22,31,859 | 8.71% |
| Smt T Anandhi | 20,31,000 | 7.92% | 20,31,000 | 7.92% |

Disclosure of shareholding of promoters as at 31st March 2024 is as follows

| Name of the Promoters | No. of shares at the beginning of the year | Changes during the year | No. of shares at the end of the year | % of total shares | % Changes during the year |
|------------------------------|--|-------------------------|--------------------------------------|-------------------|---------------------------|
| Sri Kannapiran Mills Limited | 32,65,183 | - | 32,65,183 | 12.74% | - |
| Shri KG Baalakrishnan | 25,78,560 | - | 25,78,560 | 10.06% | - |
| Smt B Sathyabama | 5,500 | - | 5,500 | 0.02% | - |
| Shri B Sriramulu | 22,08,659 | - | 22,08,659 | 8.61% | - |
| Shri B Srihari | 22,31,859 | - | 22,31,859 | 8.71% | - |
| Smt T Anandhi | 20,31,000 | - | 20,31,000 | 7.92% | - |
| Dr G Bakthavathsalam | 1,04,609 | - | 1,04,609 | 0.41% | - |

Disclosure of shareholding of promoters as at 31st March 2023 is as follows

| Name of the Promoters | No. of shares at the beginning of the year | Changes during the year | No. of shares at the end of the year | % of total shares | % Changes during the year |
|------------------------------|--|-------------------------|--------------------------------------|-------------------|---------------------------|
| Sri Kannapiran Mills Limited | 32,65,183 | - | 32,65,183 | 12.74% | - |
| Shri KG Baalakrishnan | 25,78,560 | - | 25,78,560 | 10.06% | - |
| Smt B Sathyabama | 5,500 | - | 5,500 | 0.02% | - |
| Shri B Sriramulu | 22,08,659 | - | 22,08,659 | 8.61% | - |
| Shri B Srihari | 22,31,859 | - | 22,31,859 | 8.71% | - |
| Smt T Anandhi | 20,31,000 | - | 20,31,000 | 7.92% | - |
| Dr G Bakthavathsalam | 1,04,609 | - | 1,04,609 | 0.41% | - |

K G DENIM LIMITED

NOTE 13 OTHER EQUITY -RESERVES AND SURPLUS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|-------------------|-----------------|
| a. Securities Premium Reserves | | |
| Opening Balance | 444.44 | 444.44 |
| Add : Addition / Deletion | | |
| Closing Balance | 444.44 | 444.44 |
| b. Other Reserves | | |
| Capital Redemption Reserve | | |
| Opening Balance | 1.61 | 1.61 |
| (+) Current Year Transfer | | |
| (-) Written Back in Current Year | | |
| Closing Balance | 1.61 | 1.61 |
| General Reserve | | |
| Opening Balance | 1,549.28 | 1,549.28 |
| (+) Current Year Transfer | | |
| Closing Balance | 1,549.28 | 1,549.28 |
| c. Surplus | | |
| Opening balance | 1,300.02 | 3,936.82 |
| (+) Comprehensive Income For the current year | (2,323.35) | (2,636.79) |
| (-) Equity Dividends Paid | - | - |
| (-) Tax on Equity Dividend | - | - |
| (-) Arrears of Preference Dividend * | | |
| (-) Tax on Preference Dividend | | |
| Closing Balance | (1,023.33) | 1,300.02 |
| Total | 972.00 | 3,295.36 |

NOTE 14 FINANCIAL LIABILITIES LONG TERM BORROWINGS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| <u>Secured</u> | | |
| (a) Term loans | | |
| Indian Rupee Loan | | |
| from banks (Secured) | 2,455.94 | 3,832.14 |
| from others - Property Loan | 401.44 | 644.80 |
| b) Long term maturities of finance lease obligations | 12.52 | 17.43 |
| (Secured by Vehicles on Hire Purchase Loan) | | |
| <u>Unsecured</u> | | |
| a) Long term Loan - Directors | 225.00 | - |
| b) Intercorporate deposit | 150.00 | - |
| There is no case of continuing default as on the balance sheet date in repayment of loans and interest | | |
| Total | 3,244.90 | 4,494.37 |

NOTE 15 LEASE LIABILITIES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|-------------|-------------|
| Lease Liabilities | 9.68 | 9.68 |
| Total | 9.68 | 9.68 |

K G DENIM LIMITED

Security Clause

Bank Borrowings of Term Loans

Term Loans from Indian Bank (IB) and The South Indian Bank (SIB) are secured by first pari passu charge on (a) all immovable properties situated in (i) 102.1897 acres of land at jadayampalayam, Alangombu and Karamadai Villages in Mettupalayam Taluk, Coimbatore District, Tamil Nadu and (ii) 2155.62 SQ. metres of land at Amdha Village, Dharampur Taluk, Valsad District, Gujarat through equitable mortgage created with Indian Bank and (b) all plant and machineries including machineries and other movable fixed assets (excluding vehicles charged to financiers, Peelamedu property, Mumbai Property and Bangalore Property) acquired for the New Capex Plan through Deed of Hypothication and second pari passu charge on current assets of the Company

Indian Bank is holding the original title deeds on its own behalf and on behalf of other Banks. Term Loans are also guaranteed by Shri KG Baalakrishnan, Executive Chairman.

| Term Loan Bank | Outstanding | Previous Year | Repayment months | Commencement from | Last Installment | Rate of Interest | Previous Rate of interest |
|------------------------|-------------|---------------|------------------|-------------------|------------------|------------------|---------------------------|
| | Rs.in | lakhs | | | | | |
| Indian Bank TL -VII | 0.00 | 181.04 | 84 | 15.05.2017 | 15.05.2024 | 9.60% | 9.60% |
| Indian Bank TL -VIII | 0.00 | 101.74 | 84 | 02.02.2018 | 02.02.2025 | 9.60% | 9.60% |
| Indian Bank Corp. Loan | 288.32 | 797.32 | 60 | 31.10.2023 | 31.10.2025 | 10.10% | 10.10% |

GECLS Loan

GECLS Loan availed from Indian Bank, Union bank of India, State Bank of India and South Indian Bank are secured by second Pari-passu charge on the existing fixed assets and current assets.

Guarantee cover under National Credit Guarantee Corporation Limited (NCGTC).

| Term Loan Bank | Outstanding | Previous Year | Repayment months | Commencement from | Last Installment | Rate of Interest | Previous Rate of interest |
|------------------------------|-------------|---------------|------------------|-------------------|------------------|------------------|---------------------------|
| Indian Bank GECL | 541.11 | 1120.19 | 48 | 01.04.2022 | 01.03.2026 | 8.30% | 8.30% |
| Union Bank of India GECL | 158.16 | 266.43 | 48 | 09.02.2021 | 09.01.2025 | 7.60% | 7.60% |
| State Bank of India GECL | 95.30 | 197.23 | 60 | 01.04.2022 | 01.03.2027 | 7.95% | 7.95% |
| South Indian Bank GECL | 78.85 | 151.43 | 48 | 01.04.2022 | 01.03.2026 | 9.20% | 9.20% |
| Indian Bank GECL-2.0 | 806.27 | 1059.43 | 48 | 01.01.2024 | 01.01.2028 | 8.30% | 8.30% |
| Union Bank of India GECL-2.0 | 185.16 | 243.00 | 48 | 01.01.2024 | 01.01.2028 | 7.85% | 7.85% |
| State Bank of India GECL-2.0 | 134.05 | 185.99 | 48 | 01.01.2024 | 01.01.2028 | 7.95% | 7.95% |
| South Indian Bank GECL-2.0 | 86.71 | 137.00 | 36 | 01.01.2024 | 01.01.2027 | 9.25% | 9.25% |

The company has availed a Term Loan from ICICI Bank Ltd and Tata Capital Financial Services Ltd. ICICI Bank Ltd is having an exclusive charge on the Bangalore office property, and Tata Capital Financial Services Ltd is having an exclusive charge on 24.25 acres of land situated at jadayampalayam.

| Term Loan Bank | Outstanding | Previous Year | Repayment months | Commencement from | Last Installment | Rate of Interest | Previous Rate of interest |
|--|-------------|---------------|------------------|-------------------|------------------|------------------|---------------------------|
| | Rs.in | lakhs | | | | | |
| ICICI Bank Ltd | 81.95 | 113.08 | 120 | 05.05.2017 | 05.05.2027 | 8.60% | 8.60% |
| TataCapital Financial Services Ltd | 237.94 | 380.80 | 84 | 15.10.2019 | 15.09.2026 | 11.00% | 11.00% |
| TataCapital Financial Services Ltd-2.0 | 163.50 | 264.00 | 48 | 01.01.2024 | 01.01.2027 | 11.00% | 11.00% |

K G DENIM LIMITED

NOTE 16 LONG TERM PROVISIONS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|---------------|---------------|
| (a) Provision for employee benefits Gratuity (unfunded) | 598.87 | 692.79 |
| Total | 598.87 | 692.79 |

NOTE 17 GOVERNMENT GRANTS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|---------------|---------------|
| Government Grants | 130.87 | 301.50 |
| Total | 130.87 | 301.50 |

NOTE 18 SHORT TERM BORROWINGS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------------|------------------|
| <u>Secured</u> | | |
| (a) Loans repayable on demand | | |
| (i) Working Capital Loan from Banks (Secured) | 13,070.33 | 11,364.57 |
| (ii) Working Capital Loan from Other than Banks (Secured) | 444.84 | - |
| <u>Unsecured</u> | | |
| (a) Loans repayable on demand | | |
| Working Capital Loan from other than Banks (Unsecured) | 1,499.04 | 831.29 |
| <u>Current Maturities of Long Term Borrowings</u> | | |
| (a) Current Maturities of Long-term debts - Secured | 2,515.06 | 2,494.53 |
| (b) Current maturities of financial institutions Long-term | 44.94 | 101.96 |
| There are no case of default in repayment of loan and interest as on date of balance sheet. | | |
| Total | 17,574.21 | 14,792.35 |

Security Clause

Working Capital facilities from Indian Bank Consortium (Indian Bank, State Bank of India, The South Indian Bank Limited, Bank of Maharashtra and Union Bank of India) are secured by a first pari passu charge on the whole of the current assets through Deed of Hypothecation and second pari passu charge on (a) all the immovable properties situated in (i) 102.1897 acres of land at Jadayampalayam, Alangomobu and Karamadai Village in Mettupalayam Taluk, Coimbatore District, Tamil Nadu and (ii) 2155.62 sq. meters of land at Amdha Village, Dharampur Taluk Valsad District, Gujarat through equitable mortgage created with Indian Bank and (b) all plant and machineries (excluding vehicles charged to financiers, Peelamedu property, Bangalore property) through Deed of Hypothecation. The entire working capital facilities are also guaranteed by Shri KG Baal Krishnan, Executive Chairman.

NOTE 19 LEASE LIABILITIES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|-------------|--------------|
| Lease Liabilities | 0.43 | 45.18 |
| Total | 0.43 | 45.18 |

NOTE 20 TRADE PAYABLES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------------|------------------|
| Trade Payables | | |
| For Dues of Micro Enterprises and Small Enterprises | 909.50 | 11.27 |
| For Other Dues | 13,794.31 | 13,512.85 |
| Total | 14,703.81 | 13,524.12 |

K G DENIM LIMITED

AS AT 31st March 2024

Rs. In lakhs

| Trade payable | < 1Year | 1-2 Yrs | 2-3Yrs | >3 Yrs | Total |
|-----------------|-----------------|-------------------|----------------|----------|-----------------|
| MSME | 909.50 | | | | 909.50 |
| Others | 8134.46 | 4474.83 | 1185.02 | | 13794.31 |
| Disputed MSME | - | - | - | - | - |
| Disputed Others | - | - | - | - | - |
| TOTAL | 9043.959 | 4474.82828 | 1185.02 | 0 | 14703.81 |

AS AT 31st March 2023

Rs. In lakhs

| Trade payable | < 1Year | 1-2 Yrs | 2-3Yrs | >3 Yrs | Total |
|-----------------|-----------------|----------------|---------------|----------|-----------------|
| MSME | 11.27 | - | - | - | 11.27 |
| Others | 12062.16 | 1330.91 | 119.78 | - | 13512.85 |
| Disputed MSME | - | - | - | - | - |
| Disputed Others | - | - | - | - | - |
| TOTAL | 12073.43 | 1330.91 | 119.78 | 0 | 13524.12 |

Note: Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 ('MSMD Act'). The disclosures pursuant to the said MSMD Act are as follows.

Rs. In lakhs

| | Particulars | As at 31.03.2024 | As at 31.03.2023 |
|---|---|---------------------|---------------------|
| a | The principal amount remaining unpaid to any supplier at the end of the year | 909.50 | 11.27 |
| b | Interest due remaining unpaid to any supplier at the end of the year | 89.32 | - |
| c | The amount of interest paid by the buyer in terms of Section 16 of MSMD Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | | |
| d | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMD Act, 2006 | | |
| e | The amount of interest accrued and remaining unpaid at the end of each accounting year | 89.32 | - |
| f | The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMD Act, 2006 | | |

K G DENIM LIMITED

NOTE 21 OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---------------------------------|---------------|---------------|
| (a) Customer Credit Balance | 370.25 | 318.86 |
| (b) Duties and Taxes | 101.30 | 38.40 |
| (c) Creditors for Capital goods | 49.57 | 51.79 |
| (d) Unpaid Dividend accrued | 31.18 | 39.86 |
| Total | 552.30 | 448.91 |

There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024 of Rs. 8,60,098/- (Previous year Rs. 9,26,471/-)

NOTE 22 SHORT TERM PROVISIONS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|--------------|--------------|
| (a) Provision for employee benefits Gratuity (unfunded) | 65.15 | 64.49 |
| Total | 65.15 | 64.49 |

NOTE 23 GOVERNMENT GRANTS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|---------------|---------------|
| Government Grants | 170.63 | 170.63 |
| Total | 170.63 | 170.63 |

NOTE 24 REVENUE FROM OPERATIONS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------------|------------------|
| Sale of products | 23,922.79 | 48,244.58 |
| Sale of services - Job work | 505.90 | 333.52 |
| Other operating revenues : Waste Cotton/Yarn /Accessories sales | 770.11 | 1,637.52 |
| Export Incentives | 444.08 | 890.09 |
| Total | 25,642.88 | 51,105.71 |

NOTE 25 OTHER INCOME

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|---------------|---------------|
| Interest Income | 108.00 | 84.82 |
| Apportioned income from Govt Grant | 170.63 | 170.63 |
| Dividend Income | 0.05 | 0.04 |
| Lease Rent Receipts | 2.10 | 1.88 |
| Miscellaneous Income | 13.94 | 39.30 |
| Insurance Claim Received | 28.92 | 56.21 |
| Profit on sale of fixed assets | 3.03 | 8.94 |
| Profit on Forward Contract & Exchange Profit | - | 95.67 |
| Total | 326.67 | 457.49 |

NOTE 26 COST OF MATERIALS CONSUMED

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------------------|------------------|------------------|
| Opening Stock | 1,416.97 | 2,661.34 |
| Purchases | 12,537.61 | 26,039.43 |
| Sub-total | 13,954.58 | 28,700.77 |
| Less : Closing stock | 1,193.50 | 1,416.97 |
| Raw materials consumed | 12,761.08 | 27,283.80 |

NOTE 27 PURCHASES OF STOCK-IN-TRADE

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|---------------|---------------|
| Garments purchase | 487.04 | 276.70 |
| Total | 487.04 | 276.70 |

K G DENIM LIMITED

NOTE 28 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-----------------|-----------------|-----------------|
| Opening Stock : | | |
| Work-in-process | 1,384.54 | 3,222.99 |
| Finished Goods | 4,649.40 | 7,792.87 |
| | 6,033.94 | 11,015.86 |
| Closing Stock : | | |
| Work-in-process | 2,017.03 | 1,384.54 |
| Finished Goods | 4,589.49 | 4,649.40 |
| | 6,606.52 | 6,033.94 |
| Total | (572.58) | 4,981.92 |

NOTE 29 OTHER MANUFACTURING EXPENSES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|------------------|
| (a) Power & Fuel | 5,206.33 | 7,985.72 |
| (b) Consumptions of Stores & Spare Parts | 685.23 | 608.19 |
| (c) Processing Charges | 567.96 | 1,032.28 |
| (d) Repairs & Maintenance | | |
| For Plant & Machinery | 227.20 | 1,187.38 |
| For Buildings | 34.97 | 86.50 |
| For Others | 125.64 | 183.34 |
| Total | 6,847.33 | 11,083.41 |

NOTE 30 EMPLOYEE BENEFITS EXPENSES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| (a) Salaries and Wages | 3,712.31 | 4,463.86 |
| (b) Salaries - Managing Directors / Whole Time Directors | 156.00 | 156.00 |
| (c) Contributions to Provident fund and other funds | 214.31 | 247.23 |
| (d) Gratuity as per actuarial valuations | 111.34 | 115.01 |
| (e) Staff welfare expenses | 178.97 | 183.32 |
| Total | 4,372.93 | 5,165.42 |

NOTE 31 FINANCE COST

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Interest expense | 2,211.77 | 1,967.03 |
| Other borrowing costs | 178.72 | 236.78 |
| Applicable net (gain) /loss on foreign currency transactions, translation and import reinstatement | 0.98 | 26.65 |
| Total | 2,391.47 | 2,230.46 |

K G DENIM LIMITED

NOTE 32 OTHER EXPENSES

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Rent | 55.50 | 30.75 |
| Insurance | 259.96 | 245.63 |
| Rates and taxes, excluding, taxes on income. | 54.49 | 129.75 |
| Payments to the auditor as | | |
| a. as statutory auditor | 6.00 | 6.00 |
| Legal, Professional & Consultancy Charges | 114.93 | 114.52 |
| Printing and Stationery | 19.16 | 29.87 |
| Postage, Telegrams and Telephones | 99.60 | 120.68 |
| Traveling Expenses and Maintenance of Vehicles | 444.36 | 546.75 |
| Director Sitting Fees | 5.60 | 3.30 |
| Software Maintenance Expenses | 7.73 | 9.58 |
| Commission on Sales | 92.05 | 199.19 |
| Discount on Sales | 113.48 | 254.64 |
| Selling Expenses | 359.22 | 439.10 |
| Freight Outwards | 220.78 | 377.53 |
| Prayer Hall Repairs and maintenance | 6.90 | 5.02 |
| Sundry Balance / Bad debts written off | 9.92 | - |
| Advances Written off | - | 10.77 |
| Miscellaneous expenses | 107.98 | 98.85 |
| Loss on sale of Fixed Assets | 14.15 | - |
| Loss on sale of Export Licenses | 4.27 | 23.51 |
| Total | 1,996.08 | 2,645.44 |

NOTE 33 EXCEPTIONAL ITEMS - DEPB RECEIPTS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------------|---------------|------------|
| DEPB Receipts | 184.84 | - |
| Duty Draw Back Receipts | 71.91 | - |
| Total | 256.75 | - |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note:- 34: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

K G Denim Limited incorporated in India and listed on the BSE is a leading manufacturer of denim fabrics, apparel fabrics, home textiles and apparel (garments).

II. Significant Accounting Policies followed by the Company

(a) Basis of preparation

1. Compliance with Ind AS

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

The accounting policies are applied consistently to all the periods presented in the financial statements.

2. Historical cost conventions

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value in terms of Ind AS.

K G DENIM LIMITED

1. Going Concern

The accounts are prepared on the basis of going concern concept

2. Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

3. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, Plant and equipment

The Company has applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under INDAS. Hence regarded thereafter as historical cost. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant and Equipment and other fixed assets is provided on a Straight-Line Method, over the estimated useful lives of assets.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act, except for power plant machinery which based on an independent technical evaluation, life has been estimated as 20 years, which is different from that prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows-

| Asset Class | Useful Life |
|------------------------|--------------------|
| Factory Building | 30 years |
| Non- Factory Building | 60 years |
| Plant and Machinery | 15 years |
| Furniture and Fixtures | 10 years |
| Office Equipment | 5 years |
| Vehicles | 8 years |
| Power Plant | 20 years |
| Computers | 3 years |

K G DENIM LIMITED

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Capital Work-in-Progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

(d) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and bank, current account balances.

(e) Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used are 'Weighted Average cost', average cost or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(f) Lease

Operating Lease

The Company has adopted the accounting standard Ind AS 116 "Leases". Ind AS 116 is a single lessee accounting model and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

As a lessee: The Company's lease assets primarily consist of office premises which are of short-term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company has recognized the lease payments as an expense in the Statement of Profit and Loss on a straight-line basis over the term of lease. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the

higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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As a lessor: Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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 Asset

Initial Recognition and Measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Classification

The company classifies its financial assets in the following categories i. Financial Assets at amortised cost ii. Financial Assets measured subsequently at fair value (either through other comprehensive income, or through profit or loss) The classification depends upon the company's business model for managing the financial assets and the contractual cash flows of the financial asset.

Debt Instruments A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met: 1. The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and 2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset is measured at Fair Value through Other Comprehensive Income (FVTOCI), if both of the following conditions are met: i. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVTOCI) are measured at Fair Value through Profit or Loss (FVTPL)

Equity Instruments

The Company subsequently measures all investments in equity (except of the subsidiaries/associate) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss

Subsequent Measurement Financial assets at amortised cost: These assets are subsequently measured at amortised cost

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using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Financial assets at FVTOCI or FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in OCI or the statement of profit and loss as the case may be. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends/Interest Income from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Impairment

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, is recognised as an impairment gain or loss in the statement of profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately. Where the Company elects to measure FVTPL, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

Derecognition

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

Financial Liability

Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in the statement of profit and loss.

Derecognition

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a

net basis or to realise the assets and settle the liabilities simultaneously.

Investment in subsidiaries / associates:

Investment in subsidiaries / associates is measured at cost less provision for impairment
Prior period items, accounting estimates and effect of change in Accounting Policy

Prior period errors of material nature, are corrected retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. The effect of change in accounting estimate is recognised prospectively in the Statement of Profit and Loss except where they relate to assets and liabilities, the same is recognised by adjusting the carrying amount of related assets/liability/equity in the period of change. Changes in accounting policy due to initial application of Ind AS are dealt with in accordance with specific transitional provisions, if any in the Ind AS. In other cases, the changes in accounting policy are recognised retrospectively, the application of such change is limited to the earliest period practicable.

Provisions and Contingencies Provisions

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation. Contingent liabilities Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand. Contingent Assets Contingent assets are neither recognized nor disclosed in the financial statements.

(g) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

(1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

(2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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(h) Impairment of non-financial assets

Impairment of non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Derivative financial instruments

Derivative financial instruments such as forward contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(j) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(k) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(m) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(n) Revenue recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts, and value added taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

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Sale of goods

The Company earns revenue primarily from sale of manufactured goods (fabric, home textiles and garments). It has applied the principles laid down in Ind AS 115. In case of sale to domestic customers, sale is made on ex-factory basis and revenue is recognized when the goods are dispatched from the factory gate. In case of export sales, revenue is recognized on shipment date, when performance obligation is met.

Revenue from services

Revenue from services is recognized in the accounting period in which the services are rendered.

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Dividend Income

Dividend income from investment is recognized when the company's right to receive is established which generally occurs when the shareholders approve the dividend.

Insurance claims

Insurance claims are accounted for to the extent the company is reasonably certain of their ultimate collection.

(o) Employee benefits

(I) Short-term obligations

Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees render service are accounted on accrual basis. Company's contributions paid / payable during the year to Provident Fund and ESIC are recognized in the statement of profit and loss account. All leave encashment dues for the year are settled within the same year.

(ii) Employment retirement benefits

- a) Contribution to Provident Fund has been made to the respective authorities.
- b) Gratuity liability as per the Actuarial Valuation has been provided in the accounts as at the year end.

(P) Foreign currency translation

1. Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

2. Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

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(Q) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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. 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(R) Earnings Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

-the profit attributable to owners of the Company

-by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account: the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(S) Government Grants

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

(T) Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

Management also need to exercise judgment in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

Estimation of current tax expenses and Payable.
Estimation of defined benefit obligation.

Note:- 35 : FAIR VALUE MEASUREMENT.

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are 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:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the used of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have significant effect on the recorded fair value that are not based on observable market data.

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| Financial Assets and Liabilities as at 31st March 2024 | Non current | Current | Total | Level 1 | Level 2 | Level 3 | Total |
|--|-----------------|------------------|------------------|-------------|---------|------------------|------------------|
| Financial Assets | | | | | | | |
| Investments | | | | | | | |
| Equity instruments | 330.86 | | 330.86 | 3.15 | | 327.71 | 330.86 |
| Other Assets | | | | | | | |
| Trade Receivables | | 9,533.41 | 9,533.41 | | | 9,533.41 | 9,533.41 |
| Cash and cash equivalents | | 44.25 | 44.25 | | | 44.25 | 44.25 |
| Other Bank Balances | | 323.28 | 323.28 | | | 323.28 | 323.28 |
| Sut-Total | - | 9,900.94 | 9,900.94 | - | - | 9,900.94 | 9,900.94 |
| Total | 330.86 | 9,900.94 | 10,231.80 | 3.15 | - | 10,228.65 | 10,231.80 |
| Financial Liabilities | | | | | | | |
| Borrowings | 3,244.90 | 17,574.21 | 20,819.10 | | | 20,819.10 | 20,819.10 |
| Lease Liability | 9.68 | 0.43 | 10.11 | | | 10.11 | 10.11 |
| Trade payables | - | 14,703.81 | 14,703.81 | | | 14,703.81 | 14,703.81 |
| Total | 3,254.58 | 32,278.44 | 35,533.02 | | | 35,533.02 | 35,533.02 |

(Rs. In Lakhs)

| Financial Assets and Liabilities as at 31st March 2023 | Non current | Current | Total | Level 1 | Level 2 | Level 3 | Total |
|--|-----------------|------------------|------------------|-------------|---------|------------------|------------------|
| Financial Assets | | | | | | | |
| Investments | | | | | | | |
| Equity instruments | 329.46 | | 329.46 | 1.75 | | 327.71 | 329.46 |
| Other Assets | | | | | | | |
| Trade Receivables | | 9,950.29 | 9,950.29 | | | 9,950.29 | 9,950.29 |
| Cash and cash equivalents | | 14.22 | 14.22 | | | 14.22 | 14.22 |
| Other Bank Balances | | 317.35 | 317.35 | | | 317.35 | 317.35 |
| Sub-total | | 10,281.86 | 10,281.86 | | | 10,281.86 | 10,281.86 |
| Total | 329.46 | 10,281.86 | 10,611.32 | 1.75 | | 10,609.57 | 10,611.32 |
| Financial Liabilities | | | | | | | |
| Borrowings | 4,497.37 | 14,792.35 | 19,289.72 | | | 19,289.72 | 19,289.72 |
| Lease Liability | 9.68 | 45.18 | 54.86 | | | 54.86 | 54.86 |
| Trade payables | | 13,524.09 | 13,524.09 | | | 13,524.09 | 13,524.09 |
| Total | 4,507.05 | 28,361.62 | 32,868.67 | - | - | 32,868.67 | 32,868.67 |

Note - 36: FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operation activities (primarily trade receivables) and from its financing activities, foreign exchange transactions and other financial instruments.

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

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

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- iv. Significant increase in credit risk on other financial instruments of the same counterparty,
- v. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

Trade Receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and generally on 7 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral security. The Company evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

During the year adequate provision for Doubtful Debts is provided which includes export and domestic receivables.

Trade Receivables Ageing Schedule:

AS AT 31 March 24 - Outstanding for following periods from due date of payment (Rs.in Lakhs)

| Particulars | < 6 months | 6M-1 Yrs | 1-2Yrs | 2-3 Yrs | >3 yrs | Total |
|---|-----------------|-----------------|-----------------|---------------|---------------|-----------------|
| (i) Undisputed Trade Receivable- Considered Good | 5,581.77 | 1,922.78 | 1,972.01 | 56.85 | - | 9,533.41 |
| (ii) Undisputed Trade Receivable-which have significant increase in credit risk | 94.94 | 26.74 | 31.92 | 118.44 | 142.53 | 414.57 |
| (iii) Undisputed Trade Receivables credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables Considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables -which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit impaired | - | - | - | - | - | - |
| TOTAL | 5,676.71 | 1,949.52 | 2,003.93 | 175.29 | 142.53 | 9,947.98 |

AS AT 31 March 23 - Outstanding for following periods from due date of payment (Rs.in Lakhs)

| Particulars | < 6 months | 6M-1 Yrs | 1-2Yrs | 2-3 Yrs | >3 yrs | Total |
|---|-----------------|-----------------|-----------------|---------------|---------------|------------------|
| (i) Undisputed Trade Receivable- Considered Good | 4,755.93 | 3,200.65 | 1,831.09 | 162.62 | - | 9,950.29 |
| (ii) Undisputed Trade Receivable-which have significant increase in credit risk | 94.94 | 26.74 | 31.92 | 116.87 | 144.10 | 414.57 |
| (iii) Undisputed Trade Receivables credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables Considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables -which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit impaired | - | - | - | - | - | - |
| TOTAL | 4,850.87 | 3,227.39 | 1,863.01 | 279.49 | 144.10 | 10,364.86 |

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Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial statement may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had no undrawn borrowing facilities at the end of the reporting period:

(ii) Maturity patterns of borrowings

(Rs. In Lakhs)

| | As at 31st March, 2024 | | | | As at 31st March, 2023 | | | |
|---|------------------------|-----------------|----------------|------------------|------------------------|-----------------|----------------|------------------|
| | 0-1 years | 1-5 years | beyond 5 years | Total | 0-1 years | 1-5 years | beyond 5 years | Total |
| Long term borrowings (Including current maturity of long term debt) | 2,560.00 | 3,244.90 | - | 5,804.90 | 2,596.79 | 4,494.37 | - | 7,091.16 |
| Short term borrowings | 15,014.21 | | | 15,014.21 | 12,195.56 | | | 12,195.56 |
| Total | 17,574.21 | 3,244.90 | - | 20,819.11 | 14,792.35 | 4,494.37 | - | 19,286.72 |

Maturity Patterns of other Financial Liabilities

AS AT 31st March 2024

Rs. In lakhs

| | 0-3 Months | 3-6 Months | 6 Months to 12 Months | Beyond 12 Months | Total |
|---|-----------------|-----------------|-----------------------|------------------|------------------|
| Trade payable | 3,754.43 | 2,411.62 | 2,877.91 | 5,659.85 | 14,703.81 |
| Lease Liability (Current and Non Current) | 10.11 | - | | | 10.11 |
| TOTAL | 3,764.54 | 2,411.62 | 2,877.91 | 5,659.85 | 14,713.92 |

AS AT 31st March 2023

Rs. In lakhs

| | 0-3 Months | 3-6 Months | 6 Months to 12 Months | Beyond 12 Months | Total |
|---|-----------------|-----------------|-----------------------|------------------|------------------|
| Trade payable | 6,963.95 | 2,773.63 | 2,335.85 | 1,450.69 | 13,524.12 |
| Lease Liability (Current and Non Current) | 11.14 | 11.69 | 22.35 | 9.68 | 54.86 |
| TOTAL | 6,975.09 | 2,785.32 | 2,358.20 | 1,460.37 | 13,578.98 |

K G DENIM LIMITED

Market Risk- Foreign currency risk.

The company manages foreign currency risk primarily through forward contracts

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting data

Foreign currency in lakhs

| | As at 31st March, 2024 | | As at 31st March, 2023 | |
|------------------------------|------------------------|------|------------------------|-------|
| Forward contracts to buy USD | USD | 6.84 | USD | 14.13 |

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Particulars of unhedged foreign currency exposures as at the reporting date As at 31st March, 2024

Foreign Currency in lakhs

| Particulars | USD | EURO | GBP |
|-------------------|------|------|------|
| Trade Receivables | 7.84 | 1.12 | 0.28 |
| Trade payables | 1.27 | 0.15 | |

As at 31st March, 2023

Foreign Currency in lakhs

| Particulars | USD | EURO | GBP |
|-------------------|------|------|------|
| Trade Receivables | 2.49 | 1.62 | 0.30 |
| Trade payables | 1.26 | 0.51 | - |

(a) (iii) Market Risk- Price Risk

(a) Exposure

The Company's exposure to equity securities traded in stock exchange held by the Company as long term and classified in the balance sheet at fair value through OCI. The risk is marginal on account of investment being minimal.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain / Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Impact on profit before tax

(Rs. in lakhs)

| | 31 st March, 2024 | 31 st March, 2023 |
|---------------------------------|------------------------------|------------------------------|
| BSE Sensex -30 - increase in 5% | 0.16 | 0.09 |
| BSE Sensex -30 - decrease in 5% | -0.16 | -0.09 |

Above referred sensitivity pertains to quoted equity investment. Profit for the year would increase / (decrease) as a result of gains / losses on equity securities as at fair value through OCI.

(c) Foreign currency Risk Sensitivity

A change of 5% in foreign currency would have following impact on profit before tax

| Particulars | 2023- 2024 | | 2022-2023 | |
|---|-------------|-------------|-------------|-------------|
| | 5% increase | 5% decrease | 5% increase | 5% decrease |
| USD | 27.45 | -27.45 | 5.06 | -5.06 |
| EURO | 2.77 | -2.77 | 4.97 | -4.97 |
| GBP | 1.49 | -1.49 | 1.53 | -1.53 |
| Increase / (decrease) in profit or loss | 31.71 | -31.71 | 11.56 | -11.56 |

K G DENIM LIMITED

Note :- 37 : CAPITAL RISK MANAGEMENT

Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

(Rs. In Lakhs), Except EPS

| | 31-Mar-24 | 31-Mar-23 |
|--|-----------|-----------|
| Earnings per share has been computed as under: | | |
| Profit / (Loss) for the year | -2526.04 | -2739.46 |
| Weighted average number of equity shares outstanding | 25637825 | 25637825 |
| Earnings per share - Basic (Face Value of Rs.10 per share) | -9.85 | -10.69 |
| Diluted earning per share is same as basic earning per share | -9.85 | -10.69 |

Note:- 39 : EXPORT PROMOTION CAPITAL GOODS (EPCG)

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

Note :- 40 : DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------------------|------------|
| Amount required to be spent u/s 135 of the Act, 2013, by the company during the year | 0 | 0 |
| Amount of expenditure incurred | 0 | 0 |
| i) Transfer to KG Denim Trust Foundation for rural hospital | 0 | 0 |
| ii) On purpose other than (i) above | 0 | 0 |
| Shortfall at the end of the year | Nil | Nil |
| Total of previous year shortfall | Nil | Nil |
| Reasons for shortfall | NA | NA |
| Nature of CSR activities | Running Rural hospital | |
| Details of related party transactions | NA | NA |
| Movements during the year for provision made with respect to liability incurred by entering into as contractual obligation. | NA | NA |

K G DENIM LIMITED

NOTE:- 41 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(I) Contingent Liabilities

(a) Claims against the company not acknowledged as Debt; (Rs.in lakhs)

| | 2023 - 2024 | 2022 -2023 |
|----------------------------------|-------------|------------|
| Disputed Excise / Customs duties | 335.35 | 335.35 |
| Disputed Income Tax | - | 855.86 |

In respect of disputed excise/ custom duties and Income tax demands, the company feels that there will be no financial impact, based on legal opinions obtained.

(b) Guarantees (Rs.in lakhs)

| | 2023 -2024 | 2022 -2023 |
|---|------------|------------|
| Guarantees given to Bank for loan to subsidiary | 500.00 | 500.00 |

(c) Other Money for which the company is contingently liable (Rs.in lakhs)

| | 2023 -2024 | 2022 -2023 |
|-----------------------------|------------|------------|
| Bills discounted with banks | 1456.68 | 798.34 |

II Commitments

There are no contracts remaining to be executed in Capital Account

Note :- 42 SEGMENT REPORTING:

In accordance with IND AS Segment information has been given in the consolidated financial statements of the company and therefore no separate disclosure on segment information in these financial statements.

K G DENIM LIMITED

Note :- 43 GRATUITY

| I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages] | 31-03-2023 | 31-03-2024 |
|---|-------------------|-------------------|
| Discount Rate | 7.19% | 6.97% |
| Rate of increase in compensation levels | 5.00% | 5.00% |
| Attrition Rate | 5.00% | 5.00% |
| Expected rate of return on Plan Assets | 0.00% | 0.00% |

All amounts are in Rupees

| II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) | | |
|---|--------------------|--------------------|
| PVO as at the beginning of the period | 7,50,18,588 | 7,57,28,224 |
| Interest Cost | 54,09,436 | 54,33,013 |
| Current service cost | 60,91,196 | 57,00,802 |
| Past service cost | 0 | 0 |
| Benefits paid and Charges deducted | -6,05,239 | -3,29,515 |
| Actuarial loss/(gain) on obligation (balancing figure) | -1,01,85,757 | -2,01,29,962 |
| PVO as at the end of the period | 7,57,28,224 | 6,64,02,562 |

| III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES: | | |
|--|-----------|-----------|
| Fair value of plan assets as at the beginning of the period | 0 | 0 |
| Expected return on plan assets | 0 | 0 |
| Contributions | 6,05,239 | 3,29,515 |
| Benefits paid and Charges deducted | -6,05,239 | -3,29,515 |
| Actuarial gain/(loss) on plan assets [balancing figure] | 0 | 0 |
| Fair value of plan assets as at the end of the period | 0 | 0 |

| IV. ACTUAL RETURN ON PLAN ASSETS | | |
|---|----------|----------|
| Expected return on plan assets | 0 | 0 |
| Actuarial gain (loss) on plan assets | 0 | 0 |
| Actual return on plan assets | 0 | 0 |

| V. ACTUARIAL GAINS AND LOSSES RECOGNIZED | | |
|--|--------------|--------------|
| Actuarial gain (loss) for year - obligation | 1,01,85,757 | 2,01,29,962 |
| Actuarial gain (loss) for year - plan assets | 0 | 0 |
| Subtotal | 1,01,85,757 | 2,01,29,962 |
| Actuarial (gain) / loss recognized | -1,01,85,757 | -2,01,29,962 |
| Unrecognized actuarial gains (losses) at the end of the period | 0 | 0 |

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VI. AMOUNTS RECOGNISED IN THE

BALANCE SHEET AND RELATED ANALYSES

| | | |
|--|-------------|-------------|
| Present value of the obligation | 7,57,28,224 | 6,64,02,562 |
| Fair value of plan assets | 0 | 0 |
| Amount determined under para 63 of Ind AS19 | 7,57,28,224 | 6,64,02,562 |
| Net Defined Benefit Liability recognized in the balance sheet | 7,57,28,224 | 6,64,02,562 |
| Present value of future reduction in contribution under para 65 of Ind AS 19 | 0 | 0 |
| Net Defined Benefit Asset recognised under para 64 of Ind AS19 | 0 | 0 |

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:

| | | |
|--|--------------------|--------------------|
| Current service cost | 60,91,196 | 57,00,802 |
| Net Interest on Net Defined Benefit Obligations | 54,09,436 | 54,33,013 |
| Net actuarial (gain)/loss recognised during the period | 0 | 0 |
| Past service cost | 0 | 0 |
| Expenses recognized in the statement of profit and loss | 1,15,00,632 | 1,11,33,815 |

VIII. AMOUNT RECOGNIZED FOR THE CURRENT PERIOD IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME [OCI]

| | | |
|--|---------------------|---------------------|
| Actuarial (gain)/loss on Plan Obligations | -1,01,85,757 | -2,01,29,962 |
| Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | - | - |
| Effect of Balance Sheet asset limit | - | - |
| Amount recognized in OCI for the current period | -1,01,85,757 | -2,01,29,962 |

IX. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET

| | | |
|--|--------------------|--------------------|
| Opening net liability adjusted for effect of balance sheet limit | 7,50,18,588 | 7,57,28,224 |
| Amount recognised in Profit and Loss | 1,15,00,632 | 1,11,33,815 |
| Amount recognised in OCI | -1,01,85,757 | -2,01,29,962 |
| Contribution paid | -6,05,239 | -3,29,515 |
| Closing net liability | 7,57,28,224 | 6,64,02,562 |

X. AMOUNT FOR THE CURRENT PERIOD

| | | |
|---|--------------|--------------|
| Present Value of obligation | 7,57,28,224 | 6,64,02,562 |
| Plan Assets | 0 | 0 |
| Surplus (Deficit) | -7,57,28,224 | -6,64,02,562 |
| Experience adjustments on plan liabilities -(loss)/gain | 1,04,59,741 | 2,10,59,758 |
| Impact of Change in Assumptions on Plan Liabilities-(loss)/gain | -2,73,984 | -9,29,796 |
| Experience adjustments on plan assets -(loss)/gain | 0 | 0 |

K G DENIM LIMITED

(Rs. In Lakhs)

| Particulars | 2023-2024 | | | | 2022-2023 | | | |
|-------------------------------------|------------|-----------------------|--------------------------|---------------------------------------|------------|-----------------------|--------------------------|---------------------------------------|
| | Subsidiary | Other Related Parties | Key Management Personnel | Relatives of Key Management Personnel | Subsidiary | Other Related Parties | Key Management Personnel | Relatives of Key Management Personnel |
| Purchase of Goods | | | | | | | | |
| Trigger Apparels Ltd | 502.86 | | | | 359.86 | | | |
| Sri Kannapiran Mills Limited | | 2,894.00 | | | | 4,438.21 | | |
| Other related party | | 1,897.96 | | | | 4,307.45 | | |
| Sale of Goods | | | | | | | | |
| Trigger Apparels Ltd | 531.30 | | | | 2,327.79 | | | |
| KG Denim (USA) Inc | 3.55 | | | | 39.89 | | | |
| Sri Kannapiran Mills Limited | | 166.15 | | | | 577.11 | | |
| Other related party | | 737.26 | | | | 163.10 | | |
| Processing / other Charges Paid | | | | | | | | |
| Trigger Apparels Ltd | | | | | | | | |
| Sri Kannapiran Mills Limited | - | 9.03 | | | | 43.98 | | |
| Other related party | | | | | | 373.56 | | |
| Processing / other Charges Received | | | | | | | | |
| Sri Kannapiran Mills Limited | | 15.72 | | | | 8.65 | | |
| Other related party | | | | | | | | |
| Remuneration | | | 201.42 | 23.72 | | | 185.78 | 14.70 |

NOTE:- 44.1 : Balance Outstanding

(Rs.in Lakhs)

| Particulars | as on 31.03.2024 | | | | as on 31.03.2023 | | | |
|--------------------|------------------|-----------------------|--------------------------|---------------------------------------|------------------|-----------------------|--------------------------|---------------------------------------|
| | Subsidiary | Other Related Parties | Key Management Personnel | Relatives of Key Management Personnel | Subsidiary | Other Related Parties | Key Management Personnel | Relatives of Key Management Personnel |
| Trade Receivable | 3,582.05 | 36.03 | - | - | 4,125.77 | 138.56 | - | - |
| Trade Payable | | 2159.21 | - | - | | 789.23 | - | - |
| Investments | 450.46 | 328.69 | - | - | 450.46 | 328.69 | - | - |
| Guarantee | 500.00 | | | | 500 | | | |
| Loans and Advances | - | 150.00 | - | - | - | - | - | - |

NOTE :- 44.2

| | |
|--------------------------------------|---|
| Subsidiary | Trigger Apparels Limited KG Denim (USA) Inc |
| Other Related Party | Sri Kannapiran Mills Limited Sri Balamurugan Textile Processing Limited Danalakshmi Paper Mills Private Limited Crocodile India Pvt Ltd |
| Key Management Personnel | Shri KG Baal Krishnan, Executive Chairman Shri B Sriramulu, Managing Director Shri B Srihari, Managing Director Shri S Manickam, Chief Financial Officer Shri.P.Rajesh, Company Secretary |
| Relative of Key Management Personnel | Smt T Anandhi (Daughter of Shri KG Baal Krishnan) Shri Pranav Sriraman (Son of Shri B Sriramulu) |

K G DENIM LIMITED

NOTE :- 45 Ratios

| Ratios | 31.03.2024 | 31.03.2023 | % of Change | Reason for variance (for change more than 25%) |
|----------------------------------|------------|------------|-------------|---|
| Current Ratio | 0.76 | 0.84 | -10% | Not applicable |
| Debt Equity Ratio | 5.89 | 3.29 | 79% | Significant decline in business due to adverse market conditions |
| Debt Service coverage ratio | 0.03 | -0.04 | -169% | Drop in turnover due to adverse market conditions |
| Return on Equity Ratio | -53.76% | -38.16% | 41% | Drop in turnover due to adverse market conditions |
| Inventory Turnover Ratio | 2.73 | 4.14 | -34% | Drop in turnover due to adverse market conditions |
| Trade Receivables turnover ratio | 2.63 | 5.41 | -51% | Drop in turnover due to adverse market conditions |
| Trade payables turnover ratio | 0.92 | 1.89 | -51% | Reduction in Purchase during the year due to decrease in demand |
| Net capital turnover ratio | -4.06 | -24.72 | -84% | Due to drop in the turnover and increase in funds borrowed on short term basis. |
| Net profit ratio | -9.85% | -5.36% | 84% | Drop in turnover due to adverse market conditions |
| Return on Capital employed | -19.21% | -16.51% | 16% | Not applicable |
| Return on Investment | 17% | 13% | 29% | Growth in the return of investment funds |

Explanations to items included in computing the above ratios

1. Current Ratio: Current Assets over current liabilities
2. Debit-Equity Ratio: Debt (includes Borrowing and current & non-current lease liabilities) over total shareholders' equity (including reserves & surplus)
3. Debt Service Coverage Ratio: EBIT + Depreciation + Profit or Loss on sale of assets/investments over lease payments (Principal & Interest) + Loans repayments (Principal & Interest)
4. Return on Equity Ratio: PAT over average Equity (including Reserve & Surplus)
5. Inventory Turnover Ratio: Revenue from operations over average Inventory
6. Trade Receivables Turnover Ratio: Revenue from operations over average Trade Receivables (after impairment)
7. Trade Payables Turnover Ratio: Purchases over average Turnover Payable
8. Net Capital Turnover Ratio: Revenue from Operations
9. Net Profit Ratio: Net profit tax over Revenue from operations
10. Return on Capital Employed: PBIT over Capital Employed (Capital Employed includes total shareholders' equity, borrowings, short term and long-term lease liabilities and Deferred Tax Liability)
11. Return on Investment: Interest Income + Dividend Income + Realised gain on investment over average investments after impairment and other bank deposits.

The Non-GAAP Measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that EBIDTA, EDITDA Margin, Gross Margin, Net Worth, Return on Net Worth, Net Asset Value (Per Equity Share), Debt Equity Ratio, Return on Capital Employed, Return on Equity is not measure of operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

K G DENIM LIMITED

ADDITIONAL REGULATORY INFORMATION

NOTE: - 46 Loans and advances.

The company has not granted any loans or advances in the nature of loans, to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

NOTE: - 47: Relationship with strike off companies.

Company does not have any transactions with the companies "Strike off" or in the process of strike off.

NOTE: 48: Scheme of arrangements

The company has not entered into any "Scheme of Arrangements" during the year ended 31st March 2024.

NOTE: 49: Details of Benami Property Held

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under. No proceeding has 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 there under.

NOTE:- 50 : Compliance with number of layer of companies.

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

NOTE:- 51: The Company has not traded or invested in crypto currency or virtual currency.

NOTE:-52: Registration of charges or satisfaction with Registrar of Companies.

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

NOTE:-53: The Company was not declared as "wilful defaulter" by any bank or financial Institution or other lender.

Note : 54 The company has no such transactions 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 Income Tax Act, 1961).

Note 55: The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

- i . 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
- ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

K G DENIM LIMITED

Note 56: The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- i. Directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
- ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

NOTE:- 57: Title deeds of Properties

Titles deeds of all the immovable properties in the Financial Statements are held in the name of the company only.

NOTE:- 58: Capital-work-in progress.

There is no Capital-work-in progress as on the date of balance sheet as at 31st March 2024. There is no project which is temporarily suspended.

NOTE:- 59: Intangible Assets under development.

There are no any intangible assets under development as on the date of balance sheet as at 31st March 2024.

NOTE:-60: The Company has not done any revaluation of Property, Plant & Equipment or Intangible assets.

NOTE 61: There are certain amounts remaining overdue to the trade creditors. Some of the trade creditors have issued legal notices demanding their dues thereby indicating liquidity stress. Subsequently, trade creditors for aggregate value of Rs. 1075.54 Lakh have filed liquidation petitions before the NCLT.

NOTE 62: Approved Financial Statements:

The Board of Directors of the company has reviewed the realizable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 29th May 2024.

NOTE 63: Stock statement

The Company has borrowed from banks on the basis of security of current assets. Quarterly returns or statements of current assets filed by the Company are not in agreement with books of accounts. Summary of reconciliation and reasons for material discrepancies as at 31st March 2024 is given below.

The aforesaid difference, were due to the declaration made to the bank before financial reporting closure process. The predominant reason for trade receivables being lower in financial statement are the difference is due to the credit notes, discount and other year end provisions in financial statement. Similarly with respect to inventory being higher in financial statement is because of stock valuation as part of year end cut-off procedures.

K G DENIM LIMITED

(Rs. In Lakhs)

| Particulars | As at March 2024 | As at March 2023 |
|---|------------------|------------------|
| Inventories as per declaration with Bank | 9,222.51 | 9,182.48 |
| Trade Receivable as per declaration with Bank | 9,547.10 | 8,635.35 |
| TOTAL (A) | 18,769.61 | 17,817.83 |
| Inventories as per Books | 9,489.05 | 9,262.85 |
| Trade Receivables as per Books | 9,533.41 | 9,950.29 |
| TOTAL (B) | 19,022.46 | 19,213.14 |
| Difference in Inventories | -266.54 | -80.37 |
| Difference in Receivables | 13.69 | -1,314.94 |
| TOTAL DIFFERENCE (A)-(B) | -252.85 | -1,395.31 |

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

UDIN : 24027497BKAVBF1671
Place : Coimbatore
Date : 29.05.2024

Partner
Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P RAJESH
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of KG Denim Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

1. We have audited the accompanying Consolidated financial statements of KG Denim Limited ('the Holding Company') and its subsidiary companies (together referred to as 'the Group') which comprise the Consolidated Balance sheet as at 31 March 2024, the Consolidated statement of profit and loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as ("the consolidated Ind AS 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 ('the 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 ('Ind AS'), specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated loss (including other comprehensive Income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

| Sr.No | Key Audit Matter | Auditor's Response |
|-------|---|--|
| 1. | <p>Litigations - Contingencies</p> <p>The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p> | <p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <p>Assessing the appropriateness of the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal counsel and/or legal team and minutes of Board to confirm the operating effectiveness of these controls.</p> |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Claims against the Company not acknowledged as debts are disclosed in the Consolidated Financial Statements by the Group after a careful evaluation of the facts and legal aspects of the matters involved. The outcome of such litigation is uncertain and the position taken by management involves significant judgement and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings. Refer Note: 57 to the Financial Statements.

Involving our direct and indirect tax specialists to assess relevant historical and recent judgements passed by the appropriate authorities in order to challenge the basis used for the accounting treatment and resulting disclosures.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management and Discussion Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the Consolidated Financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

5. The accompanying consolidated financial statements have been approved by the holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial position, consolidated performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Ind As financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered in the Act 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 judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of directors of the Holding Company, as aforesaid.

6. 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 respective companies in 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 the respective Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

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

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 1 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;

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

- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- 1 Conclude on the appropriateness of Board of Director'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 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;

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

- 1 Obtain sufficient appropriate audit evidence regarding the financial information / financial statements of the entities 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 financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Other Matters

13 We did not audit the financial statements of wholly owned Foreign subsidiary KG Denim (USA) Inc., included in the consolidated financial results, whose financial statements reflect total assets of Rs.128.85 lakhs as at March 31, 2024 and total revenues of Rs. 57.49 Lakhs for the year ended March 31,2024, total net loss after tax of Rs. 0.15 lakhs for the year ended March 31 and net cash outflows of Rs. 3.41 Lakhs for the year ended March 31, 2024 as considered in the statement.

14. In respect of the company's foreign subsidiary KG Denim (USA) Inc, the financial statements have been certified 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 the subsidiary, and matters identified and disclosed under key audit matters section above and our report in terms of subsection (3) of section 143 of the Act in so far as it related to the subsidiary is based solely on such approved unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statement / financial information is not material to the Group.

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

Report on Other Legal and Regulatory Requirements

15. As required by section 143(3) of the Act, we report, to the extent applicable, that:

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

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

(c) The consolidated financial statement, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Group as on 31 March 2024, taken on record by the Board of Directors of the respective companies, covered under the Act, none of the directors of the Group, are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to the Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”.

(g) As required by Section 197 (16) of the Act, based on audit, we report that the Holding company has paid remuneration to its directors during the year in accordance with the provision of and limits laid down under section 197 read with Schedule V to the Act. During the year subsidiary companies has not paid any Managerial remuneration.

(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 Auditor's) 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 as at 31 March 2024 on the consolidated financial position of the Group.

ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company. With regard to subsidiaries there are no requirement for such transfer.

iv. (a) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their 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 subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("the 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 Holding Company, or any such subsidiary companies ("the Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Holding company and the subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ("the Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies 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.

(c) Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. In our opinion and according to the information and explanations given to us, both the Holding company and its subsidiary company has not declared or paid any dividend during the year.

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

(ii) 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.

(I) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the company and its subsidiary, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Gopalaiyer and Subramanian
Chartered Accountants
(Firm Regn. No:000960S)

CA.R. Mahadevan
Partner
M. no: 027497
UDIN: 24027497BKAVBG5529

Place: Coimbatore
Date: 29th May 2024

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Annexure - A to the Independent Auditors' Report

Independent Auditor's Report on the Internal Financial Controls with reference to consolidated Ind AS financial statements under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the Consolidated Ind AS financial statements of KG Denim Limited (the 'Holding Company') as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the holding company and its Indian subsidiary covered under the Act, (the Holding Company and its Indian subsidiary together referred to as "the Group"), as on that date.

Responsibilities of Management and those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility for the Audit of the Internal Financial Controls with Reference to consolidated Financial Statements.

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

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

Opinion

8. In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its Indian subsidiary company, have, in all material respects, adequate internal financial controls with reference consolidated financial statements and such controls were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Group, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Gopalaiyer and Subramanian
Chartered Accountants
(Firm Regn. No:000960S)

CA.R. Mahadevan
Partner

M. no: 027497

UDIN: 24027497BKAVBG5529

Place : Coimbatore
Date : 29th May 2024

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024

(Rs. In Lakhs)

| Particulars | | Note No. | 31.03.2024 | 31.03.2023 |
|-------------|---|----------|------------------|------------------|
| | | | Audited | Audited |
| I. | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, plant and equipment | 1 | 13,801.01 | 15,163.19 |
| | (b) Intangible Assets | 1A | 0.01 | 0.01 |
| | (c) Right to Use Asset | 2 | 9.84 | 51.74 |
| | (d) Financial Assets | | | |
| | Non-current investments | 3 | 330.86 | 329.46 |
| | (e) Deferred Tax Assets | 4 | 1,740.42 | 737.17 |
| | (f) Other non current assets | 5 | 237.32 | 233.80 |
| | TOTAL | | 16,119.46 | 16,515.37 |
| 2 | Current assets | | | |
| | (a) Inventories | 6 | 10,976.36 | 10,819.72 |
| | (b) Financial Assets | | | |
| | (i) Trade receivables, current | 7 | 6,781.55 | 7,249.02 |
| | (ii) Cash and cash equivalents | 8 | 107.74 | 77.36 |
| | (iii) Bank balance other than (ii) above | 9 | 324.08 | 318.15 |
| | (c) Current tax assets (net) | 10 | 279.68 | 254.35 |
| | (d) Other current assets | 11 | 5,910.57 | 5,192.72 |
| | TOTAL | | 24,379.98 | 23,911.32 |
| | TOTAL ASSETS | | 40,499.44 | 40,426.69 |
| II. | EQUITY AND LIABILITIES | | | |
| 1 | EQUITY | | | |
| | (a) Equity share capital | 12 | 2,564.90 | 2,564.90 |
| | (b) Other equity | 13 | (277.03) | 2,076.96 |
| | Equity attributable to shareholders of the Company | | 2,287.87 | 4,641.86 |
| | Non-Controlling Interest | | 150.00 | 150.00 |
| | Non-Controlling Interest Equity | | (399.46) | (389.30) |
| | TOTAL EQUITY | | 1,888.41 | 4,252.56 |
| 2 | LIABILITIES | | | |
| | NON-CURRENT LIABILITIES | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 14 | 3,388.86 | 4,638.33 |
| | (ii) Lease Liabilities | 15 | 9.68 | 9.68 |
| | (iii) Other non current financial liabilities | 16 | 310.68 | 331.14 |
| | (b) Long-term provisions | 17 | 611.65 | 710.04 |
| | (c) Government grants | 19 | 130.87 | 301.50 |
| | TOTAL | | 4,451.74 | 5,990.69 |
| | CURRENT LIABILITIES | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 20 | 18,429.53 | 15,299.12 |
| | (ii) Lease Liability | 21 | 0.43 | 45.18 |
| | (iii) Trade payable - Micro and Small Enterprises | 22 | 909.50 | 11.27 |
| | (iv) Trade payable - Others | 22 | 14,002.34 | 14,099.99 |
| | (b) Other current financial liabilities | 23 | 579.05 | 490.58 |
| | (c) Short-term provisions | 24 | 67.81 | 66.67 |
| | (d) Government grants | 25 | 170.63 | 170.63 |
| | TOTAL | | 34,159.29 | 30,183.44 |
| | TOTAL EQUITY AND LIABILITIES | | 40,499.44 | 40,426.69 |
| | Significant Accounting Policies | 35 | | |
| | The notes form an integral part of these financial statements | 36-59 | | |

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

UDIN : 24027497BKAVBG5529

Place : Coimbatore

Date : 29.05.2024

Partner

Membership No.027497

For and on behalf of the Board of Directors

For **KG BAALAKRISHNAN**
Executive Chairman
DIN : 00002174

P RAJESH
Company Secretary

For **B SRIRAMULU**
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

For **B SRIHARI**
Managing Director
DIN : 00002556

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

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

(Rs. In Lakhs)

| | Particulars | Note No. | 31.03.2024 | 31.03.2023 |
|------|---|----------|--------------------|--------------------|
| | | | Audited | Audited |
| I | INCOME | | | |
| | Revenue from operations | 26 | 26,446.41 | 53,255.35 |
| | Other income | 27 | 328.54 | 458.26 |
| | Total Income | | 26,774.95 | 53,713.61 |
| II | EXPENSES | | | |
| | Cost of materials consumed | 28 | 12,788.20 | 27,285.54 |
| | Purchases of Stock-in-Trade | 29 | 287.89 | 1,144.77 |
| | Changes in inventories of finished goods , work-in-progress and Stock-in-Trade | 30 | (503.05) | 5,091.73 |
| | Other Manufacturing Expenses | 31 | 6,859.14 | 11,096.45 |
| | Employee benefits expense | 32 | 4,721.19 | 5,647.44 |
| | Finance costs | 33 | 2,557.82 | 2,320.18 |
| | Depreciation and amortization expense | | 1,470.86 | 1,582.58 |
| | Other expenses | 34 | 2,425.64 | 3,273.52 |
| | Total expenses | | 30,607.69 | 57,442.21 |
| III | Profit before exceptional items and tax | | (3,832.74) | (3,728.60) |
| IV | Exceptional items | | 256.75 | 0.00 |
| V | Profit before tax (III- IV) | | (3,575.99) | (3,728.60) |
| VI | Tax expense: | | | |
| | (1) Current tax | | 0.00 | 0.00 |
| | (2) MAT Credit Entitlement | | - | - |
| | (3) Deferred tax | | (1,003.25) | (931.67) |
| | (4) Prior Year Tax | | 0.00 | 0.00 |
| | | | (1,003.25) | (931.67) |
| VII | Profit (Loss) for the period from continuing operations (V-VI) | | (2,572.74) | (2,796.93) |
| VIII | Other Comprehensive Income | | | |
| | Items that will not reclassified to Profit or Loss | | | |
| | Fair value of Equity Instruments | | 1.40 | 0.81 |
| | Gratuity valuations through OCI | | 207.19 | 106.65 |
| | Profit/(loss) (after tax) (VII) | | 208.59 | 107.46 |
| IX | Total Comprehensive Income for the year (VII + VIII) | | (2,364.15) | (2,689.47) |
| | Profit for the year attributable to: | | | |
| | Share holder of the Company | | -2561.10 | -2798.39 |
| | Non-controllable interest | | -11.64 | 1.46 |
| | | | (2,572.74) | (2,796.93) |
| | Other Comprehensive Income for the year attributable to: | | | |
| | Share holder of the Company | | 207.12 | 106.26 |
| | Non-controllable interest | | 1.47 | 1.20 |
| | | | 208.59 | 107.46 |
| | Total Comprehensive Income for the year attributable to: | | | |
| | Share holder of the Company | | -2353.99 | -2692.13 |
| | Non-controllable interest | | -10.16 | 2.66 |
| | | | (2,364.15) | (2,689.47) |
| X | Earnings per equity share: | | | |
| | (1) Basic | | (9.99) | (10.92) |
| | (2) Diluted | | (9.99) | (10.92) |
| | Weighted Number of Equity Shares | | 2,56,37,825 | 2,56,37,825 |
| | Significant Accounting Policies | 35 | | |
| | The notes form an integral part of these financial statements | 36-59 | | |

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

Partner
Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P RAJESH
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

UDIN: 24027497BKAVBG5529
Place : Coimbatore
Date : 29.05.2024

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2024

(Rs. In Lakhs)

| PARTICULARS | YEAR ENDED | YEAR ENDED |
|---|-----------------|-------------------|
| | 31.03.2024 | 31.03.2023 |
| | Audited | Audited |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before tax and extra ordinary items | (3,832.74) | (3,728.60) |
| Adjustments for: | | |
| Fair Valuation of Instruments | 1.40 | 0.81 |
| Depreciation and Amortization expenses | 1,470.86 | 1,582.58 |
| Provision for Doubtful Debts | -0.00 | -0.00 |
| Loss/Profit on Sale of Fixed Assets | 11.12 | (8.94) |
| Apportioned on Government Grants | (170.63) | (170.63) |
| Finance cost | 2,557.82 | 2,320.18 |
| Operating Profit before working capital changes | 37.83 | (4.60) |
| Adjustments for: | | |
| (Increase)/Decrease in Trade and other receivables | 467.47 | 426.36 |
| (Increase)/Decrease in Inventories | (156.64) | 6,233.54 |
| (Increase)/Decrease in Other Non current assets | (3.52) | 15.71 |
| (Increase)/Decrease in Other Current assets | (743.18) | 360.59 |
| Increase/(Decrease) in Trade and other payables | 868.59 | (2,054.56) |
| Increase/(Decrease) in Provisions | (97.25) | (39.38) |
| Increase/(Decrease) in Gratuity valuation through OCI | 207.19 | 106.65 |
| Cash generated from operations | 580.49 | 5,044.31 |
| Cash flow before extraordinary items | 580.49 | 5,044.31 |
| Exceptional items | 256.75 | |
| Cash flow after extraordinary items | 837.24 | 5,044.31 |
| Income Tax | - | -0.00 |
| Net cash (used in)/generated from operating activities | 837.24 | 5,044.31 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Sale Proceeds of property, plant and equipment | 21.68 | 12.84 |
| Investments | (1.40) | (0.81) |
| Purchase of property, plant and equipment | (134.69) | (319.61) |
| Capital Subsidy received | -0.00 | -0.00 |
| Margin money deposit with bank | (5.93) | 40.05 |
| Net cash (used in)/generated from investing activities | (120.34) | (267.53) |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds/Repayment from Long term borrowings | (1,249.47) | (3,126.09) |
| Proceeds / Repayment from short term borrowings | 3,130.41 | 664.29 |
| Interest paid | (2,557.82) | (2,320.18) |
| Repayment to lease liabilities | (9.65) | -0.00 |
| Net cash (used in)/generated from financing activities | (686.53) | (4,781.98) |
| Net Increase in cash and cash equivalents | 30.38 | (5.19) |
| Cash and cash equivalents as at 1st April, 2023 / 2022 (Opening Balance) | 77.36 | 82.55 |
| Cash and cash equivalents as at 31st Mar, 2024 / 2023 (Closing Balance) | 107.74 | 77.36 |
| Cash and cash equivalents as per above comprises of the following | | |
| Cash and cash equivalents | 107.74 | 77.36 |
| Balance as per Statement of Cash Flows | 107.74 | 77.36 |

Notes: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, 'Statement of Cash Flows'

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

UDIN: 24027497BKAVBG5529
Place : Coimbatore
Date : 29.05.2024

Partner
Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P RAJESH
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

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

A. EQUITY SHARE CAPITAL

(1) Current Reporting Period

(Rs. In Lakhs)

| Balance as at 01.04.2023 | Changes in equity share capital due to prior period errors | Restated balance as at 01.04.2023 | Changes in equity share capital during the current year | | | Balance as at 31.03.2024 |
|-----------------------------|--|---|---|--|--|-----------------------------|
| 2,564.90 | | 2,564.90 | | | | 2,564.90 |

(2) Previous Reporting Period

| Balance as at 01.04.2022 | Changes in equity share capital due to prior period errors | Restated balance as at 01.04.2022 | Changes in equity share capital during the current year | | | Balance as at 31.03.2023 |
|-----------------------------|--|---|---|--|--|-----------------------------|
| 2,564.90 | | 2,564.90 | | | | 2,564.90 |

B. OTHER EQUITY

(Rs. In Lakhs)

| | Capital Redemption Reserve | Securities Premium Reserve | General Reserves | Retained Earnings | Retained Earning in Jointly Controlled Entities | Total Equity | Non Controlling Interest | Total |
|--|----------------------------------|----------------------------------|---------------------|----------------------|---|-----------------|--------------------------------|-----------------|
| Balance as at 31st March, 2022 | 1.61 | 444.44 | 1,549.28 | 2,368.09 | 405.67 | 4,769.09 | -391.96 | 4,377.13 |
| On Allotment of Shares by Subsidiary Company | | | | | 541.96 | 541.96 | -391.96 | 150.00 |
| Profit (loss) for the year | | | | -2,802.78 | 4.39 | -2,798.39 | 1.46 | -2,796.93 |
| Other Comprehensive Income for the year | | | | 102.67 | 3.59 | 106.26 | 1.20 | 107.46 |
| Total Comprehensive Income for the year | | | | | | -2,692.13 | 2.66 | -2,689.47 |
| Balance as at 31st March, 2023 | 1.61 | 444.44 | 1,549.28 | 2,368.09 | 410.06 | 2,076.96 | -389.30 | 1,687.66 |
| On Allotment of Shares by Subsidiary Company | | | | | 539.30 | 539.30 | -389.30 | 150.00 |
| Profit (loss) for the year | | | | -2,526.20 | -34.90 | -2,561.10 | -11.64 | -2,572.74 |
| Other Comprehensive Income for the year | | | | 202.70 | 4.42 | 207.12 | 1.47 | 208.59 |
| Total Comprehensive Income for the year | | | | -2,323.50 | -30.48 | -2,353.98 | -10.17 | -2,364.15 |
| Balance as at 31st March, 2024 | 1.61 | 444.44 | 1,549.28 | 44.59 | 379.58 | -277.02 | -399.47 | -676.49 |

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN

Partner
Membership No.027497

UDIN: 24027497BKAVBG5529
Place : Coimbatore
Date : 29.05.2024

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P RAJESH
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 1: Property, Plant & Equipment - Consolidated

(Rs. In Lakhs)

| Fixed Assets | Land | Buildings | Plant & Equipment | Electrical Machinery | Furniture & Fixtures | Vehicles | Electrical Fittings | Office Equipment | Other (Specify nature) | Total |
|---------------------------------|-----------------|-----------------|-------------------|----------------------|----------------------|---------------|---------------------|------------------|------------------------|------------------|
| Gross Carrying Value | | | | | | | | | | |
| Deemed Cost as at April 1, 2023 | 1,097.98 | 6,209.97 | 16,594.42 | 747.81 | 316.26 | 741.08 | 2.13 | 294.57 | 10.37 | 26,014.59 |
| Additions | - | 63.57 | 34.16 | 26.69 | 1.88 | 0.90 | | 7.07 | | 134.27 |
| (-) Disposals | - | | 48.62 | | 1.93 | 9.99 | | 2.63 | | 63.17 |
| As at March 31, 2024 | 1,097.98 | 6,273.54 | 16,579.96 | 774.50 | 316.21 | 731.99 | 2.13 | 299.01 | 10.37 | 26,085.69 |
| Depreciation | | | | | | | | | | |
| As at April 1, 2023 | - | 1,496.40 | 8,087.74 | 412.39 | 162.46 | 494.64 | 0.05 | 187.87 | 9.85 | 10,851.40 |
| Depreciation for the year | - | 212.44 | 1,092.48 | 64.03 | 22.43 | 47.43 | 0.66 | 25.34 | 0.01 | 1,464.82 |
| (-) On Disposals | - | - | 17.69 | - | 1.07 | 9.12 | - | - | 2.49 | 30.37 |
| As at March 31, 2024 | - | 1,708.84 | 9,162.53 | 476.42 | 183.82 | 532.95 | 0.71 | 213.21 | 7.37 | 12,285.85 |
| Net Carrying Value | | | | | | | | | | |
| As at March 31, 2024 | 1,097.98 | 4,564.70 | 7,417.43 | 298.08 | 132.39 | 199.04 | 1.42 | 85.80 | 3.00 | 13,799.84 |
| As at March 31, 2023 | 1,097.98 | 4,713.57 | 8,506.68 | 335.42 | 153.80 | 246.44 | 2.08 | 106.70 | 0.52 | 15,163.19 |

Note:

1. Building includes Prayer Hall and Gold plating thereon of Rs.109.14 Lakhs in Gross Carrying value, Rs.22.40 Lakhs in Depreciation Block and Rs. 86.74 Lakhs in Net Block (Previous year Rs. 109.14 in Gross Carrying value, Rs.20.28 Lakhs in Depreciation Block and Rs. 88.86 Lakhs in Net Block)
2. Furniture & Fittings includes Prayer Hall of Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block. (Previous year Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block).
3. Title deeds of all the immovable properties are held in the name of the Company only.
4. The Company has not done any revaluation of property, plant & equipment (including right of use assets) during the year.
5. There is no Capital-work-in progress as on the date of the balance sheet as at 31st March 2024. There is no project which is temporarily suspended.
6. There are no intangible assets under development as on the date of the balance sheet as at 31st March 2024.

Note 1 A : Intangible Assets

(Rs. In Lakhs)

| | Others | Total |
|-------------------------------|--------|-------|
| Gross Carrying Amount | | |
| Balance as at 31st March 2023 | 0.01 | 0.01 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31st March 2024 | 0.01 | 0.01 |
| Accumulated Depreciation | | |
| Balance as at 31st March 2023 | - | - |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31st March 2024 | - | - |
| Net Carrying Amount | | |
| Balance as at 31st March 2023 | 0.01 | 0.01 |
| Balance as at 31st March 2024 | 0.01 | 0.01 |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 2 Right of Use Assets

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--------------------------------------|--------------|--------------|
| Movement during the year | | |
| Deemed Cost as at April 1, 2023/2022 | 77.22 | 115.66 |
| Additions | - | - |
| Disposals | (41.90) | (38.44) |
| Balance as at 31st March 2024/2023 | 35.32 | 77.22 |
| Depreciation | | |
| As at April 1, 2023/ 2022 | 25.48 | 25.48 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31st March 2024/2023 | 25.48 | 25.48 |
| | - | - |
| | - | - |
| Total | 9.84 | 51.74 |

Note 3 Investments-Non current

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|---------------|---------------|
| A Non-Trade Investments | | |
| Equity (Quoted) | | |
| i Indian Bank - 605 Equity Shares of Rs.10/- each | 3.15 | 1.75 |
| Total - A | 3.15 | 1.75 |
| II Trade Investments | | |
| i Sri Kannapiran Mills Limited | 327.46 | 327.46 |
| 3,31,588 Equity Shares of Rs.10/-each-Quoted | - | - |
| ii Cotton Sourcing Company Ltd | 1.00 | 1.00 |
| 10,000 Equity Shares of Rs.10/-each-Un quoted | | |
| Less : Provision for diminution in the value of Investments | (0.75) | (0.75) |
| sub-total | 327.71 | 327.71 |
| Total (B = I+ II) | 327.71 | 327.71 |
| Grand Total (A + B) | 330.86 | 329.46 |
| Less : Provision for diminution in the value of Investments | - | - |
| Total | 330.86 | 329.46 |

Note 4 Deferred Tax Assets (Net)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|---------------|
| Deferred Tax Asset / (Liabilities) | | |
| Opening balance | 737.17 | (194.50) |
| On account of business loss & Depreciation as per books of accounts & IT purpose (DTA) | 1,003.25 | 931.67 |
| Net Deferred tax asset | 1,740.42 | 737.17 |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 5 Other Non Current Assets

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|---------------|---------------|
| a. Capital Advances | | |
| Advance for Capital Goods - Un secured considered good | 209.95 | 211.44 |
| Others | - | |
| | 209.95 | 211.44 |
| b. Security Deposits | | |
| Security Deposits - Un secured considered good | 27.37 | 22.36 |
| | 27.37 | 22.36 |
| Total | 237.32 | 233.80 |

Note 6 Inventories

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---------------------------------|------------------|------------------|
| a. Raw Materials and components | 1,195.76 | 1,421.55 |
| | 1,195.76 | 1,421.55 |
| b. Work-in-progress | 2,017.03 | 1,384.54 |
| | 2,017.03 | 1,384.54 |
| c. Finished goods | 5,930.01 | 5,950.44 |
| Goods-in transit | 144.53 | 251.25 |
| | 6,074.54 | 6,201.69 |
| d. Stores and Spares | 1,675.97 | 1,809.49 |
| | 1,675.97 | 1,809.49 |
| e. Others (Specify nature) | | |
| Stock of Waste | 13.06 | 2.45 |
| | 13.06 | 2.45 |
| | | |
| Total | 10,976.36 | 10,819.72 |

Note 7 Trade Receivables

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Current Receivables | | |
| Trade receivables Unsecured Considered Good | 6,680.96 | 7,148.43 |
| Trade receivables Unsecured - Doubtful Debts | 515.16 | 515.16 |
| Less: Provision for Doubtful Debts | (414.57) | (414.57) |
| Total | 6,781.55 | 7,249.02 |

AS AT 31 MARCH 2024

(Rs. In Lakhs)

| Particulars | < 6 months | 6M-1 Yrs | 1-2Yrs | 2-3 Yrs | >3 yrs | Total |
|--|-----------------|---------------|---------------|---------------|---------------|-----------------|
| (i) Un Disputed Trade Receivable- Considered Goods | 5,199.16 | 692.12 | 517.64 | 374.20 | | 6,783.12 |
| (ii) Un Disputed Trade Receivable- Considered Doubtful | 94.94 | 26.74 | 31.92 | 116.87 | 144.10 | 414.57 |
| (iii) Disputed Trade Receivables Considered Good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables Considered Doubtful | - | - | - | - | - | - |
| TOTAL | 5,294.10 | 718.86 | 549.56 | 491.07 | 144.10 | 7,197.69 |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

AS AT 31 MARCH 2023

(Rs. In Lakhs)

| Particulars | < 6 months | 6M-1 Yrs | 1-2Yrs | 2-3 Yrs | >3 yrs | Total |
|--|-----------------|---------------|-----------------|---------------|---------------|-----------------|
| (i) Un Disputed Trade Receivable- Considered Goods | 4,525.11 | 693.46 | 1,764.48 | 121.87 | 144.10 | 7,249.02 |
| (ii) Un Disputed Trade Receivable- Considered Doubtful | 72.92 | 10.12 | 10.40 | 76.44 | 144.10 | 313.98 |
| (iii) Disputed Trade Receivables Considered Good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables Considered Doubtful | - | - | - | - | - | - |
| TOTAL | 4,598.03 | 703.58 | 1,774.88 | 198.31 | 288.20 | 7,563.00 |

Note 8 Cash and cash equivalents

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|------------------------|---------------|--------------|
| a. Balances with banks | 104.99 | 66.26 |
| b. Cash on hand | 2.75 | 11.10 |
| Total | 107.74 | 77.36 |

Note 9 Other Bank balances

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-----------------------------|---------------|---------------|
| a. Others Bank Balances | | |
| Unclaimed Dividend Account | 31.18 | 39.86 |
| b. Others | | |
| Margin Money Deposits on LC | 292.90 | 278.29 |
| Total | 324.08 | 318.15 |

Note 10 Current Tax Assets (net)

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--------------------|---------------|---------------|
| For Duties & Taxes | 279.68 | 254.35 |
| Total | 279.68 | 254.35 |

Note 11 Other Current Assets

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|-----------------|-----------------|
| a. Export incentives Receivable | 225.28 | 231.31 |
| b. IGST Refund Receivable | 154.83 | 144.40 |
| c. DEPB Receivable- Court Order | 184.84 | |
| d. Duty Drawback Receivable - Court Order | 71.91 | |
| e. REC Certificate Income Receivable | 63.99 | 64.38 |
| f. Interest Receivable | 6.70 | - |
| g. Input Credit GST Receivable | 2,631.44 | 2,309.53 |
| h. Insurance Claim Receivable | 27.19 | 174.81 |
| i Advance for Material Purchase | 1,539.18 | 1,418.40 |
| j Advance for Expenses / Others | 760.88 | 638.25 |
| k Prepaid Expenses | 244.33 | 211.64 |
| Total | 5,910.57 | 5,192.72 |

Note 12 Share capital

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Authorised | | |
| 3,10,00,000 Equity Shares of Rs.10 each | 3,100.00 | 3,100.00 |
| 10,00,000 10% Cumulative Redeemable Preference shares of Rs.100 each | 1,000.00 | 1,000.00 |
| Issued, Subscribed & Paid up sharecapital | | |
| 2,56,37,825 Equity Shares of Rs.10 each (Previous year 2,56,37,825 equity share of Rs. 10 each) | 2,563.78 | 2,563.78 |
| ADD: | | |
| 37,400 Forfeited equity shares | 1.12 | 1.12 |
| Total | 2,564.90 | 2,564.90 |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

| Particulars | No of Shares | 31.03.2024 | No. of Shares | 31.03.2023 |
|------------------------------------|--------------|------------|---------------|------------|
| At the beginning of the year | 2,56,37,825 | 2,563.78 | 2,56,37,825 | 2,563.78 |
| Outstanding at the end of the year | 2,56,37,825 | 2,563.78 | 2,56,37,825 | 2,563.78 |

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having at par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back.

Details of shareholders holding more than 5% shares of total Equity Shares of the Company

| Name of Shareholder | 31.03.2024 | | 31.03.2023 | |
|------------------------------|--------------|--------------|--------------|--------------|
| | No of Shares | % of holding | No of Shares | % of holding |
| Sri Kannapiran Mills Limited | 32,65,183 | 12.74% | 32,65,183 | 12.74% |
| Shri KG Baalakrishnan | 25,78,560 | 10.06% | 25,78,560 | 10.06% |
| Shri B Sriramulu | 22,08,659 | 8.61% | 22,08,659 | 8.61% |
| Shri B Srihari | 22,31,859 | 8.71% | 22,31,859 | 8.71% |
| Smt T Anandhi | 20,31,000 | 7.92% | 20,31,000 | 7.92% |

Disclosure of shareholding of promoters as at 31st March 2024 is as follows

| Name of the Promoters | No. of shares at the beginning of the year | Changes during the year | No. of shares at the end of the year | % of total shares | % Changes during the year |
|------------------------------|--|-------------------------|--------------------------------------|-------------------|---------------------------|
| Sri Kannapiran Mills Limited | 32,65,183 | - | 32,65,183 | 12.74% | - |
| Shri KG Baalakrishnan | 25,78,560 | - | 25,78,560 | 10.06% | - |
| Smt B Sathyabama | 5,500 | - | 5,500 | 0.02% | - |
| Shri B Sriramulu | 22,08,659 | - | 22,08,659 | 8.61% | - |
| Shri B Srihari | 22,31,859 | - | 22,31,859 | 8.71% | - |
| Smt T Anandhi | 20,31,000 | - | 20,31,000 | 7.92% | - |
| Dr G Bakthavathsalam | 1,04,609 | - | 1,04,609 | 0.41% | - |

Disclosure of shareholding of promoters as at 31st March 2023 is as follows

(Rs.in Lakhs)

| Name of the Promoters | No. of shares at the beginning of the year | Changes during the year | No. of shares at the end of the year | % of total shares | % Changes during the year |
|------------------------------|--|-------------------------|--------------------------------------|-------------------|---------------------------|
| Sri Kannapiran Mills Limited | 32,65,183 | - | 32,65,183 | 12.74% | - |
| Shri KG Baalakrishnan | 25,78,560 | - | 25,78,560 | 10.06% | - |
| Smt B Sathyabama | 5,500 | - | 5,500 | 0.02% | - |
| Shri B Sriramulu | 22,08,659 | - | 22,08,659 | 8.61% | - |
| Shri B Srihari | 22,31,859 | - | 22,31,859 | 8.71% | - |
| Smt T Anandhi | 20,31,000 | - | 20,31,000 | 7.92% | - |
| Dr G Bakthavathsalam | 1,04,609 | - | 1,04,609 | 0.41% | - |

(Rs.in Lakhs)

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

13. OTHER EQUITY

(Rs. In Lakhs)

| | Capital Redemption Reserve | Securities Premium Reserve | General Reserves | Retained Earnings | Retained Earning in Jointly Controlled Entities | Total Equity | Non Controlling Interest | Total |
|--|----------------------------------|----------------------------------|---------------------|----------------------|---|--------------|--------------------------------|-----------|
| Balance as at 31st March, 2022 | 1.61 | 444.44 | 1,549.28 | 2,368.09 | 405.67 | 4,769.09 | -391.96 | 4,377.13 |
| On Allotment of Shares by Subsidiary Company | | | | | 541.96 | 541.96 | -391.96 | 150.00 |
| Profit (loss) for the year | | | | -2,802.78 | 4.39 | -2,798.39 | 1.46 | -2,796.93 |
| Other Comprehensive Income for the year | | | | 102.67 | 3.59 | 106.26 | 1.20 | 107.46 |
| Total Comprehensive Income for the year | | | | | | -2,692.13 | 2.66 | -2,689.47 |
| Balance as at 31st March, 2023 | 1.61 | 444.44 | 1,549.28 | 2,368.09 | 410.06 | 2,076.96 | -389.30 | 1,687.66 |
| On Allotment of Shares by Subsidiary Company | | | | | 539.30 | 539.30 | -389.30 | 150.00 |
| Profit (loss) for the year | | | | -2,526.20 | -34.90 | -2,561.10 | -11.64 | -2,572.74 |
| Other Comprehensive Income for the year | | | | 202.70 | 4.42 | 207.12 | 1.47 | 208.59 |
| Total Comprehensive Income for the year | | | | -2,323.50 | -30.48 | -2,353.98 | -10.17 | -2,364.15 |
| Balance as at 31st March, 2024 | 1.61 | 444.44 | 1,549.28 | 44.59 | 379.58 | -277.02 | -399.47 | -676.49 |

Note 14 : Financial Liabilities

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Secured | | |
| (a) Term loans | | |
| Indian Rupee Loan | | |
| from banks (Secured) | 2,599.90 | 3,976.10 |
| from Others - Property Loan | 401.44 | 644.80 |
| (b) Long Term maturitie of finance lease obligations | | |
| from Others - Vehicle Hire Purchase | 12.52 | 17.43 |
| c) Long term - Unsecured Loan | 225.00 | - |
| d) Intercompany deposit | 150.00 | |
| There is no case of continuing default as on the balance sheet date in repayment of loans and interest | | |
| Total | 3,388.86 | 4,638.33 |

Security Clause

Bank Borrowings of Term Loans

Term Loans from Indian Bank (IB) and The South Indian Bank (SIB) are secured by first pari passu charge on (a) all immovable properties situated in (i) 102.1897 acres of land at jadayampalayam, Alangombu and Karamadai Villages in Mettupalayam Taluk, Coimbatore District, Tamil Nadu and (ii) 2155.62 SQ. metres of land at Amdha Village, Dharampur Taluk, Valsad District, Gujarat through equitable mortgage created with Indian Bank and (b) all plant and machineries including machineries and other movable fixed assets (excluding vehicles charged to financiers, Peelamedu property, Mumbai Property and Bangalore Property) acquired for the New Capex Plan through Deed of Hypothication and second pari passu charge on current assets of the Company

Indian Bank is holding the original title deeds on its own behalf and on behalf of other Banks. Term Loans are also guaranteed by Shri KG Baal Krishnan, Executive Chairman.

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Indian Bank is holding the original title deeds on its own behalf and on behalf of other Banks. Term Loans are also guaranteed by Shri KG Baalakrishnan, Executive Chairman.

| Term Loan Bank | Outstanding | Previous Year | Repayment months | Commencement from | Last Installment | Rate of Interest | Previous Rate of interest |
|------------------------|-------------|---------------|------------------|-------------------|------------------|------------------|---------------------------|
| | Rs.in lakhs | | | | | | |
| Indian Bank TL -VII | 0.00 | 181.04 | 84 | 15.05.2017 | 15.05.2024 | 9.60% | 9.60% |
| Indian Bank TL -VIII | 0.00 | 101.74 | 84 | 02.02.2018 | 02.02.2025 | 9.60% | 9.60% |
| Indian Bank Corp. Loan | 288.32 | 797.32 | 60 | 31.10.2023 | 31.10.2025 | 10.10% | 10.10% |

GECLS Loan

GECLS Loan availed from Indian Bank, Union bank of India, State Bank of India and South Indian Bank are secured by second Pari-passu charge on the existing fixed assets and current assets.

Guarantee cover under National Credit Guarantee Corporation Limited (NCGTC).

| Term Loan Bank | Outstanding | Previous Year | Repayment months | Commencement from | Last Installment | Rate of Interest | Previous Rate of interest |
|------------------------------|-------------|---------------|------------------|-------------------|------------------|------------------|---------------------------|
| Indian Bank GECL | 541.11 | 1120.19 | 48 | 01.04.2022 | 01.03.2026 | 8.30% | 8.30% |
| Union Bank of India GECL | 158.16 | 266.43 | 48 | 09.02.2021 | 09.01.2025 | 7.60% | 7.60% |
| State Bank of India GECL | 95.30 | 197.23 | 60 | 01.04.2022 | 01.03.2027 | 7.95% | 7.95% |
| South Indian Bank GECL | 78.85 | 151.43 | 48 | 01.04.2022 | 01.03.2026 | 9.20% | 9.20% |
| Indian Bank GECL-2.0 | 806.27 | 1059.43 | 48 | 01.01.2024 | 01.01.2028 | 8.30% | 8.30% |
| Union Bank of India GECL-2.0 | 185.16 | 243.00 | 48 | 01.01.2024 | 01.01.2028 | 7.85% | 7.85% |
| State Bank of India GECL-2.0 | 134.05 | 185.99 | 48 | 01.01.2024 | 01.01.2028 | 7.95% | 7.95% |
| South Indian Bank GECL-2.0 | 86.71 | 137.00 | 36 | 01.01.2024 | 01.01.2027 | 9.25% | 9.25% |

The company has availed a Term Loan from ICICI Bank Ltd and Tata Capital Financial Services Ltd. ICICI Bank Ltd is having an exclusive charge on the Bangalore office property, and Tata Capital Financial Services Ltd is having an exclusive charge on 24.25 acres of land situated at jadayampalayam.

| Term Loan Bank | Outstanding | Previous Year | Repayment months | Commencement from | Last Installment | Rate of Interest | Previous Rate of interest |
|--|-------------|---------------|------------------|-------------------|------------------|------------------|---------------------------|
| | Rs.in lakhs | | | | | | |
| ICICI Bank Ltd | 81.95 | 113.08 | 120 | 05.05.2017 | 05.05.2027 | 8.60% | 8.60% |
| TataCapital Financial Services Ltd | 237.94 | 380.80 | 84 | 15.10.2019 | 15.09.2026 | 11.00% | 11.00% |
| TataCapital Financial Services Ltd-2.0 | 163.50 | 264.00 | 48 | 01.01.2024 | 01.01.2027 | 11.00% | 11.00% |

Note 15 : Lease Liabilities

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-----------------|-------------|-------------|
| Lease Liability | 9.68 | 9.68 |
| Total | 9.68 | 9.68 |

Note 16 : Other Financial Liabilities

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------------------|---------------|---------------|
| (a) Others - Security Deposit | 310.68 | 331.14 |
| Total | 310.68 | 331.14 |

Note 17 : Long Term Provisions

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|---------------|---------------|
| (a) Provision for employee benefits Gratuity (unfunded) | 611.65 | 710.04 |
| Total | 611.65 | 710.04 |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 19: Government Grants

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|---------------|---------------|
| Government Grants | 130.87 | 301.50 |
| Total | 130.87 | 301.50 |

Note 20: Short Term Borrowings

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------------|------------------|
| <u>Secured</u> | | |
| (a) Loans repayable on demand | | |
| Working Capital Loan from Banks (Secured) | 13,925.65 | 11,871.34 |
| Working Capital Loan from other than Banks (Secured) | 444.84 | - |
| <u>Unsecured</u> | | |
| Working Capital Loan from other than Banks (Unsecured) | 1,499.04 | 831.29 |
| (b) Current Maturities of Long Term Borrowings | | |
| Current Maturities of Long-term Debt - Secured | 2,515.06 | 2,494.53 |
| Current maturities of financial institutions | 44.94 | 101.96 |
| There are no case of default in repayment of loan and interest as on date of balance sheet. | | |
| Total | 18,429.53 | 15,299.12 |

Security Clause

Working Capital facilities from Indian Bank Consortium (Indian Bank, State Bank of India, The South Indian Bank Limited and Union Bank of India) are secured by a first pari passu charge on the whole of the current assets through Deed of Hypothecation and second pari passu charge on (a) all the immovable properties situated in (i) 102.1897 acres of land at Jadayampalayam, Alangomobu and Karamadai Village in Mettupalayam Taluk, Coimbatore District, Tamil Nadu and (ii) 2155.62 sq. meters of land at Amdha Village, Dharampur Taluk, Valsad District, Gujarat through equitable mortgage created with Indian Bank and (b) all plant and machineries (excluding vehicles charged to financiers, Peelamedu property, Mumbai & Bangalore property) through Deed of Hypothecation. The entire working capital facilities are also guaranteed by Shri KG Baalakrishnan, Executive Chairman.

Subsidiary Secured loan :- Working Capital Loan from Indian Overseas Bank is Secured by an exclusive first charge on the fixed and current assets besides corporate guarantee by Holding company viz KG Denim limited. The Loans are also personally guaranteed by Shri KG Baalakrishnan, Director

Note 21 :Lease Liability

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-----------------|-------------|--------------|
| Lease Liability | 0.43 | 45.18 |
| Total | 0.43 | 45.18 |

Note 22: Trade Payables

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------------|------------------|
| Trade Payables | | |
| For Dues of Micro Enterprises and Small Enterprises | 909.50 | 11.27 |
| For Other Dues | 14,002.34 | 14,099.99 |
| Total | 14,911.84 | 14,111.26 |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

AS AT 31st March 2024

Rs. In lakhs

| Trade payable | < 1Year | 1-2 Yrs | 2-3Yrs | >3 Yrs | Total |
|-----------------|-----------------|-----------------|-----------------|-------------|------------------|
| MSME | 909.50 | | | | 909.50 |
| Others | 8,304.00 | 4,535.64 | 1,161.95 | 0.75 | 14,002.34 |
| Disputed MSME | | | | | - |
| Disputed Others | | | | | - |
| TOTAL | 9,213.50 | 4,535.64 | 1,161.95 | 0.75 | 14,911.84 |

AS AT 31st March 2023

Rs. In lakhs

| Trade payable | < 1Year | 1-2 Yrs | 2-3Yrs | >3 Yrs | Total |
|-----------------|------------------|-----------------|---------------|-------------|------------------|
| MSME | 11.27 | | | | 11.27 |
| Others | 12,566.20 | 1,407.57 | 125.02 | 1.20 | 14,099.99 |
| Disputed MSME | | | | | - |
| Disputed Others | | | | | - |
| TOTAL | 12,577.47 | 1,407.57 | 125.02 | 1.20 | 14,111.26 |

Note: Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 ('MSMD Act'). The disclosures pursuant to the said MSMD Act are as follows.

(Rs. In Lakhs)

| | Particulars | As at 31.03.2024 | As at 31.03.2023 |
|---|---|---------------------|---------------------|
| a | The principal amount remaining unpaid to any supplier at the end of the year | 909.50 | 11.27 |
| b | Interest due remaining unpaid to any supplier at the end of the year | 89.32 | |
| c | The amount of interest paid by the buyer in terms of Section 16 of MSMD Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | | |
| d | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMD Act, 2006 | | |
| e | The amount of interest accrued and remaining unpaid at the end of each accounting year | 89.32 | |
| f | The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMD Act, 2006 | | |

Note 23: Other Current Liabilities

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---------------------------------|---------------|---------------|
| (a) Customer Credit Balance | 394.82 | 356.17 |
| (b) Duties and Taxes | 103.48 | 42.76 |
| (c) Creditors for Capital goods | 49.57 | 51.79 |
| (d) Unpaid Dividend Accrued | 31.18 | 39.86 |
| Total | 579.05 | 490.58 |

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Note 24: Short Term Provisions

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|--------------|--------------|
| (a) Provision for employee benefits | | |
| Gratuity (unfunded) | 67.81 | 66.67 |
| Total | 67.81 | 66.67 |

Note 25: Government Grants

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|---------------|---------------|
| Government Grants | 170.63 | 170.63 |
| Total | 170.63 | 170.63 |

Note 26: Revenue from operations

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------------|------------------|
| Sale of products | 24,726.32 | 50,736.31 |
| Sale of services - Job work | 505.90 | 333.52 |
| Other operating revenues : Waste Cotton/Yarn /Accessories sales | 770.11 | 1,385.67 |
| Export Incentives | 444.08 | 799.85 |
| Total | 26,446.41 | 53,255.35 |

Note 27: Other income

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|---------------|---------------|
| Interest Income | 108.00 | 85.59 |
| Apportioned Income from Govt. Grant | 170.63 | 170.63 |
| Dividend Income | 0.05 | 0.04 |
| Lease Rent Receipt | 2.10 | 1.88 |
| Miscellaneous Income | 15.81 | 39.30 |
| Insurance Claim Received | 28.92 | 56.21 |
| Profit/Loss on sale of Fixed Assets | 3.03 | 8.94 |
| Profit on Forward Contract & Exchange Profit | - | 95.67 |
| Total | 328.54 | 458.26 |

Note 28: Cost of materials consumed

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------------------|------------------|------------------|
| Opening Stock | 1,421.55 | 2,668.08 |
| Purchases | 12,562.41 | 26,039.01 |
| sub-total | 13,983.96 | 28,707.09 |
| Less : Closing stock | 1,195.76 | 1,421.55 |
| Raw materials consumed | 12,788.20 | 27,285.54 |

Note 29: Purchases of Stock-in-Trade

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------|---------------|-----------------|
| Garments purchase | 287.89 | 1,144.59 |
| Fabric Purchase | - | 0.18 |
| Total | 287.89 | 1,144.77 |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 30: Changes in inventories of finished goods work-in-progress and Stock-in-Trade (Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|------------------------|-----------------|------------------|
| Opening Stock : | | |
| Work-in-process | 1,384.54 | 3,222.99 |
| Finished Goods | 6,204.78 | 9,434.07 |
| | 7,589.32 | 12,657.06 |
| Closing Stock : | | |
| Work-in-process | 2,017.03 | 1,384.54 |
| Finished Goods | 6,075.34 | 6,180.79 |
| | 8,092.37 | 7,565.33 |
| Total | (503.05) | 5,091.73 |

Note 31: Other Manufacturing Expenses (Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|------------------|
| (a) Power & Fuel | 5,206.33 | 7,985.72 |
| (b) Consumptions of Stores & Spare Parts | 685.23 | 608.19 |
| (c) Processing Charges | 567.96 | 1,032.28 |
| (d) Repairs & Maintenance For Plant & Machinery | 227.20 | 1,187.38 |
| For Buildings | 34.97 | 86.50 |
| For Others | 137.45 | 196.38 |
| Total | 6,859.14 | 11,096.45 |

Note 32 : Employee Benefits Expense (Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| (a) Salaries and Wages | 4,045.09 | 4,927.94 |
| (b) Salaries - Managing Directors / Whole Time Directors | 156.00 | 156.00 |
| (c) Contributions to Provident fund and other funds | 215.52 | 249.50 |
| (d) Gratuity as per actuarial valuations | 115.47 | 120.62 |
| (e) Staff welfare expenses | 189.11 | 193.38 |
| Total | 4,721.19 | 5,647.44 |

Note 33 : Finance costs (Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|---|-----------------|-----------------|
| Interest expense | 2,338.32 | 2,037.03 |
| Other borrowing costs | 218.52 | 256.50 |
| Applicable net gain/loss on foreign currency transactions, translation and import reinstatement | 0.98 | 26.65 |
| Total | 2,557.82 | 2,320.18 |

Note 34 : Other expenses (Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Rent | 114.22 | 72.43 |
| Insurance | 291.17 | 277.83 |
| Rates and taxes, excluding, taxes on income. | 56.32 | 131.78 |
| Payments to the auditor as | | |
| a. as statutory auditor | 6.90 | 6.90 |
| b. for other services | 0.24 | - |
| Legal, Professional & Consultancy Charges | 118.56 | 116.37 |
| Printing and Stationery | 20.92 | 31.17 |
| Postage, Telegrams and Telephones | 115.82 | 156.73 |
| Traveling Expenses and Maintenance of Vehicles | 474.49 | 602.54 |
| Director Sitting Fees | 5.60 | 3.30 |
| Software Maintenance Expenses | 7.73 | 9.58 |
| Commission on Sales | 281.67 | 450.49 |
| Discount on Sales | 114.67 | 254.64 |
| Selling Expenses | 421.59 | 586.69 |
| Freight Outwards | 248.76 | 424.04 |
| Prayer Hall Repairs and maintenance | 6.90 | 5.02 |
| Sundry Balance / Bad debts written off | 9.92 | - |
| Advances Written Off | - | 10.77 |
| Miscellaneous expenses, | 111.74 | 109.33 |
| Loss on sale of Fixed Assets | 14.15 | - |
| Loss on sale of DEPB Licenses | 4.27 | 23.91 |
| Total | 2,425.64 | 3,273.52 |

NOTE 35 EXCEPTIONAL ITEMS - DEPB RECEIPTS (Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-------------------------|---------------|------------|
| DEPB Receipts | 184.84 | - |
| Duty Draw Back Receipts | 71.91 | - |
| | 256.75 | - |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note :- 36: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

36.1. Principles of Consolidation:

The Consolidated financial statements relate to K G Denim Limited and its subsidiaries, have been prepared on a line by line basis by adding together the book values like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as stated in Ind AS

The subsidiary companies considered in the consolidated financial statements are

| Name of the Company | Country of Incorporation | Proportion of voting power as on 31.03.2024 |
|--------------------------|--------------------------|---|
| Trigger Apparels Limited | India | 75% |
| KG Denim (USA) Inc. | Delaware USA | 100% |

36.2 Other Significant Accounting policies:

(a) Basis of preparation

(i) Compliance with Ind AS

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

The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements of the Group have been consolidated using uniform accounting policies.

(ii) Historical cost conventions

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value in terms of Ind AS.

(iii) Going Concern

The accounts are prepared on the basis of going concern concept

(iv) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

The Group has applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant and Equipment and other fixed assets is provided on a Straight-Line Method, over the estimated useful lives of assets.

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act, except for power plant machinery which based on an independent technical evaluation, life has been estimated as 20 years, which is different from that prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows-

| Asset Class | Useful Life |
|------------------------|--------------------|
| Factory Building | 30 years |
| Non- Factory Building | 60 years |
| Plant and Machinery | 15 years |
| Furniture and Fixtures | 10 years |
| Office Equipment | 5 years |
| Vehicles | 8 years |
| Power Plant | 20 years |
| Computers | 3 years |

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Capital Work-in-Progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

(d) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and bank, current account balances.

(e) Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used are 'Weighted Average cost', average cost or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(f) Lease

As a lessee: The Group lease assets primarily consist of office premises which are of short-term lease with the term of twelve months or less and low value leases. For these short term and low value leases, the Company has recognized the lease payments as an expense in the Statement of Profit and Loss on a straight-line basis over the term of lease. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

(i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor: Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(g) Investments and other financial assets

(h) Classification

The Group classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(i) Impairment of non-financial assets

Impairment of non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Derivative financial instruments

Derivative financial instruments such as forward contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

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(k) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(l) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(m) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(n) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(o) Revenue recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts and value added taxes.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Sale of goods

The Group earns revenue primarily from sale of manufactured goods (fabric, home textiles and garments). It has applied the principles laid down in Ind AS 115 and determined that there is no change require in the existing revenue recognition methodology. In case of sale to domestic customers, sale is made on ex-factory basis and revenue is recognized when the goods are dispatched from the factory gate. In case of export sales, revenue is recognized on shipment date, when performance obligation is met.

Revenue from services

Revenue from services is recognized in the accounting period in which the services are rendered.

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Dividend Income

Dividend income from investment is recognized when the Group's right to receive is established which generally occurs when the shareholders approve the dividend.

Insurance claims

Insurance claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

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(p) Employee benefits

(i) Short-term obligations

Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees render service are accounted on accrual basis. Group's contributions paid / payable during the year to Provident Fund and ESIC are recognized in the statement of profit and loss account. All leave encashment dues for the year are settled within the same year.

(ii) Employment retirement benefits

Contribution to Provident Fund has been made to the respective authorities.
Gratuity liability as per the Actuarial Valuation has been provided in the accounts as at the year end.

(q) Foreign currency translation

(l) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

(j) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

@ Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- (i) the profit attributable to owners of the Group
- (ii) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:-the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and -the weighted average number of additional equity shares that would have been outstanding assuming the onversion of all dilutive potential equity shares.

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(t) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

(u) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

Management also need to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgment are:

Estimation of current tax expenses and Payable. Estimation of defined benefit obligation.

Note: 37: FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are 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:

- Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the used of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation cheque: Level 1: quoted (unadjusted) prices in active markets for identical Assets or Liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have significant effect on the recorded fair value that are not based on observable market data.

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(Rs. In Lakhs)

| Financial Assets and Liabilities as at 31st March 2024 | Non current | Current | Total | Level 1 | Level 2 | Level 3 | Total |
|--|-----------------|------------------|------------------|-------------|---------|------------------|------------------|
| Financial Assets | | | | | | | |
| Investments | | | | | | | |
| Equity instruments | 330.86 | | 330.86 | 3.15 | | 327.71 | 330.86 |
| Other Assets | | | | | | | |
| Trade Receivables | | 6,781.55 | 6,781.55 | | | 6,781.55 | 6,781.55 |
| Cash and cash equivalents | | 107.74 | 107.74 | | | 107.74 | 107.74 |
| Other Bank Balances | | 324.08 | 324.08 | | | 324.08 | 324.08 |
| Sut-Total | | 7,213.37 | 7,213.37 | - | - | 7,213.37 | 7,213.37 |
| Total | 330.86 | 7,213.37 | 7,544.23 | 3.15 | - | 7,541.08 | 7,544.23 |
| Financial Liabilities | | | | | | | |
| Borrowings | 3,388.86 | 18,429.53 | 21,818.39 | | | 21,818.39 | 21,818.39 |
| Lease Liability | 9.68 | 0.43 | 10.11 | | | 10.11 | 10.11 |
| Trade payables | | 14,911.84 | 14,911.84 | | | 14,911.84 | 14,911.84 |
| Other Financial Liabilities | 310.68 | | 310.68 | | | 310.68 | 310.68 |
| Total | 3,709.22 | 33,341.80 | 37,051.02 | - | - | 37,051.02 | 37,051.02 |

(Rs. In Lakhs)

| Financial Assets and Liabilities as at 31st March 2023 | Non current | Current | Total | Level 1 | Level 2 | Level 3 | Total |
|--|-----------------|------------------|------------------|-------------|---------|------------------|------------------|
| Financial Assets | | | | | | | |
| Investments | | | | | | | |
| Equity instruments | 329.46 | | 329.46 | 1.75 | | 327.71 | 329.46 |
| Other Assets | | | | | | | |
| Trade Receivables | | 7,249.02 | 7,249.02 | | | 7,249.02 | 7,249.02 |
| Cash and cash equivalents | | 77.36 | 77.36 | | | 77.36 | 77.36 |
| Other Bank Balances | | 318.15 | 318.15 | | | 318.15 | 318.15 |
| Sub-total | | 7,644.53 | 7,644.53 | - | - | 7,644.53 | 7,644.53 |
| Total | 329.46 | 7,644.53 | 7,973.99 | 1.75 | - | 7,972.24 | 7,973.99 |
| Financial Liabilities | | | | | | | |
| Borrowings | 4,638.33 | 15,299.12 | 19,937.45 | | | 19,937.45 | 19,937.45 |
| Lease Liability | 9.68 | 45.18 | 54.86 | | | 54.88 | 54.88 |
| Trade payables | | 14,111.26 | 14,111.26 | | | 14,111.26 | 14,111.26 |
| Other current liabilities | 331.14 | | 331.14 | | | 331.14 | 331.14 |
| Total | 4,979.15 | 29,455.56 | 34,434.71 | - | - | 34,434.73 | 34,434.73 |

Note :- 38 - FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operation activities (primarily trade receivables) and from its financing activities, foreign exchange transactions and other financial instruments.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in

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credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

1. Actual or expected significant adverse changes in business,
2. Actual or expected significant changes in the operating results of the counterparty,
3. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
4. Significant increase in credit risk on other financial instruments of the same counterparty,

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

Trade Receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and generally on 7 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral security. The Group evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets

AS AT 31 MARCH 24

(Rs. In Lakhs)

| Particulars | < 6 months | 6M-1 Yrs | 1-2Yrs | 2-3 Yrs | >3 yrs | Total |
|--|-----------------|---------------|---------------|---------------|---------------|-----------------|
| (i) Un Disputed Trade Receivable- Considered Goods | 5,199.16 | 692.12 | 517.64 | 374.20 | | 6,783.12 |
| (ii) Un Disputed Trade Receivable- Considered Doubtful | 94.94 | 26.74 | 31.92 | 116.87 | 144.10 | 414.57 |
| (iii) Disputed Trade Receivables Considered Good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables Considered Doubtful | - | - | - | - | - | - |
| TOTAL | 5,294.10 | 718.86 | 549.56 | 491.07 | 144.10 | 7,197.69 |

AS AT 31 MARCH 23

(Rs. In Lakhs)

| Particulars | < 6 months | 6M-1 Yrs | 1-2Yrs | 2-3 Yrs | >3 yrs | Total |
|--|-----------------|---------------|-----------------|---------------|---------------|-----------------|
| (i) Un Disputed Trade Receivable- Considered Goods | 4,525.11 | 693.46 | 1,764.48 | 121.87 | 144.10 | 7,249.02 |
| (ii) Un Disputed Trade Receivable- Considered Doubtful | 72.92 | 10.12 | 10.40 | 76.44 | 144.10 | 313.98 |
| (iii) Disputed Trade Receivables Considered Good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables Considered Doubtful | - | - | - | - | - | - |
| TOTAL | 4,598.03 | 703.58 | 1,774.88 | 198.31 | 288.20 | 7,563.00 |

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Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had no undrawn borrowing facilities at the end of the reporting period:

(ii) Maturity patterns of borrowings

(Rs. In Lakhs)

| | As at 31st March, 2024 | | | | As at 31st March, 2023 | | | |
|--|------------------------|----------------|----------------|-----------------|------------------------|----------------|----------------|-----------------|
| | 0-1 years | 1-5 years | beyond 5 years | Total | 0-1 years | 1-5 years | beyond 5 years | Total |
| Long term borrowings (Including current maturity of long term debt) | 2560.00 | 3388.86 | | 5,948.86 | 3103.56 | 4638.33 | 0 | 7,741.89 |
| Short term borrowings | 15869.53 | | | 15,869.53 | 12195.56 | | | 12,195.56 |
| Total | 18429.53 | 3388.86 | 0 | 21818.39 | 15299.12 | 4638.33 | 0 | 19937.45 |

AS AT 31st March 2024

Rs. In lakhs

| | 0-3 Months | 3-6 Months | 6 Months to 12 Months | Beyond 12 Months | Total |
|---|-----------------|-----------------|-----------------------|------------------|------------------|
| Trade payable | 3,827.78 | 2,434.46 | 2,935.45 | 5,714.15 | 14,911.84 |
| Lease Liability (Current and Non Current) | 10.11 | | | | 10.11 |
| Other Financial liability (Current and Non Current) | | | | 310.68 | 310.68 |
| TOTAL | 3,837.89 | 2,434.46 | 2,935.45 | 6,024.83 | 15,232.63 |

AS AT 31st March 2023

Rs. In lakhs

| | 0-3 Months | 3-6 Months | 6 Months to 12 Months | Beyond 12 Months | Total |
|---|-----------------|-----------------|-----------------------|------------------|------------------|
| Trade payable | 7,039.14 | 2,807.62 | 2,748.22 | 1,516.28 | 14,111.26 |
| Lease Liability (Current and Non Current) | 11.14 | 11.69 | 22.35 | 9.68 | 54.86 |
| Other Financial liability (Current and Non Current) | | | | 331.14 | 331.14 |
| TOTAL | 7,050.28 | 2,819.31 | 2,770.57 | 1,857.10 | 14,497.26 |

Financial risk management objectives and policies

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial statement may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

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Market Risk- Foreign currency risk.

The company manages foreign currency risk primarily through forward contracts

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Foreign currency in lakhs

| | As at 31st March, 2024 | | As at 31st March, 2023 | |
|------------------------------|------------------------|------|------------------------|-------|
| Forward contracts to buy USD | USD | 6.84 | USD | 14.13 |

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31st March, 2024

Foreign currency in lakhs

| Particulars | USD | EURO | GBP |
|-------------------|------|------|------|
| Trade Receivables | 7.84 | 1.12 | 0.28 |
| Trade payables | 1.27 | 0.15 | |

As at 31st March, 2023

Foreign currency in lakhs

| Particulars | USD | EURO | GBP |
|-------------------|------|------|------|
| Trade Receivables | 2.49 | 1.62 | 0.30 |
| Trade payables | 1.26 | 0.51 | - |

(a) (iii) Market Risk- Price Risk

(a) Exposure

The Company's exposure to equity securities traded in stock exchange held by the Company as long term and classified in the balance sheet at fair value through OCI. The risk is marginal on account of investment being minimal.

(b) Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain / Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Impact on profit before tax

(Rs. in lakhs)

| | 31st March, 2024 | 31 st March, 2023 |
|----------------------------------|------------------|-------------------|
| BSE Sensex - 30 - increase in 5% | 0.16 | 0.09 |
| BSE Sensex - 30 - decrease in 5% | -0.16 | -0.09 |

Above referred sensitivity pertains to quoted equity investment. Profit for the year would increase / decrease) as a result of gains / losses on equity securities as at fair value through OCI.

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(c) Foreign currency Risk Sensitivity

A change of 5% in foreign currency would have following impact on profit before tax

(Rs. in lakhs)

| Particulars | 2023-2024 | | 2022 -2023 | |
|---|--------------|---------------|--------------|---------------|
| | 5% increase | 5% decrease | 5% increase | 5% decrease |
| USD | 27.45 | -27.45 | 5.06 | -5.06 |
| EURO | 2.77 | -2.77 | 4.97 | -4.97 |
| GBP | 1.49 | -1.49 | 1.53 | -1.53 |
| Increase / (decrease) in profit or loss | 31.71 | -31.71 | 11.56 | -11.56 |

Note 39: GRATUITY

Gratuity is provided as per actuarial valuation of the holding company and its subsidiaries.

NOTE 40 : RELATED PARTY DISCLOSURES AS PER Ind AS 24

| Particulars | 2023-2024 | | | 2022-2023 | | |
|-------------------------------------|-----------------------|--------------------------|---------------------------------------|-----------------------|--------------------------|---------------------------------------|
| | Other Related Parties | Key Management Personnel | Relatives of Key Management Personnel | Other Related Parties | Key Management Personnel | Relatives of Key Management Personnel |
| Purchase of Goods | | | | | | |
| Sri Kannapiran Mills Limited | 2,594.00 | | | 4,445.23 | | |
| Other related party | 1,897.96 | | | 4,307.45 | | |
| Sale of Goods | | | | | | |
| Sri Kannapiran Mills Limited | 166.15 | | | 577.11 | | |
| Other related party | 737.26 | | | 163.10 | | |
| Processing / other Charges Paid | | | | | | |
| Sri Kannapiran Mills Limited | 9.03 | | | 43.98 | | |
| Other related party | | | | 373.56 | | |
| Processing / other Charges Received | | | | | | |
| Sri Kannapiran Mills Limited | 15.72 | | | 8.65 | | |
| Other related party | | | | | | |
| Remuneration | | 201.42 | 23.72 | | 185.78 | 14.70 |

NOTE :- 40.1 Balance Outstanding

(Rs. In Lakhs)

| Particulars | as on 31.03.2024 | | | as on 31.03.2023 | | |
|--------------------|---------------------|--------------------------|---------------------------------------|-----------------------|--------------------------|---------------------------------------|
| | Other Related Party | Key Management Personnel | Relatives of Key Management Personnel | Other Related Parties | Key Management Personnel | Relatives of Key Management Personnel |
| Trade Receivable | 36.03 | | - | 138.56 | - | - |
| Trade payable | 2159.21 | | | 789.23 | | |
| Investments | 327.46 | | | 327.46 | | |
| Loans and Advances | 150.00 | | - | | - | - |

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NOTE :- 40.2

| | |
|--------------------------------------|---|
| Other Related Party | Sri Kannapiran Mills Limited Sri Balamurugan Textile Processing Limited Danalakshmi Paper Mills Private Limited Crocodile India Pvt Ltd |
| Key Management Personnel | Shri KG Baalakrishnan, Executive Chairman Shri B Sriramulu, Managing Director Shri B Srihari, Managing Director Shri S Manickam, Chief Financial Officer Smt. P Rajesh, Company Secretary |
| Relative of Key Management Personnel | Smt T Anandhi (Daughter of Shri KG Baalakrishnan) Shri Pranav Sriraman (Son of Shri B Sriramulu) |

ADDITIONAL REGULATORY INFORMATION

NOTE:- 41: LOANS AND ADVANCES

No any loans or advances in the nature of loans are granted to promoters, directors, KMP & related parties.

NOTE:- 42: RELATIONSHIP WITH STRIKE OFF COMPANIES

Company does not have any transactions with the companies "Striken off" or in the process of strike off.

NOTE:- 43: SCHEME OF ARRANGEMENTS

The company has not entered into any "Scheme of Arrangements" during the year ended 31st Mar 2024.

NOTE :- 44: DETAILS OF BENAMI PROPERTY HELD

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has 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

NOTE:- 45: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES.

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

NOTE :- 46: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

NOTE:-47: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES.

The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

NOTE:-48: The Company was not declared as "willful defaulter" by any bank or financial Institution or other lender.

NOTE : 49 The Group has no such transactions which is not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the income tax act 1962 (such as search or survey of any other relevant provisions of income tax act, 1961).

NOTE: 50 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall.

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- i. Directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

NOTE: 51 The Group has not received any fund from any person(s) or entity(ies) including foreign entities(Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall

- i. Directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
- ii. Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.

NOTE: 52 APPROVED FINANCIAL STATEMENTS:

The Board of Directors of the Companies in the Group has reviewed the realizable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the board has also confirmed the carrying value of the non-current assets in the financial statements. The Board duly taking into account all the relevant disclosure made, has approved these financial statements in its meeting held on 29th May 2024.

NOTE: 53 CAPITAL RISK MANAGEMENT

1. Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

NOTE :- 54 : EARNINGS PER SHARE

(Rs. In Lakhs)

| | 31-Mar-24 | 31-Mar-23 |
|--|-------------|-------------|
| Earnings Per Share has been computed as under : | | |
| Profit / (Loss) for the year | -2572.74 | -2796.93 |
| Weighted average number of equity shares outstanding | 2,56,37,825 | 2,56,37,825 |
| Earnings Per Share - Basic (Face Value of Rs.10 per share) | -10.03 | -10.92 |
| Diluted earning per share is same as basic earning per share | -10.03 | -10.92 |

NOTE :- 55 : EXPORT PROMOTION CAPITAL GOODS (EPCG)

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the accounting policy on Government Grant.

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Note 56: DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Rs.in Lakhs

| Particulars | 31.03.2024 | 31.03.2023 |
|---|------------------------|------------|
| Amount required to be spent u/s 135 of the Act, 2013, by the company during the year | 0 | 0 |
| Amount of expenditure incurred | 0 | 0 |
| (i) Transfer to KG Denim Trust Foundation for rural hospital | | |
| (ii) On purpose other than (i) above | 0 | 0 |
| Shortfall at the end of the year | Nil | Nil |
| Total of previous year shortfall | Nil | Nil |
| Reasons for shortfall | NA | NA |
| Nature of CSR activities | Running Rural hospital | |
| Details of related party transactions | NA | NA |
| Movements during the year for provision made with respect to liability incurred by entering into as contractual obligation. | NA | NA |

NOTE 57: CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

1. Contingent Liabilities

(a) Claims against the company not acknowledged as Debt;

(Rs.in lakhs)

| | 2023-2024 | 2022-2023 |
|--|-----------|-----------|
| Disputed Excise / Customs duties | 335.35 | 368.17 |
| Disputed Income Tax | 0 | 855.86 |
| Legal Case – Claim of Security Deposit | 9.68 | 9.68 |

In respect of disputed excise / custom duties and Income tax demands, the company feels that there will be no financial impact, based on legal opinions obtained.

(b) Guarantees

(Rs.in lakhs)

| | 2023-2024 | 2022-2023 |
|---|-----------|-----------|
| Guarantees given to Bank for loan to subsidiary | 500.00 | 500.00 |

c) Other Money for which the company is contingently liable

(Rs.in lakhs)

| | 2023 - 2024 | 2022 - 2023 |
|-----------------------------|-------------|-------------|
| Bills discounted with banks | 1456.68 | 798.34 |

II Commitments

There is no contract remaining to be executed in Capital Account

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Note 58: SEGMENT REPORTING:

Operating Segments:

(I) Textile (ii) Power (iii) Garment

Identification of segments:

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets /liabilities

Inter segment transfer:

Inter segment revenue are recognized at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are (Rs. Lakhs)

| S.No. | Particulars | Consolidated | |
|-------|--|-----------------------|-----------------------|
| | | Audited 31.03.2024 | Audited 31.03.2023 |
| 1 | Segment Revenue (Net Sales / Income from Operations) | | |
| | (a) Textiles | 23122 | 48783 |
| | (b) Power | 4476 | 6031 |
| | (c) Garments | 1758 | 2483 |
| | Total | 29356 | 57297 |
| | Add: Other Unallocable Income | | |
| | Less: Inter Segment Sales | 2581 | 3583 |
| | Net Sales / Income from operations | 26775 | 53714 |
| 2 | Segment Results (Profit before Interest & Tax) | | |
| | (a) Textiles | -703 | 392 |
| | (b) Power | -676 | -1838 |
| | (c) Garments | 104 | 37 |
| | Total | -1275 | -1409 |
| | Less: | | |
| | * Interest & Finance Charges(Net) | 2558 | 2320 |
| | * Other Unallocable expenditure(Net of Unallocable Income) | | |
| | Profit Before Extra Ordinary Items & Tax | -3833 | -3729 |
| 3 | Segment Assets | | |
| | (a) Textiles | 30601 | 28721 |
| | (b) Power | 6506 | 7658 |
| | (c) Garments | 3393 | 4048 |
| | Total Segment Assets | 40499 | 40427 |
| 4 | Segment Liabilities | | |
| | (a) Textiles | 29771 | 24629 |
| | (b) Power | 3295 | 4417 |
| | (c) Garments | 1093 | 1138 |
| | Total Segment Liabilities | 34159 | 30183 |

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NOTE:- 59 HOLDING AND SUBSIDIARY COMPANY STOCK STATEMENT SUBMISSION WITH BANKS

The Company has borrowed from banks on the basis of security of current assets. Quarterly returns or statements of current assets filed by the Company are not in agreement with books of accounts. Summary of reconciliation and reasons for material discrepancies as at 31st March 2024 is given below.

(Rs. In Lakhs)

| Particulars | As at March 2024 | As at March 2023 |
|---|------------------|------------------|
| Inventories as per declaration with Bank | 9,222.51 | 9,182.48 |
| Trade Receivable as per declaration with Bank | 9,547.10 | 8,635.35 |
| TOTAL (A) | 18,769.61 | 17,817.83 |
| Inventories as per Books | 9,489.05 | 9,262.85 |
| Trade Receivables as per Books | 9,533.41 | 9,950.29 |
| TOTAL (B) | 19,022.46 | 19,213.14 |
| Difference in Inventories | -266.54 | -80.37 |
| Difference in Receivables | 13.69 | -1,314.94 |
| TOTAL DIFFERENCE (A)-(B) | -252.85 | -1,395.31 |

The aforesaid difference, were due to the declaration made to the bank before financial reporting closure process. The predominant reason for trade receivables being lower in financial statement are the difference is due to the credit notes, discount and other year end provisions in financial statement. Similarly with respect to inventory being higher in financial statement is because of stock valuation as part of year end cut-off procedures.

SUBSIDIARY COMPANY – TRIGGER APPAREL LIMITED STOCK STATEMENT SUBMISSION WITH BANKS

(Rs. In Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| Inventories as per declaration with Bank | 1,380.62 | 1,395.16 |
| Trade receivables as per declaration with Bank | 666.53 | 1,243.40 |
| Total (A) | 2,047.15 | 2,638.56 |
| Inventories (Finished) as per Books | 1,377.29 | 1,395.16 |
| Trade receivables as per Books | 717.34 | 1,314.40 |
| Total (B) | 2,094.63 | 2,709.56 |
| Difference in inventories | -3.33 | 0.00 |
| Difference in receivables | 50.81 | 71.00 |
| Total Difference (A - (B)) | 47.48 | 71.00 |

The aforesaid difference, were due to the declaration made to the bank before financial reporting closure process. The predominant reason for trade receivables being higher in financial statement are the difference is due to the credit notes, discount and other year end provisions in financial statement.

Note 60: There are certain amounts remaining overdue to the trade creditors. Some of the trade creditors have issued legal notices demanding their dues thereby indicating liquidity stress. Subsequently, trade creditors for aggregate value of Rs. 1075.54 Lakh have filed liquidation petitions before the NCLT.

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

For disclosures mandated by Schedule III of the Companies Act, 2013 by way of additional information

(Amount Rs.in Lakhs) 2023-24

| Name of the entity in the Group | 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 | As % of Consolidated profit or loss | Amount | As % of Consolidated other Comprehensive income | Amount | As % of total comprehensive income | Amount |
| Parent K G Denim Limited | 197.83 | 3,536.90 | 98.19 | -2,526.05 | 97.18 | 202.70 | 95.72 | -2,323.35 |
| Subsidiary- Indian Trigger Apparels Ltd | -89.37 | -1,597.84 | 1.81 | -46.54 | 2.82 | 5.89 | 1.67 | -40.65 |
| Subsidiary - Foreign KG Denim (USA) Inc | -8.46 | -151.25 | 0.01 | -0.15 | | | 2.61 | -63.32 |
| Sub Total | - | 1,787.81 | - | -2,572.74 | - | 208.59 | - | -2,427.32 |
| Intercompany elimination and consolidated adjustments | 26.48 | 500.06 | | | | | | |
| Non controlling interest in subsidiaries | -21.15 | -399.46 | | -11.64 | | 1.47 | | -0.15 |
| Grand Total | | 1,888.41 | | -2,584.38 | | 210.06 | | -2,427.47 |

(Amount Rs.in Lakhs) 2022-23

| Name of the entity in the Group | Net Assets i.e., total assets minus total | | Share in profit or loss | | Share in other Comprehensive Income | | Share in total comprehensive income | |
|---|---|-----------------|-------------------------------------|------------------|---|---------------|-------------------------------------|------------------|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount | As % of Consolidated other Comprehensive income | Amount | As % of total comprehensive income | Amount |
| Parent K G Denim Limited | 141.14 | 5,860.26 | 97.95 | -2,739.46 | 95.54 | 102.67 | 98.04 | -2,636.79 |
| Subsidiary- Indian Trigger Apparels Ltd | -37.50 | -1,557.19 | -0.21 | 5.85 | 4.46 | 4.79 | -0.40 | 10.64 |
| Subsidiary - Foreign KG Denim (USA) Inc | -3.64 | -151.10 | 2.26 | -63.32 | | | 2.35 | -63.32 |
| Sub Total | - | 4,151.97 | - | -2,796.93 | - | 107.46 | - | -2,689.47 |
| Intercompany elimination and consolidated adjustments | 11.52 | 489.89 | | | | | | |
| Non controlling interest in subsidiaries | -9.15 | -389.30 | | 1.46 | | 1.20 | | 2.66 |
| Grand Total | | 4,252.56 | | -2,795.47 | | 108.66 | | -2,686.81 |

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

| Part 'A' Subsidiaries | | | | | | | | | | | | | | (Amount Rs. In Lakhs) |
|-----------------------|------------------------|---|--|---------------|--------------------|--------------|-------------------|-------------|--------------|------------------------|------------------------|------------------------|-------------------|-----------------------|
| Sno | Name of the Subsidiary | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Share Capital | Reserves & Surplus | Total assets | Total liabilities | Investments | Total Income | Profit before taxation | Provision for taxation | Profit after taxations | Proposed Dividend | % of Share holding |
| 1 | Trigger Apparels Ltd | | | 600.00 | -2,197.84 | 3,264.31 | 4,862.13 | - | 1,700.80 | -61.58 | -15.04 | -40.65 | - | 75% |
| 2 | KG Denim (USA) Inc | | Exchange rate Rs.8221 per USD | 0.46 | -151.56 | 181.20 | 332.30 | - | 85.11 | -63.32 | - | -63.32 | - | 100% |

As per our report of even date
For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

For and on behalf of the Board of Directors
KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

B SRIRAMULU
Managing Director
DIN : 00002560

B SRIHARI
Managing Director
DIN : 00002556

R MAHADEVAN
Partner
UDIN: 24027497BKAVBG5529
Place : Coimbatore
Date : 29.05.2024
Membership No.027497

P RAJESH
Company Secretary

S MANICKAM
Chief Financial Officer

K G DENIM LIMITED

CIN: L17115TZ1992PLC003798

Registered Office: Then Thirumalai, Coimbatore - 641302

E-mail: cskgdl@kgdenim.in

Website: www.kgdenim.com Phone: 04254-235240

Attendance Slip **32nd Annual General Meeting**

| | |
|-------|-----------|
| DP ID | Folio No. |
|-------|-----------|

| | |
|-----------|--------------|
| Client ID | No.of Shares |
|-----------|--------------|

| |
|----------------|
| Name of Member |
|----------------|

| |
|---------------|
| Name of Proxy |
|---------------|

I hereby record my presence at the 32nd Annual General Meeting of the Company held on Monday the 30th day of September, 2024 at 3.30 P.M. at Then Thirumalai, Coimbatore – 641302.

Member's / Proxy's Signature



Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

K G DENIM LIMITED

CIN: L17115TZ1992PLC003798

Registered Office: Then Thirumalai, Coimbatore - 641302

E-mail: cskgdl@kgdenim.in

Website: www.kgdenim.com Phone: 04254-235240

32nd Annual General Meeting (30th September 2024)

| | |
|--------------------------|--------|
| Name of the Member (s) : | |
| Registered address : | |
| Email ID : | |
| Folio No. / Client Id : | DP ID: |

I/We, being the member (s) ofshares of the above named Company, hereby appoint:

| | |
|------------|----------------|
| 1. Name: | |
| Address: | |
| E-mail ID: | |
| Signature: | or failing him |

| | |
|------------|----------------|
| 2. Name: | |
| Address: | |
| E-mail ID: | |
| Signature: | or failing him |

| |
|------------|
| 3. Name: |
| Address: |
| E-mail ID: |
| Signature: |

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 32nd Annual General Meeting of the Company to be held on Monday the 30th day of September, 2024 at 3.30 P.M. at Then Thirumalai, Coimbatore – 641302 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Resolutions | Optional* | |
|--------------------------|--|--------------------------|--------------------------|
| | | For | Against |
| Ordinary Business | | | |
| 1. | To receive, consider and adopt the Audited Financial Statements for the financial year ended 31.03.2024 and the Directors' Report and the Auditors' Report thereon (Ordinary Resolution) | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | To appoint a Director in place of Shri Ayyalusamy Velusamy (DIN: 00002204), who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution) | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | To appoint a Director in place of Shri KG Baal Krishnan (DIN: 00002174), who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution) | <input type="checkbox"/> | <input type="checkbox"/> |
| Special Business | | | |
| 4. | To ratify the payment of remuneration to Shri M. Nagarajan (Membership No: 6384), Cost Accountant, Coimbatore, Cost Auditor of the Company for the financial year ending 31 st March 2025 (Ordinary Resolution) | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | To re-appointment Shri N Govindarajan (DIN: 00366402) as an Independent Director of the Company for a period of five (5) years with effect from 29.07.2025 (Special Resolution) | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. | To appointment Shri Nallusamy Balasubramaniam Anand (DIN: 00785555) as an Independent Director of the Company for a period of five (5) years with effect from 24.08.2024 (Special Resolution) | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. | To appointment Smt Geetha (DIN : 10753728) as an Independent Director of the Company for a period of five (5) years with effect from 29.08.2024 (Special Resolution) | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this day of.....2024.

Signature of Shareholder

Signature of Proxy holder(s)

Affix 1
Re
Revenue
Stamp

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes please refer to the Notice of the 32nd Annual General Meeting.
3. It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.