



SRI KANNAPIRAN MILLS LIMITED

CIN : U17111TZ1946PLC000188

Registered Office: Sowripalayam, Coimbatore 641 028

Phone 0422 - 2351111 : Fax 0422 – 2351110

Email: csd@kannapiran.co.in Website : www.kannapiran.co.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 79th Annual General Meeting of the Members of Sri Kannapiran Mills Limited will be held on Monday the 29th day of September 2025 at 3.00 p.m. (IST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the audited financial statements including Balance Sheet as at 31st March 2025, the Statement of Profit and Loss and Cash Flow Statement for the year ended as on that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K G Balakrishnan (DIN: 00002174), who retires by rotation and being eligible offer himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass the following Resolution as a **Special Resolution**

RESOLVED THAT pursuant to the provisions of Sections 178, 196, 197, 198 & 203, read with Schedule V and any other applicable provisions of the Companies Act, 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members of the Company is accorded for the reappointment of Mr B Srihari (DIN : 00002556) as the Managing Director of the Company for a term of three years commencing from 04.06.2026 till 03.06.2029 on the following terms and conditions:

1. Salary : ₹ 24,00,000/- (Rupees twenty four lakhs only) per annum.

2. Perquisites :

a) Medical Reimbursement

Medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

b) Leave Travel Concession

For self and family once in a year incurred in accordance with the rules specified by the Company.

c) Club Fees

Fees of clubs to a maximum of two clubs. This will not include admission and life membership fees.

d) Personal Accident Insurance

Premium not to exceed ₹ 25,000 per annum.

e) Provident Fund

Company's contribution to Provident Fund at the rate of 12% of the salary.

f) Superannuation Fund

Company's contribution towards Superannuation Fund as per the rules of the Company, but shall not together with the Company's contribution to the Provident Fund exceed 27% of the salary as laid down under Income Tax Rules, 1962.

g) Gratuity

Gratuity payable shall not exceed half a month's salary for each completed year of service.

h) Conveyance and Communication

The Company shall provide a car, a mobile phone and telephone facility at the residence of the Managing Director. The provision of car and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

FURTHER RESOLVED THAT pursuant to Sections 196, 197 and 198 of the Companies Act, 2013, the remuneration and perquisites shall be subject to the overall ceiling mentioned. In the event of absence or inadequacy of profits in any Financial Year, the remuneration payable shall be minimum remuneration payable under Paragraph (A) of Section II of Part II of Schedule V of the Companies Act, 2013.

4. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and Rules made there under and any amendment thereto as are made from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to enter into a contract(s)/transactions for a period of 3 years from 1.04.2025 with K G Denim Limited, a related party, within the meaning of the aforesaid law, on such terms and conditions as may be mutually agreed upon, to purchase or sell or supply of any material/power/Capital Goods and availing of / rendering of services like conversion of cotton / fibre into yarn, yarn into fabrics, processing of yarn and fabrics or provision of any services, the value of which all taken together may exceed ten per cent of the turnover of the Company, however, to that the value of transactions aforesaid during any financial year shall not exceed in aggregate ₹ 60 Crores.

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and Rules made there under and any amendment thereto as are made from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to enter into a contract(s) / transactions for a period of 3 years from 1.04.2025 with Sri Balamurugan Textile Processing Limited, a related party, within the meaning of the aforesaid law, on such terms and conditions as may be mutually agreed upon, to purchase or sell or lease or supply of any material/power and availing of / rendering of services like conversion of cotton / fibre into yarn, yarn into fabrics, processing of yarn and fabrics or provision of any services, the value of which all taken together may exceed ten per cent of the turnover of the Company, however, to that the value of transactions aforesaid during any financial year shall not exceed in aggregate ₹ 60 Crores.

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand only) plus applicable taxes and re-imbusement of travelling and out of pocket expenses incurred by him for the purpose of audit payable to Mr M Nagarajan, Cost Accountant who was appointed as Cost Auditor by the Board of Directors of the Company, as recommended by the Audit Committee to conduct the audit of the cost records of the Company for the financial year ending 31st March 2026 be and are hereby ratified and confirmed.

Coimbatore
26.08.2025

**By order of the Board
For Sri Kannapiran Mills Limited
K G BALAKRISHNAN
Chairman
DIN : 00002174**

NOTES :

1. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM). Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and General Circular No.02/2021 dated January 13, 2021, Circular No.19/2021 dated 08.12.2021, Circular No.21/2021 dated 14.12.2021 and Circular No.2/2022 dated 05.05.2022, General Circular No.10/2022 dated 28.12.2022 General Circular No.09/2023 dated 25.09.2023 and General Circular No.09/2024 dated 19.09.2024 . In terms of the said Circulars, the 79th Annual General Meeting (AGM) of the members will be held through Video Conferencing (VC) or other audio-visual means (OAVM). Hence Members can attend and participate in the AGM through VC/OAVM.
3. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedure to be adopted as mentioned in Serial No.20 below.
4. A Member, entitled to attend and vote at the meeting, is entitled to appoint one or more Proxies to attend and vote on a Poll instead of himself and such Proxy need not be a Member of the Company. Since the AGM is being held in accordance with the MCA Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this notice.
5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to mrln54@gmail.com with copies marked to the Company at csd@kannapiran.co.in and to its Registrars and Share Transfer Agents at investor@cameoindia.com
6. In compliance with the aforesaid MCA Circulars, Notice of the 79th AGM to be held on 29.09.2025 along with Annual Report of the financial year 2024-25 are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of the AGM and Annual Report for the financial year 2024-25 is also available on the Company's website www.kannapiran.co.in. Members (Physical / Demat) who have not registered their email addresses with the Company can get the same registered with the Company by sending an email to csd@kannapiran.co.in and investor@cameoindia.comThe AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2025 to 29.09.2025 (both days inclusive).
9. Pursuant to Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the application for transfer of shares held in physical form will not be processed except in the case of transmission / transposition with effect from 2nd October 2018. Accordingly, members who intend to transfer their shares shall get such shares dematerialised before transfer. The Company has entered into agreements with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) and shares of the Company are eligible for dematerialisation under ISIN: INE567M01015. Accordingly, the Company /the Registrar and Share Transfer Agent (RTA) namely Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai 600 002 shall not be able to entertain any request for transfer of shares in physical form.

10. a) Members are requested to notify immediately any change of address:
 - i. to their Depository Participants (“DPs”) in respect of the shares held in electronic form, and
 - ii. to the Company or its RTA, in respect to the shares held in physical form together with a proof of address viz, Aadhar/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.
11. As per the provisions of Section 72 of the Act, facility for making nominations is now available to individuals holding shares in the Company.
12. 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 RTA by quoting the Folio No or the Client ID No with DP ID No.
13. 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.
14. Brief resume, details of shareholding and Directors' inter-se relationship of Directors seeking election/ re-election as required under Secretarial Standards 2, are provided as Annexure to this Notice.
15. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his / her queries to the Company seven working days prior to the meeting. The same will be replied by the Company suitably.
16. Soft copies the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company. Members can inspect the same by sending a email to csd@kannapiran.co.in
17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Secretarial Standard on General Meetings (SS-2) and as per MCA Circulars dated 08.04.2020, 13.04, 2020, 05.05.2020, 13.01.2021, 08.12.2021, 14.12.2021, 05.05.2022, 28.12.2022, 25.09.2023 and 19.09.2024 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
18. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. In continuation of this Ministry's General Circular No. 20/2020, dated 05.05.2020 General Circular No: 02/2021 dated 13.01.2021, General Circular No : 19/2021 dated 08.12.2021 and 21/2021 dated 14.12.2021, Circular No.2/2022 dated 05.05.2022, General Circular No.10/2022 dated 28.12.2022, General Circular No.09/2023 dated 25.09.2023 and General Circular No.09/2024 dated 19.09.2024, it has been decided to allow companies whose AGMs were due to be held in the year 2025, to conduct their AGMs on or before 30.09.2025, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 05.05.2020.

20. THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:

- 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 of the cut-off date, i.e. 22.09.2025, may refer to this Notice of the Annual General Meeting, posted on Company's website www.kannapiran.co.in for detailed procedure with regard to remote e- voting. Any person who ceases to be the 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. Members attending the meeting through VC shall be provided with the facility of voting through e- voting during the meeting. During this time, members who have not already cast their vote through remote e- voting may exercise their vote through the said modes at the meeting.
- iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM but shall not be entitled to cast their vote again.
- iv. The voting period begins on 26.09.2025 at 9.00 AM (IST) and ends on 28.09.2025 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 22.09.2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- v. 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 of 22.09.2025
- vi. 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 Annual General Meeting.
- vii. The Company has appointed Mr.M.R.LNarasimha, (CP No: 799) Company Secretary in Practice , as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- viii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility.
- ix. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes casted 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.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kannapiran.co.in after the declaration of result by the Chairman or a person authorized by him in writing.
- x. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

21. 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
<p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p>	<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 & My Easi New (Token) 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 i.e. CDSL /NSDL / LINKINTIME, 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 cdsl website www.cdslindia.com and click on login & My Easi New (Token) 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. <p>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.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<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.nsdl.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 or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>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/SecureWeb/IdeasDirectReg.jsp</p> <p>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 or joining virtual meeting & voting during the meeting.</p>
	<p>4) For OTP based login you can click on https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<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 or joining virtual meeting & voting during the meeting.</p>

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

22. 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 help desk by sending a request at the helpdesk.evoting@cdslindia.com contact at Toll Free No.1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL help desk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000

23. LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS 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) <ul style="list-style-type: none"> ● 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.

7. After entering these details appropriately, click on “SUBMIT” tab.
8. 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.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. 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.
17. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification
18. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - 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.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
 - Alternatively Non Individual shareholders are required 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; csd@kannapiran.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

24. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at csd@kannapiran.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at csd@kannapiran.co.in. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

25. 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) which is mandatory while e-voting and joining meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact Toll Free No.1800 21 09911.

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 Toll Free No.1800 21 09911.

Coimbatore
26.08.2025

**By order of the Board
For Sri Kannapiran Mills Limited
K G BALAKRISHNAN
Chairman
DIN : 00002174**

STATEMENT PURSUANT TO THE PROVISIONS OF THE SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Mr B Srihari was reappointed as Managing Director of the Company for a period of three years from June 4, 2023 at the Annual General Meeting held on 27.09.2023.

Since the aforesaid period expires on 03.6.2026, based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 26.08.2025 reappointed Mr.B Srihari as Managing Director for the period of 3 years from 04.06.2026 subject to the approval of Members of the Company on terms as to remuneration as provided in the text to resolution as approved by the Nomination and Remuneration Committee. Other terms and conditions are with in the ceiling limits laid down in Schedule V of the Companies Act, 2013.

Mr B Srihari is the younger son of Mr K G Balakrishnan, Chairman. He is a Bachelor of Technology in Chemical Engineering from Bharathidasan University, Trichy and Master of Engineering (Chemical) from Cornell University, USA.

Accordingly the Board recommends the resolution in relation to reappointment of Mr. B Srihari as Managing Director of the Company for the approval of the members of the Company.

Mr B Srihari is related to Mr K G Balakrishnan, Dr G Bakthavathsalam and Mr. B Sriramulu, Directors who are deemed to be interested in the proposed resolution.

This explanation together with the accompanying notice may also be considered as an abstract of the terms of the appointment of Managing Director and Memorandum as to the nature of the concern or interest of the Directors in the said appointment, as required under Section 190 of the Companies Act, 2013.

INFORMATION REQUIRED TO THE DISCLOSED IN TERMS OF SCHEDULE V TO THE COMPANY ACT 2013

I. GENERAL INFORMATION	
1. Nature of Industry	Textiles – Weaving, Spinning and processing of Denim Fabrics.
2. Date of commencement of commercial production	October, 1950
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions in the prospectus	Not applicable
4. Financial performance based on given indicators	The financial performance of the Company for 2023-24 and 2024-25 are provided in the Annual Report 2025 which accompanies this Notice
5. Foreign investments or collaborations, if any	Nil
II. INFORMATION ABOUT THE APPOINTEE	
Background details:	Mr B Srihari aged 57 years is the younger son of Mr KG Balakrishnan, Executive Chairman. He is a Bachelor of Technology in Chemical Engineering from Bharathidasan University, Trichy and Master of Engineering (Chemical) from Cornell University USA and has been in the textile industry for nearly three decades spanning over trading, spinning, weaving, processing, garmenting and retailing operations. He has been closely associated with planning, implementation and follow up on new, expansion and diversification projects with detailed exposure to various functional areas viz., production, human resource, administration, commercial, legal, banking, financial and liaison with trade and governmental agencies. He is Managing Director in Sri Kannapiran Mills Limited.

Past remuneration:	₹ 12,00,000/- per annum
Recognition or awards	-
Job profile and his suitability	Mr B Srihari is a B.Tech & M.Tech (Chemical Engineering) and has nearly 3 decades of practical experience in the setting up and management of textile units.
Remuneration proposed	Details of proposed remuneration are presented in the resolution and also in the Statement under Section 102 of the Companies Act, 2013
Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration offered to Mr B Srihari is at par with the industry norms considering the nature of the industry, size of the company, profile and position of the person.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any	Besides the remuneration he does not have any other pecuniary relationship with the Company.
III. OTHER INFORMATION	
Reasons of loss or inadequate profits	Not Applicable as the Company has earned profit during the year.
Steps taken or proposed to be taken for improvement	The Company is continuously taking various cost control measures which would result in increased profitability in the ensuing years.

Item No. 4

The Companies Act, 2013, under Section 188, inter alia, provides that no contract or arrangement or transactions for sale, purchase or supply of any goods or materials exceeding ten per cent of the turnover of the Company and availing/rendering of any services exceeding ten per cent of the turnover of the Company shall be entered into by the Company except with the prior approval of the shareholders by an ordinary resolution.

It is proposed to continue the pre existing arrangements by afresh entering into contracts/transactions for a period of 3 years from 1.04.2025 to purchase/sell/supply materials, goods/power in the ordinary course of business and availing and/or rendering services like conversion of cotton/fibre into yarn, yarn into fabric, processing of yarn and fabrics, purchase / sale of cotton, fibre, yarn, waste, capital goods, purchase of power with K G Denim Limited, a related party within the definition under the Companies Act, 2013.

The aggregate value of the contracts/transactions for purchase or supply of goods or rendering or availing of services is likely to exceed the limits under Section 188 read with Rules made thereunder. Even though the related party transactions are on arm's length basis, it is proposed to obtain permission of the members to enter into such transactions with related parties under Section 188 of the Companies Act, 2013 by way of an ordinary resolution.

K G Denim Limited engaged in manufacturing of denim fabric and garments and situated in Coimbatore, is giving consistent order with bulk volume for purchase of yarn, fabrics and conversion works with their quality specifications. It has been doing transactions with them since 1994 i.e., for the last 31 years.

The Company and K G Denim Limited had existing contract from 01.04.2022 for a period of three years. the monetary value of the transactions of ₹ 60 Crores per financial year.

The particulars of the contracts/transactions, pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

1. Name of the Related Party : K G Denim Limited
2. Name of the Director who is related : Mr K G Balakrishnan
Mr B Sriramulu
Mr B Srihari
Mr A Velusamy
3. Nature of Relationship : A Public Company in which a Director is a Director holds along with relatives more than 2% of its paid up capital.

4. Monetary Value :

Estimated aggregate contract value for the matters proposed in the Resolution will not exceed Rs.60 Crores in any financial year for Purchase of Materials/Power/Capital Goods / Sale of Materials/Capital Goods and Availing/Rendering of Services like Cotton/Fibre into Yarn, Yarn into Fabric, Processing of Yarn and Other Services

Nature, material terms and particulars of arrangement:

- I Conversion of cotton / fibre into yarn, yarn into fabrics, processing of yarn and fabrics covered under Section 188(1)(d) & purchase/ sale of cotton/fibre, waste, yarn, capital goods and purchase of power covered under Section 188(1)(a) of Companies Act, 2013
- ii) The Conversion charges are being arrived based on Cost Plus method.
- iii) Purchase/Sale of Cotton/Fibre, waste, yarn and capital goods at market prices.
- iv) Purchase of power at market prices.
- v) Period of contract : 3 years from 01.04.2025. The Company is one of the promoters of K G Denim Limited with a shareholding of 12.74%.

The memorandum of terms and conditions of the transactions to be entered into with K G Denim Limited is available for inspection on all working days at the registered Office of the Company except on Saturday and Sunday.

The related parties have expressed their interest in the above resolution.

None of the other directors or their relatives are in any way concerned or interested in the resolution.

Item No.5

The Companies Act, 2013, under Section 188, inter alia, provides that no contract or arrangement or transactions for sale, purchase or supply of any goods or materials amounting to ten per cent or more of the turnover of the Company and availing / rendering of any services amounting to ten per cent or more of the turnover of the Company shall be entered into by the Company except with the prior approval of the shareholders by an ordinary resolution.

The Company and Sri Balamurugan Textile Processing Limited had existing contract from 01.04.2022 for a period of three years. the monetary value of the transactions of ₹ 60 Crores per financial year.

It is proposed to enter in to contracts / transactions for a period of 3 years from 01.04.2025 to purchase / sell / lease / supply materials, goods / power in the ordinary course of business and availing and/or rendering services like conversion of cotton / fibre into yarn, yarn into fabric with Sri Balamurugan Textile Processing Limited related parties with in the definition under the Companies Act, 2013.

The aggregate value of the contracts / transactions for purchase or supply of goods for rendering or availing of services is likely to exceed the limits under Section 188 read with Rules made there under. Eventhough the related

party transactions are on arm's length basis, it is proposed to obtain permission of the members to enter into such transactions with related parties under Section 188 of the Companies Act, 2013 by way of an ordinary resolution.

Sri Balamurugan Textile Processing Limited (SBTPL) engaged in sale of cotton and purchase of yarn.

The Company and Sri Balamurugan Textile Processing Limited had existing contract for a period of three years for an amount of ₹ 60 Crores. The particulars of the contracts / transactions, pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under :

1. Name of the Related Party: Sri Balamurugan Textile Processing Limited
2. Name of the Director who is related : Mrs K Vanithamani
3. Nature of Relationship : Related party as per Section 2(76)(i)/(v) – Shareholding of Director along with relatives in Sri Balamurugan Textile Processing Limited exceeds 2% of paid up capital.
4. Monetary Value : Estimated aggregate contract value for the matters proposed in the Resolution will not exceed ₹ 60 Crores in any financial year for Purchase of Materials / Lease of Capital Goods / Sale of Materials / and Availing / Rendering of Services.

Nature, material terms and particulars of arrangement :-

- i) The Lease Rent at market value.
- ii) The Conversion charges are being arrived based on Cost Plus method.
- iii) Purchase / Sale of Cotton / Fibre, waste, fabrics and yarn at market prices.

Period of contract : 3 years from 01.04.2025.

The memorandum of terms and conditions of the transactions to be entered in to with Sri Balamurugan Textile Processing Limited is available for inspection on all working days at the Registered Office of the Company except on Saturday and Sunday.

The related parties have expressed their interest in the above resolution.

None of the other directors or their relatives are in any way concerned or interested in the resolution.

Item No.6

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of Mr M Nagarajan, Cost Accountant, as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March 2026. 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 Auditor is required to be ratified by the Members of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out in Item No.6 of the notice for ratification of the remuneration of the Cost Auditor for the financial year 2025-2026.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the above resolution.

By order of the Board
For Sri Kannapiran Mills Limited
K G BALAKRISHNAN
Chairman
DIN : 00002174

Coimbatore
26.08.2025

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT /APPOINTMENT IN TERMS OF SECRETARIAL STANDARD-2(SS-2) ON “GENERAL MEETINGS” ISSUED BY ICSI, IS GIVEN HERE UNDER

Name	Mr K G Balakrishnan	Mr B Srihari
DIN	00002174	00002556
Date of Birth	06.03.1940	06.09.1968
Date of reappointment on the Board	07.08.1971	28.05.2021
Inter-se relationship with other directors or Key Managerial Personnel of the Company	He is related to Dr G Bakathavathsalam, Mr.B Sriramulu Directors and Mr B Srihari, Managing Director of the Company.	He is related to Mr.K G Balakrishnan, Dr G Bakthavathsalam and Mr B Sriramulu, Directors of the Company.
Qualification	B.Com., BL.,	B.Tech., M.Tech.,
Experience/ Expertise in Functional Areas	He has been in the textile industry for nearly five decades spanning over trading, spinning, weaving, processing, garmenting and retailing operations. He has been closely associated with planning, implementation and follow up on new expansion and diversification projects with detailed exposure to various functional areas viz., production, human resource, administration, commercial, legal, banking, financial and liaison with trade and government agencies .	He is a Bachelor of Technology in Chemical Engineering from Bharathidasan University, Trichy and Master of Engineering (Chemical) from Cornell University, USA and has been in the textile industry for nearly three decades spanning over trading, spinning, weaving, processing, garmenting and retailing operations. He has been closely associated with planning, implementation and follow up on new expansion and diversification projects with detailed exposure to various functional areas viz., production, human resource, administration, commercial, legal, banking, financial and liaison with trade and governmental agencies.
No. of Shares held	5676	1049682
Board Position held	Director	Managing Director
Terms and conditions of Appointment / Reappointment	Liabile to retire by rotation	He is proposed to be reappointed as Managing Director of the Company on the terms and conditions as specified in Item No. 3 of the Notice.
Remuneration sought to be paid	Sitting Fee	Rs.24,00,000 p.a
Number of Board meetings attended	4	4

<p>Directorships held in other Companies</p>	<p>K G Denim Limited Trigger Apparels Limited Anandhi Power Limited K G B Securities and Investments Private Limited Crocodile India Private Limited KGB Education Foundation Ramhari Orchids LLP</p>	<p>K G B Securities & Investments Private Limited K G Denim Limited Anandhi Power Limited K G B Education Foundation RND Softech U K Limited RND Softech INC Kannapiran Polymers Limited Convenient Friend Platform Private Limited Productive Playhouse India Private Limited</p>
<p>Chairmanship / Membership of the Committees of the Board of other Companies in which he/she is Director</p>	<p>Executive Chairman K G Denim Limited</p>	<p>-</p>

Coimbatore
26.08.2025

**By order of the Board
For Sri Kannapiran Mills Limited
K G BALAKRISHNAN
Chairman
DIN : 00002174**

Sri Kannapiran Mills Limited

DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors have pleasure in submitting their 79th Annual Report and audited financial statements of your Company for the year ended March 31, 2025.

Summary of Financial Results

(₹ in Lakhs)

	Standalone		Consolidated	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Income	44200.98	46167.58	46376.65	48162.86
Gross Profit Before Financial Charges, Depreciation and Taxes	3346.70	1953.96	3404.15	2037.01
Less: Financial Charges	1647.08	1732.48	1725.37	1816.44
Depreciation	810.63	779.99	842.48	810.56
Profit (+) / Loss (-) Before Tax	888.99	-558.51	836.30	-589.99
Less: Current Tax (MAT)	-148.32	-	-148.32	-
MAT Credit entitlement	121.50	-	121.50	-
Income tax refund for prior years	1.64	-2.84	1.64	-2.84
Deferred Tax Assets (+) / Liability (-)	-280.12	-12.69	-267.32	24.70
Profit (+) / Loss(-) After Tax	583.69	-574.04	543.80	-568.14
Add / Less: Minority Interest	-	-	-10.06	1.49
Profit (+) / Loss(-) carried to Balance Sheet	583.69	-574.04	533.74	-569.63

State of Company affairs

During the year under review, the Company had earned Revenue of ₹ 44201 lakhs and a Net Profit After Tax of ₹ 584 lakhs on standalone basis and earned a Revenue of ₹ 46377 lakhs and Net Profit After Tax of ₹ 534 lakhs on consolidated basis.

Spinning Business

The yarn production for the year was 161 lakhs kgs compared to previous year of 170 lakhs kgs. The Company had increased productivity in its machines by continuous modernization. The main raw material viz., Cotton price was normal during the entire current financial year. However in view of continuing depressed demand for yarn in domestic and export market resulted in reduction in yarn price. The Company is changing its product mix in line with the changing market condition and which resulted in better yarn movement. The Company is continuously sourcing its 100% power requirements from firm and private wind, solar and thermal power suppliers which are lower than TANGEDCO prices. The Company had installed third party solar power panels in its five factory roof top.

==== Sri Kannapiran Mills Limited ====

Weaving Business

The Denim Fabric production for the year was 101 lakhs meters compared to previous year of 86 lakhs meters. Grey Fabric production for other Customers was 25 lakhs meters compared to 31 lakhs meters of previous year. In view of lower input cost viz., yarn price, chemicals and coal, the weaving division's profitability has been increased substantially compared to previous financial year.

The Company's Denim manufacturing facility received the "Star Performer Award" from CII Greenco in recognition of excellence for our efforts in Sustainability Manufacturing. Greenco Gold Rating for our Denim facility puts us in the National Best Category of Sustainable manufacturing.

Higgs FSLM rating of 91.4 demonstrates our social commitment to the welfare of our employees.

The Company product development in fabric using various fibres and its blends puts us ahead of competition in providing a True Sustainable Denim fabric option to the top brands in this business, carving a niche for our products. Some of the brands the Company has serviced include Tesco, Marks & Spencer, Next, Sainsbury's Boden, Levis C & A, Kik, Inditex brands to name a few.

Industry Structure & Developments

India is the world's third largest producer of textiles and apparel. India ranks among the top five global exporters in several categories with exports expected to reach \$ 100 billion. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to increase its contribution from 2.3% to 5% of GDP by 2030. Around 45 million people are working in the textile business, including 3.50 million people who work on handlooms. The Indian textile and apparel industry is expected to grow at 10% CAGR to reach US\$ 350 billion by 2030.

Cotton production in India is estimated at 25 million Bales (480 Pound Bales) in financial year 2025-26 India is the second largest producer of cotton accounting for 40% of the global cotton area and contributes to 24% of the global cotton production. Cotton prices are ruling favorably during the current cotton season in view of lower demand for cotton from spinning industry.

The demand for Ring and Open end yarn was very low during the current year and the margin was also reduced compared to previous year. The demand for denim fabrics and margin was however improved during the year. Power position in Tamil Nadu was stable during the year.

Segment wise or product wise performance

The Company is engaged in the business of spinning of yarn and weaving of fabrics and accordingly this is the only Single Reportable Segment.

Outlook

Overall, FY 2026 is expected to be a better year for the textile industry due to expected improvement in domestic and overseas demand and will be better than FY 2025 in view of continuing lower cotton price and other input cost. Further major focus shall be on cost cutting measures, improving productivity, value added sustainable products, reduction in wastage and efforts on taking quality to next level and deriving efficiency to make products further cost competitive.

From the current estimated market size of about 24 billion US Dollars, the global market for denim fabric is on a positive trajectory and expected to reach about 29 billion US Dollars by 2030 at a CAGR of about 4.5%

Sustainability and Innovations in design will be the main drivers for this growth story.

— Sri Kannapiran Mills Limited —

The Company differentiates itself through various innovations with a strong emphasis on Sustainability.

The Company is able to sell its products due to wider product range viz., compact yarn, slub yarn, gassed mercerized yarn, polyester yarn, denim yarn, glove yarn and denim fabrics. Exports for the year were ₹ 120 crores constituting 27 % of its total sales. Company has dealer/agent network at various places in India to meet the end user's requirements immediately.

Risk and concerns

Cotton being an agriculture product, is the key raw material used for manufacture of cotton yarn, the cultivation is dependent on monsoon and yield percentage. Availability of quality cotton at stable prices is crucial for the profitability. The continuing tension among Russia, Ukraine, US and China and other countries has impacted yarn exports with consequential impact in domestic markets.

Health, Safety and Environmental Protection

Company is committed to protecting the health and safety of its employees. Each manufacturing location has a Safety Officer and Safety Committees which include representation from Workmen and Executives. The Committees meet regularly to review issues impacting plant safety and employee health. Regular health checkup of the employees is carried out through tie-up with reputed hospitals. Various training programs are conducted at the plant on health and safety issues including emergency preparedness, work safety, first-aid, etc.

Environment

Company continuously endeavors to enhance Environmental Management and through all activities demonstrates its commitment to protect the environment. The factories of the Company are equipped with modern Effluent Treatment Plants for treating and discharging treated water with parameters well within the norms laid down by the Tamil Nadu State Pollution Control Board. The emissions from the boilers and generator stacks are regularly monitored for compliance. Various energy saving measures and efficiency improvement activities adopted by the Company have reduced the consumption of fuels compared to previous years. Action plans are being pursued to reduce consumption of water further in the coming years.

Your Company has complied with all the applicable Environmental and Labor Laws. Company continues to be certified under ISO 9001:2008 Standard for manufacture of denim and industrial fabrics. Company also holds approval of HOENSTEIN Textile Testing Institute, Germany for use of Oeko-Tex mark. Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize protection and safety.

Sustainability

Company continues its efforts on sustainability initiatives in the fields of water and waste water treatment, zero discharge and environment protection to turn out sustainable products. Company hopes that these sustained efforts will enable it to augment sale of its fabrics as more countries will now look to India due to growing anti China sentiment.

Human Resource & Skill Development Initiatives

A large number of employees are attached with the Company for more than 33 years. Company imparts training on technical and work skills by conducting In house Training Programs and also sponsoring them to training programs organized by Industry & Trade Associations. Company encourages knowledge and skill development and sponsors staff for management development programs. Industrial relations at all the manufacturing locations have been harmonious and peaceful.

— Sri Kannapiran Mills Limited —

Company employs people from more than 9 States who are all skilled under Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and KG Centurion Work Integrated and Advanced Skills Centre set up in association with Centurion University of Technology and Management for ITI/Vocational Training. The accent on skill development is continuous.

Dividend

Your Directors have not recommended any dividend for the year ended 31st March 2025.

Transfer of Amount to Reserves

Company has not transferred any amount to General Reserve for the financial year ended 31st March 2025.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as no dividend was unpaid for more than seven years.

Public Deposits

The Company has not accepted any deposit from its members or public within the meaning of Sections 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 including any statutory modifications(s) and amendments(s) thereof

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 statements relate and the date of the Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this Report.

Board Meeting

The Board met 4 times and the meetings were held on 22.06.2024,24.08.2024,29.11.2024 and 17.03.2025. The number of meetings directors attended is as follows.

Name of the Director	Category	No. of Meeting held	No. of Meetings Attended
Mr K G Balakrishnan	Chairman	4	4
Dr G Bakthavathsalam	Vice Chairman	4	4
Mr B Sriramulu (Managing Director upto 17.03.2025)	Director	4	4
Mr B Srihari	Executive, Managing Director	4	4
Mr A Velusamy	Director	4	4
Mr K B Nagendra Murthy	Independent, Non-Executive	4	4
Mr G P Muniappan	Independent, Non-Executive	4	4
Mrs V Bhuvaneshwari	Independent, Non-Executive	4	4
Mrs K Vanithamani	Executive, Whole Time Director	4	4
Mr R Seenivasahan	Executive, Whole Time Director	4	4

Sri Kannapiran Mills Limited

Audit Committee Meeting

The Audit Committee Meeting held on 22.06.2024,24.08.2024,29.11.2024 and 17.03.2025. Composition of the Audit Committee as on 31st March, 2025 and the attendance during the year are as under:

Name of the Director	Position	Category	No. of Meeting held	No. of Meetings Attended
Mr G P Muniappan	Member	Independent, Non-Executive	4	4
Mr K B Nagendra Murthy	Member	Independent, Non-Executive	4	4
Mr A Velusamy	Member	Director	4	4
Mrs V Bhuvaneshwari	Member	Independent, Non-Executive	4	4

Stakeholders Relationship Committee Meeting

The Stakeholders Relationship Committee Meeting held on 30.01.2025 Composition of the Stakeholders Relationship Committee Meeting as on 31st March, 2025 and the attendance during the year are as under:

Name of the Director	Position	Category	No. of Meeting held	No. of Meetings Attended
Mr K G Balakrishnan	Member	Independent, Non-Executive	1	1
Mr A Velusamy	Member	Independent, Non-Executive	1	1
Mrs K Vanithamani	Member	Director	1	1

Risk Management Committee Meeting

The Risk Management Committee Meeting held on 17.03.2025 Composition of the Risk Management Committee as on 31st March, 2025 and the attendance during the year are as under:

Name of the Member	Position	Category	No. of Meeting held	No. of Meetings Attended
Mr B Srihari	Chairman	Executive, Managing Director	1	1
Mr A Velusamy	Member	Director	1	1
Mr G Krishnakumar	Member	Chief Financial Officer	1	1

Independent Directors Meeting

Independent Director's Meeting held on 17.03.2025. Composition of the Independent Director's as on 31st March, 2025 and the attendance during the year are as under:

Name of the Director	No. of Meeting held	No. of Meetings Attended
Mr G P Muniappan	1	1
Mr K B Nagendra Murthy	1	1
Mrs V Bhuvaneshwari	1	1

==== Sri Kannapiran Mills Limited ====

Directors' responsibility statement

In compliance of Section 134(5) of the Companies Act, 2013, the Directors of Your Company confirms:-

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the directors had prepared the annual accounts on a going concern basis; and
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following members namely Mr G P Muniappan, Mr K B Nagendra Murthy and Mr A Velusamy.

Scope

1. Brief description of terms of reference:
2. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
3. Carry on the evaluation of every director's performance;
4. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
5. Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
6. Formulation of criteria for evaluation of Independent Directors and the Board;
7. Devising a policy on Board diversity; and
8. Any other matter as the Board may decide from time to time.

Nomination and Remuneration policy

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

Sri Kannapiran Mills Limited

2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Consolidated Financial Statements

The consolidated financial statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement of subsidiary is given in Form AOC-1 which forms an Integral part of this report. **Annexure - 1.**

As per provisions of Section 136 of the Companies Act, 2013, a copy of separate audited financial statements of the subsidiary will be provided to the Shareholders at their request.

Particulars of Contracts and Arrangements with Related Parties Referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no material related party transactions with the Promoters, Directors or Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee and also to the Board for approval on a quarterly basis. Prior Omnibus approval of the Audit Committee is obtained on an annual basis for the transaction which are of a foreseen and repetitive nature. The transactions entered in to pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

The details of the related party transactions, as per requirement of Accounting Standards-18 are disclosed in notes to the financial statements of the Company for the financial year 2024-25. All the Directors have disclosed their interest in Form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as & when any changes in their interest take place, such changes are placed before the Board at its meetings. None of the transactions with any of the related parties was in conflict with the interest of the Company. A statement in the prescribed Form AOC-2 as per Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure - 2.**

Risk Management Committee

Risk Management Committee consists of the following persons namely Mr B Srihari, Chairman, Mr A Velusamy and Mr G Krishnakumar as members.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. 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

— Sri Kannapiran Mills Limited —

and procedures to combat the risk. The Risk management procedure is reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

Corporate Social Responsibility Committee

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and also the community and society at large. The Company believes in undertaking business in such a way that it leads overall development of all stakeholders and society.

The Board of Directors of the Company has constituted Corporate Social Responsibility Committee consisting of the following persons namely Mr K G Balakrishnan, Mr A Velusamy and Mrs V Bhuvaneshwari as members and adopted policy for Corporate Social Responsibility.

Corporate Social Responsibility policy was adopted by the Board of Directors on the recommendation of Corporate Social Responsibility Committee.

The Report on Corporate Social Responsibility (CSR) as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure - 3**.

Directors

Mr.K G Balakrishnan retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment. Mr.B Sriramulu resigned from the post of Managing Director of the Company with effect from 17.03.2025.

Statutory Auditors

M/s Gopalaiyer and Subramanian [Firm Registration No: 000960S], Chartered Accountants, Coimbatore were reappointed as Statutory Auditors of the Company at the AGM held on 28th September 2022 to hold office for a second term of five years commencing from conclusion of 76th AGM till the conclusion of 81st AGM of the Company. Accordingly M/s Gopalaiyer and Subramanian, Chartered Accountants will continue as Statutory Auditor of the Company till FY 2027-2028. The requirement of seeking ratification of appointment of Statutory Auditors by members at each Annual General Meeting has been done away vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs.

Auditor's Report

M/s Gopalaiyer and Subramanian [Firm Registration No: 000960S], Chartered Accountants, Coimbatore have issued Auditor's Report for the financial year ended 31st March 2025 and the Report does not contain any qualification or adverse remark and the same is attached with the Report.

Cost Auditor

Cost records are prepared and maintained by the Company as required under Section 148(1) of the Companies Act, 2013. As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company has been carrying out audit of cost records every year.

The Board of Directors, on the recommendation of the Audit Committee, at their meeting held on 17.03.2025 appointed Mr. M Nagarajan, Cost Accountant (Firm Registration Number 000088) as Cost Auditor to audit the cost accounts of the company for FY 2025-26. As required under the Companies Act, 2013 a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

==== Sri Kannapiran Mills Limited ====

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Company has appointed Mr M R L Narasimha, Practising Company Secretary (CP No 799) for conducting the Secretarial Audit of the Company for the financial year ended 31st March 2025. The Secretarial Audit Report issued by Mr M.R.L Narasimha is annexed as **Annexure - 4** to this Report.

Internal control systems and their accuracy

The Company has a proper and adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Vigil Mechanism /Whistle Blower Policy:

The Board of Directors has adopted a Whistle Blower Policy which is hosted on the company's website. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2025, the Company has not received any complaints pertaining to sexual harassment.

Legal Requirements

Company is conscious of improving the occupational and personal health of all its employees. In addition to the medical camps, Company regularly organizes Employees Health Checkup Programs from outside hospitals on an annual basis.

Company provides a safer work environment for its employees. Basic equipments are provided to ensure safety from fire. Awareness classes are being conducted periodically with the help of External Agencies about basis safety, fire fighting, mock drills, mass evacuation, first aid etc.,

Insurance

All the properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

==== Sri Kannapiran Mills Limited ====

Finance

Your Directors acknowledge with gratitude, the valuable assistance and support extended by our Bankers for term loans and working capital i.e., Indian Bank, Central Bank of India, The South Indian Bank Limited, Punjab National Bank, HDFC Bank Limited and Union Bank of India.

Personnel

The Industrial relations were cordial during the year under review.

Details of frauds (If any) reported by the Auditors.

There are no frauds reported by the Statutory and Secretarial Auditors of the Company in their report.

Details of buy back of Shares

The Company has not bought back any shares during the year under review.

Statement on Declaration given by Independent Directors under Sub-Section (7) of Section 149 of the Companies Act, 2013

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

Particulars of Loans, Guarantees and Investments under Section 186 of Companies Act, 2013

The Company has not given any loans. The details of guarantee and investments made during the financial year ended on 31st March, 2025 are given in the Notes to Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014.

Significant and material orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. There are 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 statements relate and the date of the Report.

Material changes and commitments

There are no material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2025 to the date of signing of the Director's Report.

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo pursuant to provisions of Section 134(3)(m) of the Companies, Act, 2013 (Act) read with Rule 8 (3) of the Companies (Accounts) Rules, 2014.

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is prepared and the same is annexed as **Annexure - 5** to this Report.

Annual Return

The Annual Return for financial year 2023-24 as per provisions of the Act and Rules thereto, is available on the Company's website at <https://www.kannapiran.co.in/MGT-7-Annual-Return-for-the-FY-2023-2024.pdf>

==== Sri Kannapiran Mills Limited ====

Particulars of Employees

During the year under review there were no employees in receipt of remuneration covered by Section 197(12) read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Compliance with Secretarial Standards

During the year under review the Company has complied with all the provisions of the Secretarial Standards -1 and Secretarial Standards - 2 issued by the Institute of Company Secretaries of India.

Acknowledgement

Your Directors place on record their sincere thanks to the Banks for their continued support and also express their appreciation for the co-operation extended by the employees at all levels.

Our prayers to Lord Then Thirumalai Shri Venkatachalapathy, Lord Muruga and Goddess Sri Saradambal for the continued prosperity of the Company.

Coimbatore
26.08.2025

For and on behalf of the Board
K G Balakrishnan
Chairman
DIN : 00002174

Sri Kannapiran Mills Limited

Annexure - 1
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 Statement of
Subsidiaries / Associate Companies /Joint Ventures**

PART A - Subsidiaries

₹ in Lakhs

SI.No	Particulars	Name of the Subsidiary
	Name	Kannapiran Polymers Limited
1	The date on which the subsidiaries were incorporated	11-10-2021
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	Not Applicable
4	Share capital	178.30
5	Reserves and Surplus	-152.15
6	Total Assets	1025.71
7	Total Liabilities	999.56
8	Investments (Total)	NIL
9	Turnover	2318.37
10	Profit (+) / Loss(-) Before Tax	-52.67
11	Provision for Taxation – Deferred Tax Assets	12.80
12	Profit (+) / Loss (-) After Taxation	-39.87
13	Proposed Dividend	---
14	% of shareholding	75%

The above subsidiary has commenced its operation.

PART B : There are no Associates / Joint Ventures

Sri Kannapiran Mills Limited

Annexure - 2 FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No	Name of the related party and nature of relationship	Nature of Contracts/ arrangements/ transactions	Duration of the / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid advances if any
1	K G Denim Limited Section 2(76)(v) Public Company in which a Director is a Director and holds along with relatives more than 2% of its paid up share capital.	Sale of Goods, Provision of Services Purchase of Power and Goods receipt of Services and Payment of lease rent.	3 years till 31.03.2025.	Transaction covered under Section 188(1) (a) & (d) of the Companies Act, 2013. <u>For the year 2024-2025</u> Conversion Charges (Receipt) ₹ 6.13 lakhs; Conversion Charges payment ₹ 6.52 lakhs; Sale of Goods ₹ 416.49 lakhs; Purchase of Goods ₹ 67.68 lakhs. Lease Rent payment ₹ 2.48 lakhs.	22.06.2024 24.08.2024 29.11.2024 17.03.2025.	Nil
2	Sri Balamurugan Textile Processing Limited Section 2(76) (v) Public Company in which a Director is a Director and holds along with relatives more than 2% of its paid up share capital.	Purchase / Sale of Goods, Lease of Capital goods and payment of interest.	3 years till 31.03.2025.	Transaction covered under Section 188(1)(a) & (d) of the Companies Act, 2013. <u>For the year 2024-2025:</u> Purchase of Goods ₹ 1624.18 lakhs, Interest paid ₹ 51.44 lakhs,.	22.06.2024 24.08.2024 29.11.2024 17.03.2025	Nil
3	Kannapiran Polymers Limited -Subsidiary Company.	Purchase / Sale of Goods, Lease of Property and Rendering of Service.	3 years till 31.03.2025	Transaction covered under Section 188(1)(a) (c) & (d) of the Companies Act, 2013. <u>For the year 2024-2025</u> Sale of Goods ₹ 0.22 lakhs, Purchase of Goods ₹ 0.53 lakhs,. Receipt of asset Management Fees ₹ 193.13 lakhs, Rent receipt ₹ 18.59 lakhs.	22.06.2024 24.08.2024 29.11.2024 17.03.2025	Nil
4	T. Anandhi	Lease Contract	11 Months till 31.05.2025.	Transaction covered under Section 188(1)(c) of the Companies Act, 2013. <u>For the year 2024-2025</u> Lease Rent payment ₹ 29.69 lakhs.	22.06.2024 24.08.2024 29.11.2024 17.03.2025	Nil

For and on behalf of the Board

K G Balakrishnan

Chairman

DIN : 00002174

Coimbatore
26.08.2025

Annexure - 3

Annual Report on Corporate Social Responsibility Activities. (Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on the Corporate Social Responsibility (CSR) Policy of the Company

The CSR Policy is available on the Company's Website www.kannapiran.co.in. The Company had proposed to undertake activities relating to rural development including livestock development, community irrigation, water conservation etc.

2. Composition of CSR Committee

Sl. No	Name of Director	Designation /Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the Year.
1	Mr K G Balakrishnan	Director	4	4
2	Mrs.V Bhuvaneshwari	Independent Director	4	4
3	Mr A Velusamy	Director	4	4

3. The web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are discussed on the Website of the Company

The composition of CSR Committee - <https://www.kannapiran.co.in/composition> of the Committees of the Board

CSR Policy - [https://www.kannapiran.co.in/CSR Policy.pdf](https://www.kannapiran.co.in/CSR%20Policy.pdf) CSR Projects as approved by the Board : <https://www.kannapiran.co.in/csr>

4. The details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of the rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 if applicable.

Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial years if any.

Not Applicable.

6. Average Net Profit of the Company as per Section 135(5) : ₹ 1445.80 lakhs

7. a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 28.92 lakhs

b) Surplus arising out of the CSR Projects or Programmes or activities of the previous financial year : ₹ Nil

c) Amount required to be set off for the financial year : ₹ Nil

d) Total CSR obligation for the Financial Year (7a+7b-7c) : ₹ 28.92 lakhs

Sri Kannapiran Mills Limited

8. a) CSR amount spent or unspent for the financial Year

Total Amount Spent for the Financial year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
28,92,000	Nil	Nil	Nil	Nil	Nil

b) Details of CSR amount spent against ongoing projects for the financial year

1	2	3	4	5		6	7	8	9	10	11
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation Direct Yes / No	Mode of implementation through implementing Agency
				State	District					Name	CSR Registration Number
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

c) CSR amount spent against other than ongoing projects for the financial year

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation Direct Yes / No	Mode of implementation through implementing Agency	
				State	District			Name	CSR Registration Number
1	Health care Environmental Sustainability education	(i) (iv) (ii)	Yes	Tamil Nadu	Coimbatore	28,92,000	No	Sri Kannapiran Mills Trust Foundation	CSR0000301

d) Amount spent in Administrative Overheads - Nil

e) Amount spent on Impact Assessment, if applicable – Not Applicable

f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹28.92 lakhs

g) Excess amount for set off, if any – Not Applicable

Sri Kannapiran Mills Limited

9. a) Details of Unspent CSR amount for the preceding three financial years

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount Spent in the report Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6) , if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount in ₹	Date of Transfer	
Nil							

b) Details of CSR amount spent in the financial year for the ongoing projects of the preceding financial years for the preceding three financial years

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (asset wise details)

- Date of creation or acquisition of capital asset(s) – Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset - Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc., - Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5) - Not Applicable

Coimbatore
26.08.2025

K G Balakrishnan
Chairman of CSR Committee
DIN : 00002174

B Srihari
Managing Director
DIN : 00002556

Sri Kannapiran Mills Limited

Annexure 4
Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025

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

To
The Members
Sri Kannapiran Mills Limited
Coimbatore

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Sri Kannapiran Mills Limited (hereinafter called “the Company”) during the financial year from 1st April, 2024 to 31st March, 2025 (“the year”/ “audit period”/ “period under review”). I conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company’s corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31st March 2025 but before the issue of this audit report and the information provided by the Company, its officers, agents and authorised representatives during my conduct of the Secretarial Audit.

1. I hereby report that:

- 1.1. In my opinion, during the audit period covering the **financial year ended on 31st March 2025**, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The Members are requested to read this report along with my letter of even date annexed to this report as **Annexure – A**.
- 1.2. I have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions of:
 - (i) The Companies Act, 2013 (the Act), and the rules made thereunder.
 - (ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
 - (iii) The following laws, that are specifically applicable to the Company.
 - (a) Essential Commodities Act 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17th April, 2003); and
 - (b) The Electricity Act, 2003.
- 1.3 I have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards (SS-1) on “Meetings of the Board of Directors” and Secretarial Standards (SS-2) on “General Meetings” issued by The Institute of Company Secretaries of India.
- 1.4. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2025 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the applicable provisions / Clauses of the Acts, Rules, Regulations, Agreements, Guidelines and Standards mentioned under paragraphs 1.2 and 1.3 above.

— Sri Kannapiran Mills Limited —

1.5. I am informed that, during / in respect of the year:

- (I) The following Acts / Regulations and Guidelines are not applicable:
 - a) Securities Contracts (Regulations) Act, 1956 and the Rules made thereunder.
 - 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) 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;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) Due to non-occurrence of certain events, the Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
 - a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
 - (iii) There was no law, other than those specified in paragraph 1.2 (iii) above, that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws did not arise.

2. I further report that:

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also have one Woman Director.
- 2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent atleast seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:
 - (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
 - (ii) Additional subjects / information / presentations and supplementary notes.
 - Consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.
- 2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters discussed during the year that were required to be captured and recorded as part of the minutes.

— Sri Kannapiran Mills Limited —

3. I further report that:

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 3.2 The Company has stood guarantee to its Subsidiary Kannapiran Polymers Limited for ₹ 733 lakhs which constitutes term loans of ₹ 333 lakhs and CC of ₹ 400 lakhs and loan outstanding of such subsidiary as on 31-03-2025 is ₹ 186 lakhs and ₹ 366.30 lakhs respectively .

Other than the above, there were no instances of:

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Major decision taken by the members pursuant to Section 180 of the Companies Act, 2013.
- Merger / Amalgamation / Reconstruction etc.
- Foreign Technical Collaborations.

Coimbatore
Date:- 26/08/2025
UDIN: F002851G001080675

M.R.L. Narasimha
Practicing Company Secretary
Membership No: 2851
Certificate of Practice 799
Peer Review No:-1420/2021

Annexure – A to Secretarial Audit Report of even date

The Members,
Sri Kannapiran Mills Limited,
Coimbatore.

My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2025 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after 31st March 2025 but before the issue of this report.
4. I have verified the secretarial records furnished to me on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
6. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : 26.08.2025
UDIN : F002851G001080675

M.R.L. Narasimha
Practicing Company Secretary
Membership No: 2851
Certificate of Practice 799
Peer Review No: 1420/2021

Sri Kannapiran Mills Limited

Annexure - 5

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo pursuant to provisions of Section 134(3)(m) of the Companies, Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

Steps taken or impact on conservation of Energy	<p>SPINNING</p> <ol style="list-style-type: none"> 1. Installation of Energy efficient Fans 18 Nos in Spinning Units resulted in 1044 KWH units/ day. 2. Installation of Inverters resulted in saving 252 KWH units/day <p>WEAVING</p> <ol style="list-style-type: none"> 1. Replacement in PRS station with new Pressure reducing valve unit to improve the Turbotech efficiency from 4000 units to 13,000 units per month. 2. Replacement of 160 Nos of Fine bubble diffuser in biological tank in ETP to increase the DO level from 3 mg to 5 mg and thereby reducing the Blower running hours by 300 units per day.
Steps taken by the company for utilizing alternative sources of energy	Company has multiple sources of power Viz Natural Gas (16.68 %), Solar, Wind (69.01 %) EB (14.18 %)
Capital investment on energy conservation equipments	₹ 64.25 Lakhs

B. Technology absorption

- (i) The efforts made towards technology absorption; Indigenous technology is only used.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution; Company's own Research and Development department continues its activities in the field of process control, quality improvement, product development /diversifications and cost reduction resulting in considerable improvement in productivity and quality.
- (iii) Details of technology imported during the last three years : Nil
 - (a) The details of technology imported;
 - (b) The year of import;
 - (c) Whether the technology been fully absorbed;

== Sri Kannapiran Mills Limited ==

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.

iv) The expenditure incurred on Research and Development.

The Company is having its own Research and Development department and its expenses have been included in employee cost and other expenses.

C. Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

₹ in Lakhs

Particulars	31.03.2025	31.3.2024
Used	216	619
Earned	11925	11457

Coimbatore
26.08.2025

For and on behalf of the Board
K G Balakrishnan
Chairman DIN : 00002174

INDEPENDENT AUDITORS' REPORT

To

The Members of **SRI KANNAPIRAN MILLS LIMITED**,

Report On the Audit of the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of M/s. SRI KANNAPIRAN MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss and Statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as the "Standalone Financial Statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013, ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Standalone Financial Statements in accordance with the standards on auditing specified under Section 143 (10) of the Companies Act, 2013. 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 together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules hereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key audit matters

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

Information other than the Standalone Financial Statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon. The Board's Report and Business Responsibility Report 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

- A. The Company's board of directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position and financial performance, and its cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. 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.
- E. 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.

Report on other legal and regulatory requirements

1. The provisions of the companies (Auditor's Report) order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A", statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this report agree with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards 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 as on March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in "Annexure B".
 - (g) With respect to other matters included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Companies Act, 2013, 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 Director's during the year is in accordance with the provisions of the Section 197 of the Act; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

— Sri Kannapiran Mills Limited —

- (i). The Company does not have any pending litigations which would impact its financial position;
- (ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii). There are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv). (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (d) The company has not declared dividend during the year.
- (e) Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which 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 and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Gopalaiyer and Subramanian**
Chartered Accountants
FRN : 000960S

CA. R.Mahadevan
Partner

(Membership No. 027497)
UDIN: 25027497BMNBBL2963

Coimbatore
25.06.2025

— Sri Kannapiran Mills Limited —

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **M/s. SRI KANNAPIRAN MILLS LIMITED** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
- (B) The Company has maintained proper records showing full particulars of intangible assets
- (b) 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 which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the property tax receipts and land documents on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other 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. However, we express no opinion on the validity of the title of the company to these properties.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder and hence reporting under clause 3(i)(e) does not arise.

ii. In respect of Inventories :

- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and examined by us, no material discrepancies were noticed on such verifications.
- (b) The Company has been sanctioned with working capital limits in excess of ₹ 5 Crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. The following are discrepancies noted in the Quarterly Statement filed with the Bank or Financial Institutions,

Sri Kannapiran Mills Limited

Quarter	Particulars of securities provided	Amount as per Books of Accounts (₹ in lakhs)	Amount as reported in Quarterly returns /statement (₹ in lakhs)	*Amount of difference (₹ in lakhs)
June 24	Inventories & Receivables	15693	15675	(18)
September 24		15280	15451	171
December 24		14955	15006	51
March 25		14739	14712	(27)

*The difference was on account of different method of stock valuation adopted in respect of Inventories and pending reconciliations of sundry debtors for the purpose of reporting in quarterly bank statements vis- a- vis books of accounts.

- iii. According to information and explanation given to us, the company has made investments and has provided guarantee during the year.
 - (a) The Company has stood Guarantee to its Subsidiary- Kannapiran Polymers Limited for ₹ 733 lakhs which constitutes term loan of ₹ 333 lakhs and CC of ₹ 400 lakhs and the loan outstanding of such subsidiary as on 31.03.2025 is ₹ 185.99 lakhs and ₹ 366.30 lakhs respectively.
 - (b) The Investments made by the Company, and Guarantee provided by the company are not prejudicial to the interest of the Company.
 - (c) There are no loans and advances provided by the Company to the subsidiary. Accordingly, the reporting under the clause (iii) (c) to clause (iii) (f) 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 granted, investments made and guarantees and securities provided, as applicable.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year and hence the provisions of Section 73 to 76 or any other relevant provisions of the companies Act 2013 are not applicable.
- vi. 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(1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanation given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including, provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it to the appropriate authority.
 - (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

— Sri Kannapiran Mills Limited —

- (c) There is no due in respect of any undisputed demand in respect of income- tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise as on 31st March 2025.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. According to the information and explanation given to us,
- (a) Based on our audit procedures, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Term Loan taken by the Company were applied for the purpose which they are obtained.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix) (f) of the Order does not arise.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order does not arise.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on the audit procedures performed, we have neither come across any instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) Since , no instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management 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 up to the date of this report, with respect to commitment of an offence involving fraud.
- (c) The Company has not received any whistle blower complaints during the year (and up to the date of this report), and hence reporting under clause (xi)(c) does not arise.
- xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act.

— Sri Kannapiran Mills Limited —

- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act, 2013.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Special Account in compliance with the sub-section (6) of the Section 135 of the Companies Act, 2013.

For **Gopalaiyer and Subramanian**
Chartered Accountants
FRN : 000960S
CA. R.Mahadevan
Partner

Place: Coimbatore
Date : 25.06.2025

(Membership No. 027497)
UDIN:25027497BMNBBL2963

“ANNEXURE B” TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of the even date to the members of **M/s. SRI KANNAPIRAN MILLS LIMITED** on the Standalone Financial Statements for the year ended March 31, 2025.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of M/s SRI KANNAPIRAN MILLS LIMITED (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

— Sri Kannapiran Mills Limited —

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company.
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting.

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

Opinion

8. In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Coimbatore
Date : 25.06.2025

For **Gopalaiyer and Subramanian**
Chartered Accountants
FRN : 000960S
CA. R.Mahadevan
Partner
(Membership No. 027497)
UDIN:25027497BMNBBL2963

Sri Kannapiran Mills Limited

Balance Sheet as at 31st March, 2025

(₹ in Lakhs)

PARTICULARS	Note No.	31.03.2025	31.03.2024
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	542.00	542.00
Reserves and Surplus	3	11607.87	11024.21
Non-current liabilities			
Long Term Borrowings	4	2605.10	4088.56
Deferred Tax Liabilities (Net)	5	2121.71	1841.59
Other Long Term Liabilities	6	672.81	615.53
Long Term Provisions	7	497.78	484.04
Current Liabilities			
Short Term Borrowings	8	11021.89	11880.78
Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	9	70.22	132.65
(b) total outstanding dues of creditors other than micro and small enterprises	9	3986.68	4866.12
Other Current Liabilities	10	1346.21	1365.19
Short-Term Provisions	11	149.01	59.86
TOTAL		<u>34621.28</u>	<u>36900.54</u>
ASSETS			
Non-Current Assets			
Property, Plant & Equipment and Intangible assets			
(a) Property, Plant & Equipment	12	15023.65	15276.63
(b) Intangible Assets		0.05	0.05
(c) Capital Work-in-Progress		-	-
Non-Current Investments	13	1121.68	1084.36
Long - Term Loans and Advances	14	41.35	41.17
Other Non Current Assets	15	1416.94	1324.84
Current Assets			
Inventories	16	8437.86	9000.73
Trade Receivables	17	6249.93	7084.78
Cash and Cash Equivalents	18	276.46	605.49
Short-Term Loans and Advances	19	1536.98	2000.54
Other Current Assets	20	516.38	481.95
TOTAL		<u>34621.28</u>	<u>36900.54</u>
Significant Accounting Policies	1		
Additional information to Financial Statements	28		

See accompanying notes to the financial statements

In terms of our Report of even date
For Gopalaiyer and Subramanian

Firm Regd. No. 000960S

Chartered Accountants

(Sd/-) CA R Mahadevan

Partner

Coimbatore Membership No. 027497
25.06.2025 UDIN:25027497BMNBBL2963

(Sd/-) KG Balakrishnan
Chairman

DIN No.: 00002174

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) B Srihari
Managing Director

DIN No.: 00002556

(Sd/-) K. Jayaraj
Company Secretary

Sri Kannapiran Mills Limited

Statement of Profit and Loss for the year ended 31st March, 2025

(₹ in Lakhs)

PARTICULARS	Note No.	31.03.2025	31.03.2024
REVENUE			
Revenue from operations	21	43840.22	45801.61
Other Income	22	360.76	365.97
Total Revenue		44200.98	46167.58
EXPENSES			
Cost of materials consumed	23	26064.77	28472.37
Purchases of Stock in Trade		558.05	409.95
Changes in inventories of Finished Goods and Work-in-Progress	24	0.62	1488.76
Power & Fuel		4851.68	4768.76
Employee Benefits Expenses	25	5452.48	5290.96
Finance Costs	26	1647.08	1732.48
Depreciation		810.63	779.99
Other Expenses	27	3926.68	3782.81
Total Expenses		43311.99	46726.09
Profit/(Loss) Before Tax		888.99	(558.51)
Tax Expense:			
Current Tax		(148.32)	-
Add: MAT Credit Entitlement		121.50	-
Income Tax Refund for Prior Years		1.64	(2.84)
Deferred Tax (Liability) / Assets		(280.12)	(12.69)
Profit / (Loss) After Tax		583.69	(574.04)
Earnings per Equity Share			
Basic and Diluted Earnings per share (in Rs.) (Face value Rs 10/- Per share)		10.77	(10.59)
Significant Accounting Policies	1		
Additional information to Financial Statements	28		

See accompanying notes to the financial statements

In terms of our Report of even date
For Gopalaiyer and Subramanian

Firm Regd. No. 000960S

Chartered Accountants

(Sd/-) CA R Mahadevan

Partner

Coimbatore Membership No. 027497
25.06.2025 UDIN:25027497BMNBBL2963

(Sd/-) KG Balakrishnan
Chairman

DIN No.: 00002174

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) B Srihari
Managing Director
DIN No.: 00002556

(Sd/-) K. Jayaraj
Company Secretary

Sri Kannapiran Mills Limited

Cash Flow Statement for the year ended 31st March, 2025

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
A. Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	888.99	(558.51)
Adjustments for :		
Depreciation	810.63	779.99
Profit on Sale of Assets	(5.82)	(80.80)
Interest Income	(58.92)	(41.18)
Dividend Income	(0.35)	(0.24)
Interest Paid	1647.08	1732.48
Operating Profit before Working Capital Changes	3281.59	1831.75
(Increase)/Decrease in trade and other receivables	1294.97	(1577.50)
(Increase)/Decrease in inventories	562.86	1234.42
Increase/(Decrease) in trade and other payables	(779.13)	94.42
Cash generated from operations	4360.30	1583.09
Direct taxes paid	(148.32)	(35.10)
Net Cash from Operating activities	4211.98	1547.98
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(571.17)	(2381.10)
Proceeds from sale of fixed assets	19.34	167.68
Purchase of Investment	-	(226.11)
Sale of Investment	(37.32)	-
Prior year expenses	1.64	(2.84)
Interest received	57.16	33.96
Dividend received	0.35	0.24
Net cash used in investing activities	(530.00)	(2408.17)
C. CASHFLOW FROM FINANCING ACTIVITIES		
Long term Borrowings received	-	2552.48
Long term Borrowings repaid	(1483.47)	(1758.52)
Short term borrowings	(858.89)	1872.73
Interest Paid	(1668.66)	(1690.13)
Net cash used in financing activities	(4011.02)	976.56
Net increase in cash and cash equivalents	(329.04)	116.38
Cash and cash equivalents at beginning of the period	605.49	489.12
Cash and cash equivalents at end of the period	276.45	605.49
Components of Cash and Cash equivalents as at 31st March 2025		
Cash and Cheques on hand	11.93	68.66
in Current Account	12.64	113.75
in Deposit Account	251.89	423.08
	276.45	605.49

See accompanying notes to the financial statements

In terms of our Report of even date

For Gopalaiyer and Subramanian

Firm Regd. No. 000960S

Chartered Accountants

(Sd/-) CA R Mahadevan

Partner

Coimbatore Membership No. 027497
25.06.2025 UDIN:25027497BMNBBL2963

(Sd/-) KG Balakrishnan
Chairman

DIN No.: 00002174

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) B Srihari
Managing Director

DIN No.: 00002556

(Sd/-) K. Jayaraj
Company Secretary

1 Significant Accounting Policies (In the order of applicability of Accounting Standards)

AS-1 DISCLOSURE AND BASIS OF ACCOUNTING

- a) The Financial Statements have been prepared under the Historical cost convention in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India and comply with the Accounting Standards as prescribed under 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of Companies Act, 2013 to the extent notified. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.
- b) The Company has been consistently following the accrual basis of accounting in respect of its Income and Expenditure.
- c) The Accounts are prepared on the basis of Going Concern concept only.

AS-2 VALUATION OF INVENTORIES

Inventories are valued at lower of cost and net realizable value, where

- a) Cost of raw materials is determined on specific identification method
- b) Stock of stores, spares and packing materials is determined on weighted average method.
- c) Finished goods and work in progress is determined under FIFO method where cost includes conversion and other costs incurred in bringing the inventories to their present location and condition.

AS-3 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, where by the profit before tax is adjusted for the effect of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and Cash equivalent include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for you by the company.

AS-5 NET PROFIT/LOSS FOR THE PERIOD AND PRIOR PERIOD ITEMS

All items of income and expenses pertaining to the year are included in arriving at the net profit for the year unless specifically mentioned elsewhere in the financial statement or as required by Accounting Standards.

AS-6 DEPRECIATION ACCOUNTING

Depreciation on Fixed Assets has been provided on Straight line basis based on the balance useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 effective from 01/04/2014. Depreciation on machinery & electrical machinery has been provided base on useful lives as applicable continuous process . In respect of additions and sales, pro rata depreciation is calculated from the date of purchase or to the date of sale as the case may be.

AS-9 REVENUE RECOGNITION

- a) Revenue from sale transactions is recognised as and when the property in the goods sold is transferred to the buyer for a definite consideration. Revenue from service transactions are recognised on the completion of the contract at the contracted rate and when there is no uncertainty regarding the amount of consideration or collectability.
- b) Direct Sales as reported are net of General Sales Tax.
- c) Proceeds of export sales of yarn are accounted on the basis of credit given by our bankers.
- d) Export incentives under DEPB licence and premium on transfer of Export incentives are accounted on accrual basis.
- e) Dividend income from investments is accounted in the year in which it is actually received.

- f) Revenue from Carbon credits are recognized based on issuance of CER certificate by UNFCEC
- g) Other incomes are accounted on accrual basis.

AS-10 ACCOUNTING FOR FIXED ASSETS

The cost of fixed assets is shown at historical cost less accumulated depreciation.

AS-11 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are recognized as income or expense in the profit and loss account. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates.

The premium or discount arising at the inception of forward exchange contracts is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in the period in which they arise.

AS-13 ACCOUNTING FOR INVESTMENTS

Long term investments are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of long term investments.

AS-15 EMPLOYEE BENEFITS

- a) 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.
- b) **Defined Contribution Plans** Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund and ESIC are recognized in the profit and loss account.
- c) **Defined Benefit Plans** Company's liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits becomes vested. Actuarial gains or losses are recognized immediately in the statement of profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate

AS-16 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition of construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

AS-19 LEASES

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

AS-20 EARNING PER SHARE

The earning considered in ascertaining the Company's earnings per share comprises of Net Profit after tax and includes post tax adjustments of prior period and extra-ordinary items.

AS-22 ACCOUNTING FOR TAXES ON INCOME

Deferred tax resulting from timing differences between book and tax profits is accounted under liability method at enacted or substantively enacted rate as on the balance sheet date. Deferred tax asset, other than those arising on account of unabsorbed depreciation or carried forward of losses under tax loss, are recognised and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

==== Sri Kannapiran Mills Limited ====

Deferred tax asset, arising on account of unabsorbed depreciation or carried forward of losses under tax loss, are recognised and carried forward subject to consideration of prudence only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Current tax is determined at the amount of tax payable in respect of estimated taxable income for the year.

AS-26 INTANGIBLE ASSETS

Software is being amortised over a period of 1-3 years depending on the licenses of the respective software.

AS-28 IMPAIRMENT OF ASSETS

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired.

AS-29 PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

- a) Provisions involving degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources.
- b) Contingent liabilities in respect of show cause notice received are considered only when they are converted to demands. Contingent liabilities are disclosed by way of notes to accounts.
- c) Contingent liability under various fiscal laws includes those in respect of which the company/department is in appeal.

OTHERS

SUNDRY DEBTORS AND ADVANCES

Specific debts and advances identified as irrecoverable are written off.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the estimates is recognized prospectively.

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(₹ in Lakhs)

PARTICULARS	Numbers 31.03.2025	Numbers 31.03.2024	Amount 31.03.2025	Amount 31.03.2024
2 Share Capital				
Number and amount of Equity Shares - Authorized (Face Value ₹ 10 each)	2 70 00 000	2 70 00 000	2700.00	2700.00
	2 70 00 000	2 70 00 000	2700.00	2700.00
Number and amount of Preference Shares - Authorized (Face Value ₹ 100 each)	6 00 000	6 00 000	600.00	600.00
	6 00 000	6 00 000	600.00	600.00
Number and amount of Equity Shares - Issued	55 03 024	55 03 024	550.30	550.30
Number of Equity Shares - Subscribed and Fully Paid up	54 19 928	54 19 928	541.99	541.99
Add : Forfeited Shares	-	-	0.01	0.01
	54 19 928	54 19 928	542.00	542.00

Face value per Equity share (in ₹ 10 each)

Shares held by Promoters

Sl. No	PARTICULARS	As at March 31,2025		As at March 31, 2024		% change during the year
		No of shares	% of Total shares	No of shares	% of Total shares	
1	K G Balakrishnan	5676	0.10	670434	12.37	-12.27
2	B Sathyabama	-	-	433242	7.99	-7.99
3	B Sriramulu	253040	4.67	253040	4.67	-
4	Pranav Sriram	105702	1.95	105702	1.95	-
5	B Srihari	1049682	19.37	799682	14.75	4.62
6	Aadya Srihari	1240315	22.88	392315	7.24	15.64
7	Deepika Karthikeyan	1880	0.03	1880	0.03	-
8	T Anandhi	134285	2.48	134285	2.48	-
9	Sailendran	73228	1.35	73228	1.35	-
10	Niketana Thulasidaran	73228	1.35	73228	1.35	-
11	K G Denim Limited	331588	6.12	331588	6.12	-
12	Crocodile India Privte Limited	500000	9.23	500000	9.23	-
13	Sri Balamurugan Textile Processing Limited	30700	0.57	30700	0.57	-

Sri Kannapiran Mills Limited

Shares held by Promoters

(₹ in Lakhs)

Sl. No	PARTICULARS	As at March 31, 2025		As at March 31, 2024		% change during the year
		No of shares	% of Total shares	No of shares	% of Total shares	
14	Dr.G.Bakthavathsalam	152057	2.81	152057	2.81	-
15	B Dhanalakshmi	26550	0.49	26550	0.49	-
16	B Ashok	32150	0.59	32150	0.59	-
17	Mrs R Vasanthi	31930	0.59	31930	0.59	-
18	B Dhanalakshmi Trustee - Vasanthi Marriage Trust	16000	0.30	16000	0.30	-
19	Dr.G.Bakthavathsalam Trustee - V Vasanthi Education Trust	19616	0.36	19616	0.36	-
20	Dr.G.Bakthavathsalam Trustee - Ashok Education Trust	19600	0.36	19600	0.36	-
21	G Kannappan	17981	0.33	17981	0.33	-
22	K Krithika	52116	0.96	52116	0.96	-
23	Nirmala Rajeswari Trustee - Krithika Marriage Trust	47504	0.88	47504	0.88	-
24	G Kannappan-Trustee - Krithika Education Trust	40048	0.74	40048	0.74	-
25	Sree Manneswarasamy Investments P Ltd	800	0.01	800	0.01	-
26	Sri Ranganathaswamy Investments P Ltd	1400	0.03	1400	0.03	-
27	Sri Selvavinayagar Investments P Ltd	1792	0.03	1792	0.03	-
28	GK Investments P Ltd	300	0.01	300	0.01	-
29	G Vijayakumar	9673	0.18	9673	0.18	-
30	V Geethalakshmi	19104	0.35	19104	0.35	-
31	Saritha Santhanalakshmi	27124	0.50	27124	0.50	-
32	V Sanjana	25924	0.48	25924	0.48	-
33	G Vijayakumar Trustee- V Sanjana Education Trust	16600	0.31	16600	0.31	-
34	G Vijayakumar Trustee - V Saritha Santhanalakshmi Education Trust	20000	0.37	20000	0.37	-
35	V Geethalakshmi Trustee - Sanjana Marriage Trust	16000	0.30	16000	0.30	-
36	V Geethalakshmi Trustee - Saritha Santhanalakshmi Marriage Trust	32960	0.61	32960	0.61	-
37	GV Investments P Ltd	350	0.01	350	0.01	-
38	G Ramaswamy	99333	1.83	99333	1.83	-
39	R Santhamani	35488	0.65	35488	0.65	-
40	R Ashyanth	9523	0.18	9523	0.18	-
41	R Annush	9524	0.18	9524	0.18	-
42	G Ramaswamy Trustee - Ashyanth Education Trust	28000	0.52	28000	0.52	-
43	GRV Investments P Ltd	350	0.01	350	0.01	-

Terms & Conditions of equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share.

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 of their share holding. There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back immediately preceding five previous years.

The Company has redeemed Preference shares of ₹ 135 lakhs during the year 2021-22.

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(₹ in Lakhs)

	31.03.2025	31.03.2024
3 Reserves and Surplus		
General Reserve		
As per last Balance Sheet	3671.00	3671.00
	3671.00	3671.00
Capital Redemption Reserve		
As per last Balance sheet	139.64	139.64
	139.64	139.64
Surplus		
As per last Balance Sheet	4207.22	4781.26
Add: Transfer from Profit and Loss Statement	583.66	-574.04
Closing balance	4790.88	4207.22
Revaluation Reserve		
As per last Balance sheet	1392.25	1392.25
	1392.25	1392.25
Capital Reserve		
As per last Balance sheet	1614.10	1614.10
	11607.87	11024.21
Non current liabilities		
4 Long Term Borrowings		
Secured		
Term Loans From Banks	1846.13	3277.40
Long term maturities of finance lease obligations	14.18	27.71
Deposits:		
(a) Inter Corporate Deposit	686.79	725.45
(b) Performance Deposit	58.00	58.00
	2605.10	4088.56

SECURITY CLAUSE AS AT 31.03.2025

Term loan from South Indian Bank of ₹ 455.48 lakhs is secured by exclusive charge on assets acquired out of the term loan and pari-passu second charge on the entire current assets of the Company along with Indian Bank.

Term loan (ECB) from Good Fashion Fund, Netherlands of ₹ 1604.65 lakhs (USD 18,75,000) is secured by exclusive charge on assets acquired out of the term loan and pari-passu second charge on the entire current assets and Fixed assets of the Company along with Indian Bank, The South Indian Bank Ltd., and Good Fashion Fund. Pari passu Second charge on assets acquired out of this term loan in favour of Indian Bank, Central Bank of India, The South Indian Bank Ltd, HDFC Bank, Punjab National Bank and Union Bank of India.

Sri Kannapiran Mills Limited

GECL Loans availed from Indian Bank of ₹ 385.82 lakhs, Central Bank of India of ₹ 90.01 lakhs, South Indian Bank Ltd of ₹ 67.16 lakhs, Punjab National Bank of ₹ 255.50 lakhs, HDFC Bank of ₹ 212.17 lakhs and Union Bank of India of ₹ 166.88 lakhs have been secured by pari-passu first charge on the entire current assets of the Company and pari-passu second charge on entire fixed assets of the Company (Excluding assets exclusively charged to South Indian Bank Ltd, Good Fashion fund and ICICI Bank).

₹ Lakhs

Bank	Outstanding as on		Interest rate %	Repayment months	From	Last Installment
	31.3.2025	31.3.2024				
Indian Bank TL	-	99.81	8.95			
Indian Bank TL	-	298.63	8.80			
Indian Bank ECLGS	163.25	326.18	9.25	12		Mar'26
Indian Bank ECLGS	222.57	306.12	9.25	33		Dec'27
South Indian Bank TL	455.48	655.90	9.75	30		Sep'27
South Indian Bank ECLGS	33.70	67.50	9.25	12		Mar'26
South Indian Bank ECLGS	33.46	50.25	9.25	24		Mar'27
Central Bank of India ECLGS	34.39	84.00	9.25	10		Jan'26
Central Bank of India ECLGS	55.62	94.51	8.25	35		Feb'28
Punjab National Bank- ECLGS	94.45	188.95	8.25	12		Mar'26
Punjab National Bank- ECLGS	161.05	208.95	7.65	36	Apr'24	Mar'28
Union Bank of India ECLGS	52.40	130.88	9.25	8		Nov'25
Union Bank of India ECLGS	114.48	153.73	9.25	35		Feb'28
HDFC Bank ECLGS	49.88	104.09	9.20	12		Mar'26
HDFC Bank ECLGS	162.29	190.00	9.20	29		Aug'28
ICICI Bank	-	9.13	12.25			Jul'24
ICICI Bank	29.66	42.27	10.76	24		Mar'27
Good Fashion Fund ECB loan (USD 18 75 000)	1604.65	2052.48	7.7623 (SOFR +3.5%)	36	Jul'24	Jan'28

The Term Loans (excluding GECL Loans) from Indian Bank, The South Indian Bank Ltd., and Good Fashion Fund are guaranteed by Mr B Srihari, Managing Director of the Company.

There is no delay in payment of term loan dues and interest payment as at 31.3.2025.

Working capital facilities from Indian Bank Consortium (Indian Bank, Central Bank of India, The South Indian Bank Ltd, Punjab National Bank, HDFC Bank and Union Bank of India) are secured by pari passu first charge on the entire current assets of the company and pari passu second charge on all the immovable properties situated at 1) Sowripalayam, Coimbatore 2) Kempnaickenpalayam, Annur 3) Then Thirumalai, Mettupalayam 4) Onapalayam, Coimbatore and 5) Leasehold rights of 32.825 acres of Land at SIPCOT Industrial Growth Centre, Perundurai and Plant and Machineries of Company (Excluding assets exclusively charged to South Indian Bank Ltd, Good Fashion Fund and ICICI Bank).

The Working capital limits from Indian Bank, Central Bank of India, The South Indian Bank Ltd., HDFC Bank Ltd., Union Bank of India and Punjab National Bank are guaranteed by Mr B Srihari, Managing Director of the Company.

There is no case of default as on the balance sheet date in repayment of loans and interest.

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(₹ in Lakhs)

	PARTICULARS	31.03.2025	31.03.2024
5	Deferred tax liabilities		
	Deferred Tax Asset:		
	On account of Business Loss	0.00	242.92
	Provision for Gratuity	155.31	169.70
		<u>155.31</u>	<u>412.62</u>
	Deferred Tax Liability:		
	On account of Depreciation	2277.02	2254.21
	Net Deferred Tax Liabilities	<u>2121.71</u>	<u>1841.59</u>
6	Other Long Term Liabilities		
	Other Payable - Electricity tax payable	672.81	615.53
		<u>672.81</u>	<u>615.53</u>
7	Long Term Provisions		
	Provision for Gratuity	497.78	484.04
		<u>497.78</u>	<u>484.04</u>
	Current liabilities		
8	Short Term Borrowings		
	Secured		
	Loans repayable on Demand from Banks (Secured)	8214.59	7837.60
	Current maturities of long term Debt	1421.21	1817.71
	From Bank (Unsecured)	1386.09	2225.47
		<u>11021.89</u>	<u>11880.78</u>
9	Trade Payables		
	Due to Micro, Small & Medium Enterprises	70.22	132.65
	Others	3986.68	4866.12
		<u>4056.90</u>	<u>4998.77</u>
10	Other Current Liabilities		
	Current maturities of finance lease obligations	24.92	28.27
	Interest accrued and but not due on borrowings	34.66	56.24
	Advances from Customers	45.19	45.35
	Other Payables - Expenses payable	1241.44	1235.33
		<u>1346.21</u>	<u>1365.19</u>
	Short-term provisions		
11	Provision for Employee benefits :		
	Provision for Gratuity	37.28	59.87
	Provision for Tax (Net of Advance Tax)	111.73	0.00
		<u>149.01</u>	<u>59.87</u>

Notes forming part of Financial Statements
12. Property, Plant & Equipment and Intangible Assets

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 01.04.2024	Additions During the year	Sales During the year	As at 31.03.2025	Up to 31.03.2024	For the Year	Withdrawn for the year	Upto 31.03.2025	As at 31.03.2025	As at 31.03.2024
PROPERTY, PLANT AND EQUIPMENT										
1. Land	2 446.60	108.55	-	2 555.16	-	-	-	-	2 555.16	2 446.60
2. Building	5 118.72	78.18	.00	5 196.91	2 507.53	124.93	-	2 632.46	2 564.44	2 611.19
3. Machinery	20 515.79	318.74	6.30	20 828.23	11 106.72	579.04	3.75	11 682.00	9 146.23	9 409.07
4. Elec. Machinery	2 701.14	20.04	42.29	2 678.89	2 083.45	80.15	31.57	2 132.03	546.86	617.69
5. Furniture & Fixtures	433.70	.00	.00	433.70	400.58	3.09	-	403.66	30.04	33.13
6. Office Equipments	136.27	7.35	.00	143.62	113.33	2.95	-	116.28	27.34	22.94
7. Motor Vehicles	414.91	38.31	5.16	448.05	280.94	20.47	4.90	296.51	151.54	133.96
8. Weighing Scale	20.25	-	-	20.25	19.24	-	-	19.24	1.01	1.01
9. Tools & Equipments	20.63	-	-	20.63	19.60	-	-	19.60	1.03	1.03
	31808.02	571.18	53.75	32325.45	16531.39	810.63	40.23	17301.79	15023.65	15276.63
INTANGIBLE ASSETS										
10. Software	7.12	-	-	7.12	7.07	-	-	7.07	0.05	0.05
TOTAL	31815.14	571.18	53.75	32332.57	16538.46	810.63	40.23	17308.86	15023.70	15276.68
Previous year	29899.10	2381.10	465.06	31815.13	16136.64	779.99	378.18	16916.63	15276.68	13762.46

Note: Office furniture Cost includes ₹ 78.39 lakhs towards cost of Jewels, Golden Chariot, and Thooasthambam of Prayer Hall Then Thirumalai

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

13. Non-Current Investments

Investments (At Cost) (₹ in Lakhs)

Particulars	Face Value	31.03.2025 Nos.	31.03.2024 Nos.	31.03.2025 Amount	31.03.2024 Amount
Non Trade - Quoted - Fully paid up					
Rajshree Sugars and Chemicals Limited	10	5,000	5,000	0.50	0.50
IDBI Bank Limited	10	14,240	14,240	11.57	11.57
Indian Bank	10	1,000	1,000	0.91	0.91
The South Indian Bank Limited	1	5,403	5,403	0.84	0.84
Trade Investments - Quoted					
K G Denim Limited	10	32,65,183	30,65,183	463.85	423.85
Trade Investments - Unquoted					
Kannapiran Polymers Limited	10	13,32,946	13,32,946	133.29	133.29
iEnergy Wind farms (Theni) Private Limited	10	1,075	700	0.11	0.07
Watsun Infrabuild Private Limited	10	1,78,934	1,78,934	17.89	17.89
Arkay Energy (Rameswaram) Limited	10	1,61,751	2,29,883	16.18	22.99
Arja Energys Private Limited	10	2,50,000	2,50,000	25.00	25.00
Cotton Sourcing Company Limited	10	10,000	10,000	1.00	1.00
Nellai Renewables Private Limited	10	21,00,000	21,00,000	210.00	210.00
AMP Energy C&I Private Limited	10	20,00,000	20,00,000	200.00	200.00
MAR Renewable Energy Limited	10	2,600	2,600	0.26	0.26
Rithan Green Power Private Limited	10	2,600	2,600	0.26	0.26
Anandhaa Solar Energy Private Limited	10	600	1,300	0.06	0.13
IKKI Green Energy Private Limited	10	26,000	26,000	27.82	27.82
ARN Green Energy Private Limited	10	2,600	-	0.26	-
Non Trade Investments - Unquoted					
Kannapiran Mills Employee's Co-op. Stores Limited				0.04	0.04
Investment in Partnership Firm					
M/s. K G House (Madras)				7.94	7.94
Victory Green power				3.90	-
				1121.68	1084.36
Aggregate Value of quoted investments					
Cost				477.67	437.64
Market value				509.74	792.01
Aggregate amount of unquoted investments				644.01	638.75

Note : In trade investments of KG Denim Limited, 2,00,000 shares held as stock in trade was transferred to investments during the year. No prior year adjustment is warranted.

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
14 Long-term loans and advances		
(Unsecured, considered good)		
Other Loans and Advances :		
Advances recoverable in cash or kind, for value to be received	41.35	41.17
	41.35	41.17
15 Other Non Current Assets		
Long Term Trade Receivables	51.01	69.81
TUF Subsidy Receivable	36.02	36.02
MEIS Premium Receivable	0.42	-
Security Deposits	28.37	39.39
MAT Credit Entitlement	1301.12	1179.62
	1416.94	1324.84
16 Inventories (At lower of cost or net realisable value)		
Cotton & Cotton Waste	2982.75	3409.95
Yarn	560.51	546.73
Work-in-progress	891.18	882.69
Finished goods -Yarn	2419.47	2303.12
Finished goods -Fabrics	1324.49	1449.95
Stock In Trade -Equity shares	-	40.00
Stores and spares	168.63	206.41
Chemicals	90.83	161.88
	8437.86	9000.73
Refer Accounting policy AS -2 for mode of valuation		
17 Trade Receivables		
(Unsecured, considered good)		
Outstanding for period exceeding 6 months from due date	68.49	27.91
Others	6181.44	7056.88
	6249.93	7084.78
For ageing schedule refer note No: 3 & 4 in other notes		
18 Cash and Bank Balances		
Cash and cash equivalents		
Balances with Banks		
In Current Account	12.64	113.75
Cheque on hand	-	16.19
Cash on hand	11.93	52.47
Other Bank Balances		
Deposits held as Margin money	251.89	423.08
	276.46	605.49
19 Short-term loans and advances		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind, or for value to be received	1347.76	1652.89
GST Receivable	30.16	127.76
Prepaid expenses	159.06	148.32
Advance Taxes (Net of Provisions thereof)	-	71.58
	1536.98	2000.54

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
20 Other Current Assets		
(a) Interest accrued on Bank Deposits	14.40	12.64
(b) Income Receivable:		
(i) Duty draw back receivable	12.68	28.08
(ii) Conversion Charges Receivable	22.55	13.57
(iii) MEIS Premium Receivable	-	0.42
(iv) RODTEP Premium Receivable	49.87	133.70
(v) Other income receivable	11.81	36.97
(c) Security Deposit	<u>405.07</u>	<u>256.56</u>
	<u>516.38</u>	<u>481.95</u>
21 Revenue from Operations		
a) Sale of Products		
Yarn	23128.47	27666.88
Glove	357.61	400.86
Fabric	18827.50	16066.54
Waste	147.88	218.83
	<u>42461.46</u>	<u>44353.11</u>
b) Sale of Services		
Conversion Charges	561.91	614.70
Service Income	159.46	201.18
	<u>721.37</u>	<u>815.88</u>
c) Other Operating Revenues:		
Export Incentives	657.39	632.62
	<u>657.39</u>	<u>632.62</u>
	<u>43840.22</u>	<u>45801.61</u>
22 Other Income		
Interest Income	58.92	41.18
Dividend Income	0.35	0.24
Rent Received	83.04	20.89
Gratuity excess provision written back	8.85	-
Profit on sale of assets	5.82	80.80
Agriculture Income	0.40	3.55
Foregin Exchange (gain) -Net	103.06	78.88
Insurance claim received	-	42.26
Miscellaneous receipts	100.32	98.17
	<u>360.76</u>	<u>365.97</u>
23 Cost of Materials Consumed		
Opening Stock		
Raw material - Cotton & Yarn	3933.09	3626.27
Waste - Cotton	23.59	22.74
Add : Purchases - Cotton, Waste Cotton & Chemicals	<u>26095.28</u>	<u>28780.92</u>
	30051.96	32429.93
Less : Sale of Raw Material	443.93	0.88
Less: Closing Stock		
Raw Material - Cotton & Yarn & Chemicals	3520.47	3933.09
Waste - Cotton	22.80	23.59
	<u>26064.76</u>	<u>28472.37</u>
Details of Materials Consumed		
Cotton, Waste Cotton and Yarn	24734.16	28472.37
Chemicals	1330.60	-
	<u>26064.76</u>	<u>28472.37</u>

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
24 Changes in Inventory of Finished Goods and WIP		
Opening Stock		
Finished Goods - Yarn	22 94.40	36 65.36
Finished Goods - Fabrics	14 49.95	14 04.62
Finished Goods - Glove	8.72	9.96
Work in Process	8 82.69	10 44.58
Stock In Trade -Shares	-	40.00
	46 35.76	61 64.51
Closing Stock		
Finished Goods - Yarn	24 14.85	22 94.40
Finished Goods - Fabrics	13 24.49	14 49.95
Finished Goods - Glove	4.62	8.72
Work in Process	8 91.18	8 82.69
Stock In Trade -Shares	-	40.00
	46 35.14	46 75.76
Stock (Increase) / Decrease	0.62	1488.76
25 Employee Benefits Expenses		
Salaries and wages	47 79.39	46 03.67
Contribution to Provident and other Funds	1 99.05	1 99.29
Gratuity Expenses	52.64	70.32
Welfare Expenses	3 89.86	3 85.01
Managerial Remuneration	31.54	32.67
	54 52.48	52 90.96
26 Finance Cost		
Interest on Working Capital	10 96.18	12 02.10
Interest on Term Loans	4 35.44	3 94.88
Bank Charges	1 15.46	1 35.50
	16 47.08	17 32.48
27 Other Expenses		
Consumption of Stores and Spare Parts	67.52	51.39
Consumption of Packing Materials	3 46.20	3 39.92
Repairs to Buildings	2 08.91	2 24.95
Repairs to Machinery	10 18.74	11 71.07
Repairs & Maintenance - others	59.03	89.68
Insurance	1 02.40	68.31
Rates and Taxes, excluding, Taxes on Income	91.40	90.54
Accountancy and Legal charges	31.59	36.23
Filing Fees	0.22	0.39
Brokerage & Commission	5 97.23	3 97.56
Selling Expenses	2 16.72	1 63.10
Carriage Outwards	3 95.00	3 34.85
Lease Rent	28.70	34.54
Auditors Remuneration		
- Audit Fees	6.00	5.00
- Tax Audit Fees	1.00	1.00
- Other Miscellaneous Fees	0.37	0.65
Sitting Fees	4.30	5.10
C S R Expenses	28.92	34.80
Processing Charges	1 99.52	1 99.53
Travelling Expenses & Maintenance of vehicle	3 62.32	3 73.29
Postage Telegram & Telephone charges	96.75	90.29
Prayer Hall Expenses	29.21	33.02
Miscellaneous Expenses	34.63	37.60
	39 26.68	37 82.80

Sri Kannapiran Mills Limited

28. Additional information to financial statement

- 1 Estimated amount of contracts remaining to be executed on capital accounts not provided for as on 31.03.2025 is ₹ 16 lakhs (31.03.2024 - Nil).
- 2 Future Hire Purchase charges payable as on 31.03.2025 is ₹ 3.78 (Previous year ₹ 5.68 lakhs)
- 3 Income-tax Assessment for the Assessment year 2024-25 is pending.

4. Imports-CIF Basis

a) Purchases

(₹ in Lakhs)

Particulars	31.03.2025	31.03.2024
Raw material	-	-
Spares and Components	53.79	106.86
Capital Goods	-	354.10

b) Consumption

(₹ in Lakhs)

Particulars	2024-25		2023-24	
	Imported	Indigenous	Imported	Indigenous
Raw material value	-	26080.66	-	27895.14
As a % of Total Raw material Consumption	-	100%	-	100%
Spares and Components	53.79	1030.46	106.86	1115.71
As a % of Total Spares & Components	4.96%	95.04%	8.74%	91.26%

(₹ in Lakhs)

- | | | | |
|---|--|-------------------|-------------------|
| 5 | i) Expenditure in Foreign Currency | 31.03.2025 | 31.03.2024 |
| | Travelling Expenses | 56.28 | 52.70 |
| | Interest on foreign currency borrowings | 159.53 | 105.00 |
| | ii) Earnings in Foreign Currency | | |
| | Export of Goods FOB Basis on Direct Export | 11925.07 | 11456.92 |
| 6 | Particulars regarding investment in the capital of the partnership firm. | | |
| | Name of the Firm:- K G House (Madras) | | |
| | Total Capital of the Firm ₹ 16,18,400/- | | |

(₹ in Lakhs)

Name of the Partner	Capital Contribution (₹)	Share Ratio
Sri Kannapiran Mills Limited	7,93,800/-	49.0%
Sri Kumaraguru Mills Limited	7,93,800/-	49.0%
Mr K G Balakrishnan	4,808/-	0.3122%
Mr G Bakthavathsalam	3,952/-	0.2566%
Mr G Ramaswamy	11,428/-	0.7421%
Mrs R Kannammal	4,807/-	0.3122%
Mrs B Amirthlakshmi	4,095/-	0.2659%
Mrs B Dhanalakshmi	855/-	0.0556%
Mrs R Shanthamani	855/-	0.0556%

Notes forming part of Financial Statements

- 7 Balance of certain Creditors, Debtors, Loans and Advances given are subject to confirmation and reconciliation with the respective Parties, however in the opinion of management, there would not be any material impact on financial statements.
- 8 The segmental reporting as required under AS-17 is not applicable as the Company operates in only one segment, i.e., Textile.

9 AS 15 Employee Benefits

A. Defined Benefit Plan

1. Principal Actuarial Assumptions	31.03.2025	31.03.2024
Discount Rate	6.80%	7.15%
Salary Escalation Rate	4.00%	4.00%
Attrition Rate	1.00%	1.00%
Expected Rate of Return on Plan Assets	0.00%	0.00%
	(₹ in Lakhs)	
II. Changes in the present value of the obligation (PVO) - Reconciliation of Opening and Closing balances	Gratuity (Unfunded)	Gratuity (Unfunded)
PVO as at the beginning of the period	543.90	517.30
Interest Cost	38.86	38.88
Current Service Cost	43.90	44.32
Past Service Cost – (Non Vested Benefits)	0	0
Past Service Cost – (Vested Benefits)	0	0
Benefits Paid	-52.64	-43.72
Actuarial loss / (gain) on obligation (balancing figure)	-38.96	-12.89
PVO as at the end of the period	535.05	543.90
III. Changes in the fair value of plan assets - Reconciliation of opening and closing balances	Gratuity (Unfunded)	Gratuity (Unfunded)
Fair value of the plan assets as at the beginning of the period	0	0
Expected return on plan assets	0	0
Contributions	0	0
Benefits paid	0	0
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
V. Actuarial gain / loss recognized		
Actuarial gain/(loss) for the period – Obligation	-38.96	-12.89
Actuarial gain / (loss) on plan assets	0	0
Total gain / (Loss) for the period	-38.96	-12.89
Actuarial gain / (loss) recognized in the period	-38.96	-12.89

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

VI. Expenses recognized in the statement of profit and loss

Current service cost	43.89	44.32
Interest Cost	38.86	38.88
Expected return on plan assets	0	0
Net actuarial (gain)/loss recognized in the year	-38.96	-12.89
Expenses recognized in the statement of profit and loss	43.79	70.32

VII. Movements in the liability recognized in the balance sheet

Opening net liability	543.90	517.30
Expense as above	43.79	70.32
Contribution paid	(52.64)	(43.72)
Closing net liability	535.05	543.90

Note:

- i. The salary escalation considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- ii. Gratuity is based on last drawn basic salary. The scheme takes into account each completed year of service or part thereof in excess of six months.

B. Defined Contribution Plan

Contribution to Provident Fund	199.29	179.18
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10 AS 18 – Related Party Disclosures

Names of related parties :	
1. Key Management Personnel	Dr G Bakthavathsalam, Director Mr B Sriramulu, Director Mr B Srihari, Managing Director Mr A Velusamy, Director Mrs K Vanithamani, Whole Time Director Mr R Seenivasahan, Whole Time Director Mr G Krishnakumar, Chief Financial Officer Mr K Jayaraj, Company Secretary
2. Relatives of Key Management Personnel	Mr KG Balakrishnan, Chairman Mrs T Anandhi
3. Subsidiary	Kannapiran Polymers Limited
4. Other Related Parties	K G Denim Limited Sri Balamurugan Textile Processing Limited RND Softech Private Limited Trigger Apparels Limited Sri Karthikeya Spinning and Weaving Mills Private Limited Danalakshmi Paper Mills Private Limited Vijayalakshmi Paper Mills RND Herbals Private Limited

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(₹ in Lakhs)

Particulars	Subsidiary		Other Related Party *		Key Management Personnel		Relatives of Key Management Personnel	
	2025	2024	2025	2024	2025	2024	2025	2024
Purchase of Goods	0.53	0.48	1696.15	1746.54	--	--	--	--
Purchase of Power				146.16	--	--	--	--
Sale of Goods	0.22	3.41	416.49	3928.70	--	--	--	--
Conversion Charges (Receipt)	--	--	6.13	6.36	--	--	--	--
Conversion Charges (Payment)	--	--	6.52	14.34	--	--	--	--
Managerial Remuneration	--	--	--	--	90.59	93.37	--	--
Sitting Fees	--	--	--	--	--	--	0.40	0.40
Lease Rent Payment– Land/Building/Machinery	--	--	2.48	13.10	--	--	29.69	27.66
Lease Rent Received– Land/Building/Machinery	18.59	17.76	--	--	--	--	--	--
Asset Management Fees	193.13	191.29	--	--	--	--	--	--
Services Charges Receipt	-	-		35.40	--	--	--	--
Commission Payment		1.11						
Interest Payment on Inter Corporate Deposit	--	--	66.46	13.02	--	--	--	--
Balance Outstanding as on March 31st								
Payable	--	--	276.09	224.89	5.95	6.95		2.13
Receivable	--	--	2424.50	2306.49	--	--	8.24	--

Note: Related Party transaction value inclusive of GST wherever applicable.

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(₹ in Lakhs)

* Other related party transactions

Particulars	Other Related Party	
	2024-25	2023-24
Purchase of Goods	1696.15	1746.54
KG Denim Limited	67.68	31.38
Sri Balamurugan Textile Processing Limited	1624.18	1709.89
Others	4.29	5.27
Purchase of Power	0	146.16
KG Denim Limited	0	146.16
Sale of Goods	416.49	3928.70
KG Denim Limited	416.49	2881.82
Sri Balamurugan Textile Processing Limited	-	1046.88
Conversion Charges (Receipt)	6.12	6.36
KG Denim Limited	6.12	6.36
Conversion Charges (Payment)	6.52	14.34
KG Denim Limited	6.52	14.34
Lease Rent Payment – Land/Building/Machinery	2.48	13.10
Sri Balamurugan Textile Processing Limited	-	10.62
KG Denim Limited	2.48	2.48
Services Charges Receipt	0	35.40
RND Softech Private Limited	0	35.40
Interest Payment on Inter Corporate Deposit	66.46	13.02
RND Softech Private Limited	15.02	12.41
Sri Balamurugan Textile Processing Limited	51.44	0.61
Balance Outstanding as on March 31st		
Payable	276.09	224.89
Receivable	2424.50	2306.49

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

11. AS 19 – LEASES

The Company's significant leasing arrangements are mainly in respect of Godown rent. The aggregate rentals payable on these leasing arrangements are charged as lease rent under other expenses. (₹ in Lakhs)

Particulars	31.03.2025	31.03.2024
Not later than one year	6.03	7.83
Later than one year but not later than five Years	--	--
Later than Five years		

12. AS 20 – EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	31.03.2025	31.03.2024
Net profit after tax and adjustments	583.68	-574.04
Weighted average No. of Equity Shares	54,19,928	54,19,928
Basic & diluted Earnings Per Share (Face Value – Rs 10/- each)	10.77	-10.59

13. AS 22 – DEFERRED TAX LIABILITY

(₹ in Lakhs)

	Opening as on 01.04.2024	Adjustments made during the year	Closing as on 31.03.2025
Deferred Tax Liability			
Depreciation	2254.21	22.81	2277.02
Total	2254.21	22.81	2277.02
Deferred Tax Asset			
Provision for Gratuity (Net)	169.69	-14.39	155.31
On account of losses	242.92	-242.92	-
Total	412.61	-257.31	155.31
Net Deferred Tax Asset / (Liability)	(1841.59)	(280.12)	(2121.71)

14. The company has given corporate guarantee to Union Bank of India for working capital limits and term loan availed by subsidiary company M/s. Kannapiran Polymers Limited. Aggregate value of guarantee as on 31.03.2025 was ₹ 733 lakhs (Previous year ₹ 733 lakhs).
15. TANGEDCO, Tamil Nadu is demanding E -Tax on Maximum Demand charges and self-generation Tax on units generated through windmills/D G sets. An amount of ₹ 299.97 lakhs (Previous year ₹ 279.59 lakhs) towards self-Generating Tax and ₹ 126.58 lakhs (Previous year ₹ 103.91 lakhs) towards E-tax payable on Maximum Demand. The Company has gone through TASMA (Textiles Association) for appeal and the same is pending before the Supreme court. In respect of Deemed demand benefit of ₹ 243.93 lakhs (Previous year ₹ 232.02 lakhs). TANGEDCO has gone for appeal in Madras High court and the same is pending. These amounts are shown as liability in the books of accounts as on 31.3.25.
16. Electricity charges debited in Profit and loss account is net of value of Captive electricity generation through wind mill of ₹ 151.94 lakhs (Previous year ₹ 169.04 lakhs).
17. Purchase of 2,00,000 Shares of face Value at ₹ 10 each of K G Denim Limited during the FY 2012-13 and shown as Stock in Trade by the merged company (K G Fabriks Limited) and Included in Inventories in earlier years transferred to Investments during the year.

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

18. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given below:

(₹ in Lakhs)

		31.03.2025	31.03.2024
a)	Principal amount due	70.22	132.65
b)	Interest due on above	-	-
c)	Interest paid during the period beyond the appointed date Amount of Interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
d)	Amount of Interest accrued and remaining unpaid at the end of the period	-	-
e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

19. In the opinion of the Board of Directors, assets other than fixed assets and noncurrent investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated

20. Analytical Ratios

Sl. No		2025	2024	Variance %	Remarks
1	Current Ratio (in times)	1.03	1.05	-2	Decrease in current assets resulted in reduction of ratio
2	Debt Equity Ratio (in times)	0.21	0.35	-39	Repayment of term loans during the year resulted in decrease in ratio
3	Debt Service Coverage Ratio (in times)	0.94	0.26	259	Increase in profits resulted improvement in ratio
4	Return On Equity (in percentage)	0.05	-0.05	-202	Increase in profits resulted improvement in ratio
5	Inventory Turnover Ratio(in times)	5.03	4.77	6	Decrease in Average inventory level resulted for increase in ratio
6	Trade Receivable Turnover Ratio (in times)	6.58	7.27	-9	Increase in Average Receivables level resulted reduction in ratio
7	Trade Payable Turnover Ratio (in times)	5.76	5.68	2	Decrease in average trade payables resulted increase in ratio
8	Net Capital Ratio (in times)	66.80	29.82	118	Decrease in Working capital volume resulted increase in ratio
9	Net Profit Ratio (in percentage)	0.01	-0.01	-207	Increase in selling margin resulted improvement in ratio
10	Return on Capital Employed(in percentage)	0.09	0.04	144	Increase in profits resulted improvement in ratio

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

21. Other Regulatory Information

(i). Trade Payable ageing schedule as on 31.03.2025

(₹ in Lakhs)

Particulars	Not Due	Less than 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
(i) MSME	70.22	-	-	-	-	70.22
(ii) Others	1875.32	2110.34	-	-	1.01	3986.67
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

(ii) Trade Payable ageing schedule as on 31.03.2024

(₹ in Lakhs)

Particulars	Not Due	Less than 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
(i) MSME	132.65	-	-	-	-	132.65
(ii) Others	3058.75	1806.74	0.62	-	-	4866.12
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

(iii) Trade Receivable ageing schedule as on 31.03.2025

(₹ in Lakhs)

Particulars	Not Due	Less than 6 month	6 month 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
Undisputed Trade Receivable - considered good	1974.35	3973.31	302.25	0.04	3.73	14.21	6267.90
Undisputed Trade Receivable - considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivable - Considered good	-	-	-	-	-	5.16	5.16
Disputed Trade Receivable -Considered Doubtful	-	-	-	-	12.46	15.41	27.87

(iv) Trade Receivable ageing schedule as on 31.03.2024

(₹ in Lakhs)

Particulars	Not Due	Less than 6 month	6 month 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
Undisputed Trade considered good	3093.81	3963.07	27.91	1.55	-	41.88	7128.21
Undisputed Trade Receivable - considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivable - Considered good	-	-	-	12.46	-	13.92	26.38
Disputed Trade Receivable -Considered Doubtful	-	-	-	-	-	-	-

Sri Kannapiran Mills Limited

Notes forming part of Financial Statements

(v) Loans and advances made to Director, KMP related parties

Particulars	Amount of Loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loan	
Promoters	-	-	-	-

(vi). Disclosure regarding the discrepancies noted in the quarterly statement filed by the company with the banks (Indian Bank, The South Indian Bank, Central Bank of India, HDFC Bank, Union Bank of India and Punjab National Bank)

(₹ in Lakhs)

Quarter	Particulars of securities provided	Amount as per books of Accounts	Amount as reported in Quarterly returns/ statement	Amount of difference
June 24	Inventories &	15693	15675	(18)
September 24	Receivables	15280	15451	171
December 24		14955	15006	51
March 25		14739	14712	(27)

The difference was on account of arriving average cost for the relevant quarter while valuing stocks and subsequent reconciliation on accounting of export receivables based on shipment for the relevant quarter for the purpose of reporting in quarterly Bank statement vis-à-vis Books of accounts. Considering the total value of inventory and receivables, the above mentioned differences are not material.

- (vii). All title deeds of immovable properties of the Company are held in the name of Company only.
- (viii). During the year, there is no Capital work in Progress on account of fixed assets.
- (ix). The Company has no intangible assets under development.
- (x). The Company is not holding any benami property and hence no proceeding has been initiated or pending against the company in this regard.
- (xi). The Company has not been declared as willful defaulter by any bank or financial institution during the year, as there was no over dues in working capital limits and term loans
- (xii). There is no transaction with struck off companies under Section 248 of Companies Act 2013 or Section 560 of Companies Act 1956
- (xiii). The company has created all required charges in respect of new term loan/working capital limits and also filed satisfaction of charges in respect of loans closed during the year with Registrar of Companies.
- (xiv). The Company has not revalued its property, plant and equipment based on market price during the year.
- (xv). There has been no Scheme of Arrangement approved by the competent authority.
- (xvi). The Company has complied with the number of layers prescribed under clause (87) of Section 2 of Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

==== Sri Kannapiran Mills Limited ====

Notes forming part of Financial Statements

- (xvii). The Company has not loaned or advanced the borrowed funds or Share Premium amount to any other persons or entities with an understanding to
- (a) 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)
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
22. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's disclosure/classification.

See accompanying notes to the financial statements

In terms of our Report of even date
For Gopalaiyer and Subramanian

Firm Regd. No. 000960S
Chartered Accountants

(Sd/-) CA R Mahadevan
Partner

Coimbatore Membership No. 027497
25.06.2025 UDIN:25027497BMNBBL2963

(Sd/-) KG Balakrishnan
Chairman
DIN No.: 00002174

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) B Srihari
Managing Director
DIN No.: 00002556

(Sd/-) K. Jayaraj
Company Secretary

INDEPENDENT AUDITORS' REPORT

To

The Members of **SRI KANNAPIRAN MILLS LIMITED**,

Report On the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **SRI KANNAPIRAN MILLS LIMITED** ("the Company"), and its subsidiary together referred to as the "Group" which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss and consolidated Statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013, ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its consolidated profit and consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the standards on auditing specified under Section 143 (10) of the Companies Act, 2013. 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 together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the rules hereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key audit matters

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

Information other than the Consolidated Financial Statements and auditors' report thereon

The Holding Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the Consolidated Financial Statement and our auditor's report thereon. The Board's Report and Business Responsibility Report are expected to be made available to us after the date of this auditor's report.

— Sri Kannapiran Mills Limited —

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

- A. The Company's board of directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position and financial performance, and its cash flows of the group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Consolidated financial statements, the respective board of directors of the companies included in the group are responsible for assessing the Group'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 management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Consolidated Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.
- D. 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.
- E. 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.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated statement of cash flows dealt with by this report agree with the books of account;
 - (d) In our opinion, the aforesaid Consolidated financial statements comply with the accounting standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

— Sri Kannapiran Mills Limited —

- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in **"Annexure A"**.
- (g) With respect to other matters included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Companies Act, 2013, 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 Director's during the year is in accordance with the provisions of the Section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - (i). The group does not have any pending litigations which would impact its financial position;
 - (ii). The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii). There are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv). (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group from any person or entity, including foreign entity ("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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (d) The holding company and its subsidiaries has not declared dividend during the year.

== Sri Kannapiran Mills Limited ==

- (e) Based on our examination which included test checks, the companies in the group have used accounting software for maintaining its books of account which 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 and the audit trail has been preserved by the Company as per the statutory requirements for record retention
2. With respect to the matters specified in paragraphs 3(xxi) and 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 reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

Place: Coimbatore
Date : 25.06.2025

For **Gopalaiyer and Subramanian**
Chartered Accountants
FRN : 000960S
CA. R.Mahadevan
Partner
(Membership No. 027497)
UDIN: 25027497BMNBBN8684

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of the even date to the members of M/s. **SRI KANNAPIRAN MILLS LIMITED** on the Consolidated Financial Statements for the year ended March 31, 2025.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of M/s SRI KANNAPIRAN MILLS LIMITED ("the Company") as of March 31, 2025 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Holding Company and its subsidiary company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls system over financial reporting of the holding company and its subsidiary company

— Sri Kannapiran Mills Limited —

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that
- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company.
 - 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and
 - 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting.

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

Opinion

8. In our opinion, the holding company and its subsidiary has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Coimbatore
Date : 25.06.2025

For **Gopalaier and Subramanian**
Chartered Accountants
FRN : 000960S
CA. R.Mahadevan
Partner
(Membership No. 027497)
(UDIN:25027497BMNBBN8684)

Sri Kannapiran Mills Limited

Consolidated Balance Sheet as at 31st March 2025

(₹ in Lakhs)

PARTICULARS	Note No.	31.03.2025	31.03.2024
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	542.00	542.00
Reserves and Surplus	3	11494.13	10940.28
Minority Interest	3a	6.61	16.67
Non- Current Liabilities			
Long Term Borrowings	4	2728.18	4282.53
Deferred Tax Liabilities (Net)	5	2071.25	1803.93
Other Long term Liabilities	6	672.81	615.53
Long Term Provisions	7	497.78	484.04
Current Liabilities			
Short Term Borrowings	8	11474.02	12317.79
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	9	139.80	139.47
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	9	4282.55	5116.90
Other Current Liabilities	10	1376.00	1429.85
Short-Term Provisions	11	149.01	59.86
TOTAL		<u>35434.13</u>	<u>37748.85</u>
ASSETS			
Non-Current Assets			
Property, Plant & Equipment and Intangible assets			
(a) Property, Plant & Equipment	12	15386.23	15712.61
(b) Intangible Assets		0.14	0.16
(c) Capital Work-in-Progress		0.00	0.00
Non-Current Investments	13	988.39	951.07
Long-Term Loans and Advances	14	45.48	45.30
Other Non Current Assets	15	1417.03	1324.94
Current Assets			
Inventories	16	8837.42	9254.39
Trade Receivables	17	6405.54	7313.22
Cash and Cash Equivalents	18	280.84	612.66
Short-term Loans and Advances	19	1550.48	2030.24
Other Current Assets	20	522.59	504.26
TOTAL		<u>35434.13</u>	<u>37748.85</u>
Significant Accounting Policies	1		
Additional information to financial statements	28		

See accompanying notes to the financial statements
In terms of our Report of even date

For Gopalaiyer and Subramanian

Firm Regd. No. 000960S

Chartered Accountants

(Sd/-) CA R Mahadevan

Partner

Coimbatore Membership No. 027497

25.06.2025 UDIN: 25027497BMNBBN8684

(Sd/-) KG Balakrishnan
Chairman

DIN No.: 00002174

(Sd/-) G Krishnakumar

Chief Financial Officer

(Sd/-) B Srihari
Managing Director

DIN No.: 00002556

(Sd/-) K. Jayaraj

Company Secretary

Sri Kannapiran Mills Limited

Consolidated Statement of Profit and loss for the year ended 31st March 2025 (₹ in Lakhs)

PARTICULARS	Note No.	31.03.2025	31.03.2024
REVENUE			
Revenue from operations	21	45999.14	47784.63
Other Income	22	377.51	378.23
Total Revenue		46376.65	48162.87
EXPENSES			
Cost of materials consumed	23	27830.70	29467.37
Purchases of Stock in Trade		563.81	1007.55
Changes in inventories of Finished Goods and Work-in-Progress	24	(110.56)	1442.34
Power & Fuel		4851.68	4768.76
Employee Benefits Expense	25	5619.52	5438.35
Finance Costs	26	1725.37	1816.44
Depreciation		842.48	810.56
Other Expenses	27	4217.34	4001.49
Total Expenses		45540.35	48752.86
Profit/(Loss) Before Tax		836.30	(590.00)
Tax Expense:			
Current Tax (MAT)		(148.32)	0.00
Excess Provision Written back		0.00	
Income Tax Refund for Prior Years		1.64	(2.84)
Deferred Tax Asset		(267.32)	24.70
Profit / (Loss) After Tax		543.80	(568.14)
Minority Interest Profit/(Loss)		(10.06)	1.49
Profit/(Loss) for the period		533.74	(569.63)
Earnings per Equity Share			
Basic and Diluted Earnings per share (in ₹.) (Face value ₹ 10/- Per share)		9.85	(10.51)
Significant Accounting Policies	1		
Additional information to Financial Statements	28		

See accompanying notes to the financial statements
In terms of our Report of even date

For Gopalaiyer and Subramanian

Firm Regd. No. 000960S

Chartered Accountants

(Sd/-) CA R Mahadevan

Partner

Coimbatore Membership No. 027497

25.06.2025 UDIN: 25027497BMNBBN8684

(Sd/-) KG Balakrishnan
Chairman

DIN No.: 00002174

(Sd/-) G Krishnakumar

Chief Financial Officer

(Sd/-) B Srihari
Managing Director
DIN No.: 00002556

(Sd/-) K. Jayaraj

Company Secretary

Sri Kannapiran Mills Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2025

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) Before Tax	836.29	(590.01)
Adjustments for :		
Depreciation	842.47	810.57
Profit on sale of Assets	(5.82)	(80.80)
Interest income	(59.31)	(41.45)
Dividend income	(0.35)	(0.24)
Interest paid	1721.91	1811.39
Extraordinary Items	-	-
Operating Profit before Working Capital Changes	3335.20	1909.46
(Increase)/Decrease in trade and other receivables	1371.01	(1673.57)
(Increase)/Decrease in inventories	416.96	1186.65
Increase/(Decrease) in trade and other payables	(677.05)	307.65
Cash generated from operations	4446.12	1730.18
Direct taxes paid	(148.32)	(35.10)
Extra ordinary Items	49.72	-
Net Cash from Operating activities	4347.52	1695.08
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(579.29)	(2401.75)
Capital Advances	-	-
Proceeds from sale of fixed assets	19.34	167.68
Purchase of Investment	-	-
Sale of Investment	(37.32)	(226.11)
Prior year expenses	1.64	(2.84)
Interest received	57.56	34.23
Dividend received	0.35	0.24
Net cash used in investing activities	(537.72)	(2428.54)
C. CASHFLOW FROM FINANCING ACTIVITIES		
Long term Borrowings received	-	2602.48
Long term Borrowings repaid	(1554.35)	(1840.11)
Short term Borrowings	(843.77)	1859.95
Interest Paid	(1743.49)	(1769.04)
Net cash used in financing activities	(4141.62)	853.27
Net increase in cash and cash equivalents	(331.82)	119.81
Cash and cash equivalents at beginning of the period	612.66	492.85
Cash and cash equivalents at end of the period	280.84	612.66
Components of Cash and Cash equivalents as at 31st March 2025		
Cash and Cheques on hand	13.02	72.65
in Current Account	12.92	114.10
in Deposit Account	254.91	425.91
	280.84	612.66

See accompanying notes to the financial statements
In terms of our Report of even date

For Gopalaiyer and Subramanian

Firm Regd. No. 000960S

Chartered Accountants

(Sd/-) CA R Mahadevan

Partner

Membership No. 027497

UDIN: 25027497BMNBBN8684

Coimbatore
25.06.2025

(Sd/-) KG Balakrishnan
Chairman

DIN No.: 00002174

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) B Srihari
Managing Director
DIN No.: 00002556

(Sd/-) K. Jayaraj
Company Secretary

Sri Kannapiran Mills Limited

1. Significant Accounting Policies

(In the order of applicability of Accounting Standards)

Principles of Consolidation

The Consolidated Financial Statement relate to Sri Kannapiran Mills Limited and its Subsidiary, 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 as stated in Accounting Standard 21.

The subsidiary companies considered in the consolidated financial statements are

Name of the Company	Country of Incorporation	Proportion of voting power as on 31.03.2025
Kannapiran Polymers Limited	India	75%

AS-1 DISCLOSURE AND BASIS OF ACCOUNTING

- The Financial Statements have been prepared under the Historical cost convention in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India and comply with the Accounting Standards as prescribed under 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of Companies Act, 2013 to the extent notified. Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.
- The Company has been consistently following the accrual basis of accounting in respect of its Income and Expenditure.
- The Accounts are prepared on the basis of Going Concern concept only.

AS-2 VALUATION OF INVENTORIES

Inventories are valued at lower of cost and net realizable value, where

- Cost of raw materials is determined on specific identification method.
- Stock of stores, spares and packing materials is determined on weighted average method.
- Finished goods and work in progress is determined under FIFO method where cost includes conversion and other costs incurred in bringing the inventories to their present location and condition.

AS-3 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, where by the profit before tax is adjusted for the effect of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and Cash equivalent include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for you by the company.

AS-5 NET PROFIT/LOSS FOR THE PERIOD AND PRIOR PERIOD ITEMS

All items of income and expenses pertaining to the year are included in arriving at the net profit for the year unless specifically mentioned elsewhere in the financial statement or as required by Accounting Standards.

AS-6 DEPRECIATION ACCOUNTING

Depreciation on Fixed Assets has been provided on Straight line basis based on the balance useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 effective from 01/04/2014. Depreciation on machinery & electrical machinery has been provided base on useful lives as applicable continuous process . In respect of additions and sales, pro rata depreciation is calculated from the date of purchase or to the date of sale as the case may be.

AS-9 REVENUE RECOGNITION

- a) Revenue from sale transactions is recognised as and when the property in the goods sold is transferred to the buyer for a definite consideration. Revenue from service transactions are recognised on the completion of the contract at the contracted rate and when there is no uncertainty regarding the amount of consideration or collectability.
- b) Direct Sales as reported are net of General Sales Tax.
- c) Proceeds of export sales of yarn are accounted on the basis of credit given by our bankers.
- d) Export incentives under DEPB licence and premium on transfer of Export incentives are accounted on accrual basis.
- e) Dividend income from investments is accounted in the year in which it is actually received.
- f) Revenue from Carbon credits are recognized based on issuance of CER certificate by UNFCEC
- g) Other incomes are accounted on accrual basis.

AS-10 ACCOUNTING FOR FIXED ASSETS

The cost of fixed assets is shown at historical cost less accumulated depreciation.

AS-11 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are recognized as income or expense in the profit and loss account. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates.

The premium or discount arising at the inception of forward exchange contracts is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in the period in which they arise.

AS-13 ACCOUNTING FOR INVESTMENTS

Long term investments are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of long term investments.

AS-15 EMPLOYEE BENEFITS

- a) 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.

- b) **Defined Contribution Plans**

Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund and ESIC are recognized in the profit and loss account.

- c) **Defined Benefit Plans**

Company's liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits becomes vested. Actuarial gains or losses are recognized immediately in the statement of profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate.

AS-16 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition of construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

AS-19 LEASES

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

AS-20 EARNING PER SHARE

The earning considered in ascertaining the Company's earnings per share comprises of Net Profit after tax and includes post tax adjustments of prior period and extra-ordinary items.

AS-22 ACCOUNTING FOR TAXES ON INCOME

Deferred tax resulting from timing differences between book and tax profits is accounted under liability method at enacted or substantively enacted rate as on the balance sheet date. Deferred tax asset, other than those arising on account of unabsorbed depreciation or carried forward of losses under tax loss, are recognised and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Deferred tax asset, arising on account of unabsorbed depreciation or carried forward of losses under tax loss, are recognised and carried forward subject to consideration of prudence only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Current tax is determined at the amount of tax payable in respect of estimated taxable income for the year.

AS-26 INTANGIBLE ASSETS

Software is being amortised over a period of 1-3 years depending on the licenses of the respective software.

AS-28 IMPAIRMENT OF ASSETS

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired.

AS-29 PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

- a) Provisions involving degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources.
- b) Contingent liabilities in respect of show cause notice received are considered only when they are converted to demands. Contingent liabilities are disclosed by way of notes to accounts.
- c) Contingent liability under various fiscal laws includes those in respect of which the company/department is in appeal.

OTHERS

SUNDRY DEBTORS AND ADVANCES

Specific debts and advances identified as irrecoverable are written off.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the estimates is recognized prospectively.

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	Number 31.03.2025	Number 31.03.2024	Amount 31.03.2025	Amount 31.03.2024
Number and amount of Equity Shares Authorized (Face Value ₹ 10 each)	2 70 00 000	2 70 00 000	2 700.00	2 700.00
	2 70 00 000	2 70 00 000	2 700.00	2 700.00
Number and amount of Preference Shares Authorized (Face Value ₹ 10 each)	6 00 000	6 00 000	600.00	600.00
	6 00 000	6 00 000	600.00	600.00
Number and amount of Equity Shares Issued	55 03 024	55 03 024	550.30	550.30
Number of Equity Shares Subscribed and Fully Paid up	54 19 928	54 19 928	541.99	541.99
Add : Forfeited Shares	-	-	0.01	0.01
	54 19 928	54 19 928	542.00	542.00
Equity shares allotted on account of Amalgamation	-	-	-	-
Total	54 19 928	54 19 928	542.00	542.00

Face value per Equity share (in ₹ 10 each)

Terms & Conditions of equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each Shareholder is eligible for one vote per share.

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 of their share holding. There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back immediately preceding five previous years.

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
3 Reserves and Surplus		
General Reserve		
As per last Balance Sheet	3671.00	3671.00
	<u>3671.00</u>	<u>3671.00</u>
Capital Redemption Reserve		
As per last Balance sheet	139.64	139.64
redemption of Preference shares	<u>139.64</u>	<u>139.64</u>
Surplus		
As per last Balance Sheet	4123.28	4692.92
Add: Transfer from Profit and Loss Statement	583.66	-574.04
Add: Share of Profit from Subsidiary	-29.81	4.40
Closing balance	<u>4677.14</u>	<u>4123.28</u>
Revaluation Reserve		
As per last Balance sheet	1392.25	1392.25
	<u>1392.25</u>	<u>1392.25</u>
Capital Reserve		
As per last Balance sheet	1614.10	1614.10
	1614.10	1614.10
	<u>11494.13</u>	<u>10940.28</u>
3a Minority Interest		
Share Capital	45.01	45.01
Reserves and Surplus	-38.40	-28.34
	<u>6.61</u>	<u>16.67</u>
Non Current Liabilities		
4 Long Term Borrowings		
Secured		
Term Loans From Banks	1969.21	3471.37
Long term maturities of finance lease obligations	14.18	27.71
Deposits:		
(a) Inter Corporate Deposit	686.79	725.45
(b) Performance Deposit	58.00	58.00
	<u>2728.18</u>	<u>4282.53</u>

SECURITY CLAUSE AS AT 31.03.2025

Term loan from South Indian Bank of ₹ 455.48 lakhs is secured by exclusive charge on assets acquired out of the term loan and pari-passu second charge on the entire current assets of the Company along with Indian Bank.

Term loan (ECB) from Good Fashion Fund, Netherlands of ₹ 1604.65 lakhs (USD 18,75,000) is secured by exclusive charge on assets acquired out of the term loan and pari-passu second charge on the entire current assets and Fixed assets of the Company along with Indian Bank, The South Indian Bank Ltd., and Good Fashion Fund. Pari passu Second charge on assets acquired out of this term loan in favour of Indian Bank, Central Bank of India, The South Indian Bank Ltd, HDFC Bank, Punjab National Bank and Union Bank of India.

Term loan availed by Subsidiary Company from Union Bank of India outstanding ₹ 249.66 lakhs [PY ₹ 262.17 lakhs] is secured by hypothecation of machineries purchased out of bank finance and other assets created out of bank finance.

Vehicle loan availed by Subsidiary Company from Kotak Mahindra Bank Limited is secured by hypothecation of the vehicle purchased out of the loan.

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

GECL Loans availed from Indian Bank of ₹ 385.82 lakhs, Central Bank of India of ₹ 90.01 lakhs, South Indian Bank Ltd of ₹ 67.16 lakhs, Punjab National Bank of ₹ 255.50 lakhs, HDFC Bank of ₹ 212.17 lakhs and Union Bank of India of ₹ 166.88 lakhs have been secured by pari-passu first charge on the entire current assets of the Company and pari-passu second charge on entire fixed assets of the Company (Excluding assets exclusively charged to South Indian Bank Ltd, Good Fashion fund and ICICI Bank).

Bank	Outstanding as on		Interest rate %	Repayment months	From	Last Installment
	31.3.2025	31.3.2024				
Indian Bank TL	-	99.81	8.95			
Indian Bank TL	-	298.63	8.80			
Indian Bank ECLGS	163.25	326.18	9.25	12		Mar'26
Indian Bank ECLGS	222.57	306.12	9.25	33		Dec'27
South Indian Bank TL	455.48	655.90	9.75	30		Sep'27
South Indian Bank ECLGS	33.70	67.50	9.25	12		Mar'26
South Indian Bank ECLGS	33.46	50.25	9.25	24		Mar'27
Central Bank of India ECLGS	34.39	84.00	9.25	10		Jan'26
Central Bank of India ECLGS	55.62	94.51	8.25	35		Feb'28
Punjab National Bank- ECLGS	94.45	188.95	8.25	12		Mar'26
Punjab National Bank- ECLGS	161.05	208.95	7.65	36		Mar'28
Union Bank of India ECLGS	52.40	130.88	9.25	8		Nov'25
Union Bank of India ECLGS	114.48	153.73	9.25	35		Feb'28
HDFC Bank ECLGS	49.88	104.09	9.20	12		Mar'26
HDFC Bank ECLGS	162.29	190.00	9.20	29		Aug'28
ICICI Bank	-	9.13	12.25			Jul'24
ICICI Bank	29.66	42.27	10.76	24		Mar'27
Good Fashion Fund ECB loan (USD 18 75 000)	1604.65	2052.48	7.7623 (6M SOFR +3.5%)	36		Jan'28
Union Bank of India - TL	185.99	249.66	12.51	32		Dec'27

The Term Loans (excluding GECL Loans) from Indian Bank, The South Indian Bank Ltd., and Good Fashion Fund are guaranteed by Mr B Srihari, Managing Director of the Company.

There is no delay in payment of term loan dues and interest payment as at 31.3.2025

Working capital facilities from Indian Bank Consortium (Indian Bank, Central Bank of India, The South Indian Bank Ltd, Punjab National Bank, HDFC Bank and Union Bank of India) are secured by pari passu first charge on the entire current assets of the company and pari passu second charge on all the immovable properties situated at 1) Sowripalayam, Coimbatore 2) Kempnaickenpalayam, Annur 3) Then Thirumalai, Mettupalayam 4) Onapalayam, Coimbatore and 5) Leasehold rights of 32.825 acres of Land at SIPCOT Industrial Growth Centre, Perundurai and plant and machineries of company (Excluding assets exclusively charged to South Indian Bank Ltd, Good Fashion Fund and ICICI Bank).

The Working capital limits from Indian Bank, Central Bank of India, The South Indian Bank Ltd., HDFC Bank Ltd., Union Bank of India and Punjab National Bank are guaranteed by Mr B Srihari, Managing Director of the Company

Working capital facilities availed by subsidiary company from Union Bank of India are secured by hypothecation of stock & book debts of the Subsidiary Company.

There is no case of default as on the balance sheet date in repayment of loans and interest.

M/s. Sri Kannapiran Mills Limited has given Corporate Guarantee and Mr. Govind M Padiath, Director of the subsidiary company has given personal guarantee to the Union Bank of India for working capital limits and term loan availed by subsidiary company. The aggregate value of guarantees as on 31.03.2025 was ₹ 733 lakhs [PY ₹ 733 lakhs]

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
5 Deferred Tax Liabilities		
Deferred Tax Asset:		
On account of Business Loss	87.60	314.77
Provision for Gratuity	155.31	169.70
Preliminary Expenses	0.00	0.81
	<u>242.91</u>	<u>485.28</u>
Deferred Tax Liability:		
On account of Depreciation	2314.16	2289.21
Net Deferred Tax Liabilities	<u>2071.25</u>	<u>1803.93</u>
6 Other Long Term Liabilities		
Other Payable	672.81	615.53
	<u>672.81</u>	<u>615.53</u>
7 Long Term Provisions		
Provision for Gratuity	497.78	484.04
	<u>497.78</u>	<u>484.04</u>
Current Liabilities		
8 Short Term Borrowings		
Secured		
Loans repayable on Demand from Banks (Secured)	8657.22	8189.43
Current maturities of long term Debt	1421.21	1893.39
From Bank (Unsecured)	1386.09	2225.47
From related party (Unsecured)	9.50	9.50
	<u>11474.02</u>	<u>12317.79</u>
9 Trade Payables		
Dues to Micro and Small Enterprises	139.80	139.47
Others	4282.55	5116.90
	<u>4422.35</u>	<u>5256.37</u>
For ageing schedule refer note no: 1 & 2 in other notes		
10 Other Current Liabilities		
Current maturities of finance lease obligations	24.92	28.27
Interest accrued and due on borrowings	35.05	56.79
Advances from Customers	45.35	45.40
Other Payables	1270.68	1299.39
	<u>1376.00</u>	<u>1429.85</u>
11 Short-term provisions		
Provision for Gratuity	37.28	59.86
Provision for Tax (Net of Advance Tax)	111.73	0.00
	<u>149.01</u>	<u>59.86</u>



Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements 12. Property, Plant & Equipment and Intangible Assets

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation			Net Block	
	As at	Additions	Sales	As at	Up to	For the	Withdrawn	Upto	As at
	01.04.2024	During the year	During the year	31.03.2025	31.03.2023	Year	for the year	31.03.2025	31.03.2025
PROPERTY, PLANT AND EQUIPMENT									
1. Land	2 446.60	108.55	-	2 555.15	-	-	-	-	2 555.15
2. Building	5 152.53	78.18	-	5 230.71	2 509.57	126.00	-	2 635.57	2 595.14
3. Machinery	20 914.67	326.86	56.02	21 185.51	11 147.35	603.90	3.75	11 747.50	9 438.01
4. Elec. Machinery	2 732.13	20.04	42.29	2 709.88	2 088.81	83.10	31.57	2 140.34	569.54
5. Furniture & Fixtures	435.04	-	-	435.04	400.68	3.35	-	404.03	31.02
6. Office Equipments	139.87	7.35	-	147.23	114.57	3.07	-	117.64	29.58
7. Motor Vehicles	429.54	38.31	5.16	462.69	283.72	22.21	4.90	301.03	161.65
8. Weighing Scale	21.66	-	-	21.66	19.40	0.49	-	19.89	1.77
9. Tools & Equipments	24.76	-	-	24.76	20.10	0.32	-	20.42	4.34
10. Work in Progress	-	-	-	-	-	-	-	-	-
	32296.80	579.29	103.47	32772.63	16584.19	842.46	40.22	17386.41	15386.22
INTANGIBLE ASSETS									
10. Software	7.27	-	-	7.27	7.11	0.02	-	7.13	0.14
TOTAL	32304.07	579.29	103.47	32779.90	16591.30	842.48	40.22	17393.54	15386.36
Previous year	30367.39	2469.66	532.97	32302.73	16158.92	810.56	378.18	16591.30	15712.77

Note: Office furniture Cost includes ₹ 78.39 lakhs towards cost of Jewels, Golden Chariot, and Thoobasthambam of Prayer Hall Then Thirumalai

Sri Kannapiran Mills Limited

Notes forming part of consolidated financial statements

13 Non-Current Investments

Investments in (At Cost)

(₹ in Lakhs)

Particulars	Face Value	31.03.2025 Nos.	31.03.2024 Nos.	31.03.2025 Amount	31.03.2024 Amount
Non Trade - Quoted - Fully paid up					
Rajshree Sugars and Chemicals Limited	10	5 000	5 000	0.50	0.50
IDBI Bank Limited	10	14 240	14 240	11.57	11.57
Indian Bank	10	1 000	1 000	0.91	0.91
The South Indian Bank Limited	1	5 403	5 403	0.84	0.84
Trade Investments - Quoted					
K G Denim Limited	10	32 65 183	30 65 183	463.85	423.85
Trade Investments - Unquoted					
iEnergy Wind farms (Theni) Private Limited	10	1 075	700	0.11	0.07
Watsun Infrabuild Private Limited	10	1 78 934	1 78 934	17.89	17.89
Arkay Energy (Rameswaram) Limited	10	1 61 751	2 29 883	16.18	22.99
Arja Energys Private Limited	10	2 50 000	2 50 000	25.00	25.00
Cotton Sourcing Company Limited	10	10 000	10 000	1.00	1.00
Nellai Renewables Private Limited	10	21 00 000	21 00 000	210.00	210.00
AMP Energy C&I Private Limited	10	20 00 000	20 00 000	200.00	200
MAR Renewable Energy Limited	10	2 600	2 600	0.26	0.26
Rithan Green Power Private Limited	10	2 600	2 600	0.26	0.26
Anandhaa Solar Energy Private Limited	10	600	1 300	0.06	0.13
IKKI Green Energy Private Limited	10	26 000	26 000	27.82	27.82
ARN Green Energy Private Limited	10	2 600	-	0.26	-
Non Trade Investments - Unquoted					
Kannapiran Mills Employee's Co-op. Stores Limited				0.04	0.04
Investment in Partnership firm					
M/s. K G House (Madras)				7.94	7.94
Victory Green power				3.90	-
				988.38	951.07
Aggregate Value of quoted investments					
Cost				477.67	437.67
Market value				0.00	1047.98
Aggregate amount of unquoted investments				470.18	476.95

Note : In trade investments of KG Denim Limited, 2,00,000 shares held as stock in trade was transferred to investments during the year. No prior year adjustment is warranted.

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
14 Long-Term Loans and Advances		
(Unsecured, considered good)		
Other Loans and Advances :		
Advances recoverable in cash or kind, for value to be received	45.48	45.30
	<u>45.48</u>	<u>45.30</u>
15 Other Non Current Assets		
Long Term Trade Receivables	51.01	69.81
TUF Subsidy Receivable	36.02	36.02
MEIS Premium Receivable	0.42	-
Security Deposits	28.47	39.49
MAT Credit Entitlement	1301.12	11 79.62
	<u>14 17.03</u>	<u>13 24.94</u>
16 Inventories (At lower of cost or net realisable value)		
Cotton & Cotton Waste	29 82.75	34 09.95
Yarn	5 60.51	5 46.73
Pet Bottles	1 28.07	94.87
Work-in-progress	8 91.17	8 82.69
Finished goods -Yarn	24 19.47	23 03.12
Finished goods -Fabrics	13 24.49	14 49.95
Finished goods - Pet Flakes	1 69.99	86.56
Pet waste	72.57	44.82
Stock In Trade -Equity shares	-	40.00
Stores and spares	1 97.56	2 33.82
Chemicals	90.83	1 61.88
	<u>88 37.42</u>	<u>92 54.39</u>
17 Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the due date	68.75	42.89
Others	63 36.79	72 70.34
	<u>64 05.54</u>	<u>73 13.22</u>
18 Cash and Bank Balances		
Cash and cash equivalents		
Balances with banks		
In Current Account	12.92	1 14.10
Cheque on hand	-	16.19
Cash on hand	13.02	56.46
Other Bank Balances		
Deposits held as Margin money	2 54.91	4 25.91
	<u>2 80.84</u>	<u>6 12.66</u>
19 Short-term loans and advances		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind, or for value to be received	13 51.73	16 71.92
GST Receivable	36.44	1 29.90
Prepaid expenses	1 62.31	1 52.04
Advance Taxes (Net of Provisions therefor)	-	76.39
	<u>15 50.48</u>	<u>20 30.24</u>

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
20 Other Current Assets		
(a) Interest accrued on Bank Deposits	14.40	12.64
(b) Income Receivable:		
(ii) Duty draw back receivable	12.68	28.08
(iii) Conversion Charges Receivable	22.55	13.57
(iv) MEIS Premium Receivable	-	0.42
(v) RODTEP Premium Receivable	49.87	1 33.70
(vi) Other income receivable	18.02	59.28
(c) Security Deposit	<u>4 05.07</u>	<u>2 56.56</u>
	<u>5 22.59</u>	<u>5 04.26</u>
21 Revenue from Operations		
a) Sale of Products		
Yarn	231 28.47	276 66.88
Glove	3 57.61	4 00.86
Fabric	188 27.50	160 66.54
Waste	23 57.35	3 40.83
Pet flakes	<u>1 04.46</u>	<u>20 32.20</u>
	<u>447 75.40</u>	<u>465 07.31</u>
b) Sale of Services		
Conversion Charges -Others	561.91	6 14.71
Service Income	-	29.99
	<u>561.91</u>	<u>6 44.70</u>
c) Other operating revenues:		
Export Incentives	<u>6 61.83</u>	<u>6 32.62</u>
	<u>6 61.83</u>	<u>6 32.62</u>
	<u>459 99.14</u>	<u>477 84.63</u>
22 Other income		
Interest Income	59.32	41.45
Dividend Income	0.35	0.24
Rent Received	68.14	5.99
Gratuity excess provision written back	8.85	-
Foregin Exchange (gain) -Net	1 04.41	78.88
Profit on sale of assets	5.82	80.80
Agriculture Income	0.40	3.55
Insurance claim received	-	42.26
Miscellaneous receipts	<u>1 30.23</u>	<u>1 25.07</u>
	<u>3 77.51</u>	<u>3 78.23</u>
23 Cost of Materials Consumed		
Opening Stock		
Raw material	40 27.96	37 29.22
Waste	23.59	22.74
Add : Purchases	281 43.97	298 74.37
Stock Transfer -Yarn (Spinning Division)		
Stock Transfer -Cotton (Weaving Division)		
	<u>321 95.52</u>	<u>336 26.33</u>
Less : Sale of Raw material	693.48	107.41
Less : Stock Transfer to-(Spinning Division)		
Less : Closing Stock		
Raw material - Cotton & Yarn	35 20.47	39 33.09
Waste - Cotton	22.80	23.59
PET Bottles	<u>1 28.07</u>	<u>94.87</u>
	<u>278 30.70</u>	<u>294 67.37</u>
Details of Materials Consumed		
Cotton, Waste Cotton and Yarn	153 22.09	265 86.00
Chemicals	107 42.68	13 13.48
Pet Bottles	<u>17 65.94</u>	<u>15 67.89</u>
	<u>278 30.70</u>	<u>294 67.37</u>

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
24 Changes in inventory of Finished Goods and WIP		
Opening Stock		
Finished Goods - Yarn	22 94.40	36 65.36
Finished Goods - Fabrics	14 49.95	14 04.62
Finished Goods - Glove	8.72	9.96
Work in Process	8 82.69	10 44.58
Stock In Trade -Shares	-	40.00
Pet flakes & waste	1 31.38	84.97
	<u>47 67.14</u>	<u>62 49.48</u>
Closing Stock		
Finished Goods - Yarn	24 14.85	22 94.40
Finished Goods - Fabrics	13 24.49	14 49.95
Finished Goods - Glove	4.62	8.72
Work in Process	8 91.18	8 82.69
Stock In Trade -Shares	-	40.00
Pet flakes & waste	2 42.56	1 31.39
	<u>48 77.70</u>	<u>48 07.15</u>
Stock (Increase) / Decrease	-1 10.56	14 42.34
25 Employee Benefits Expenses		
Salaries and wages	49 21.76	47 30.75
Contribution to provident and other funds	2 03.11	2 02.61
Gratuity Expenses	52.64	70.32
Welfare expenses	3 98.47	3 90.00
Managerial Remuneration	43.54	44.67
	<u>56 19.52</u>	<u>54 38.35</u>
26 Finance Cost		
Interest on Working Capital	11 41.65	12 46.85
Interest on Term Loan	4 64.80	4 29.05
Bank Charges	1 18.92	1 40.54
	<u>17 25.37</u>	<u>18 16.44</u>
27 Other Expenses		
Consumption of Stores and Spare Parts	97.21	75.41
Consumption of Packing Materials	3 71.71	3 57.79
Repairs to Buildings	2 18.15	2 31.95
Repairs to Machinery	10 84.54	12 22.06
Repairs & Maintenance - Others	59.05	89.98
Insurance	1 06.40	72.38
Rates and Taxes, excluding, Taxes on Income	92.19	92.08
Accountancy and Legal charges	32.12	41.74
Filling Fees	0.28	2.29
Brokerage & Commission	5 99.71	3 97.56
Selling Expenses	2 17.02	1 63.38
Carriage Outwards	5 25.94	4 31.29

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2025	31.03.2024
Lease Rent	29.56	34.69
Auditors Remuneration		
- For Audit Fees	6.90	5.60
- For Tax Audit Fees	1.40	1.80
- For Certification Fees & Other Miscellaneous Fees	0.37	0.68
Sitting Fees	4.30	5.10
C S R Expenses	28.92	34.80
Processing Charges	1 99.52	1 99.53
Travelling Expenses & Maintenance of Vehicle	3 78.61	3 77.53
Postage Telegram & Telephone Charges	97.09	90.93
Bad Debts Written off	0.54	-
Prayer Hall Expenses	29.21	33.02
Miscellaneous Expenses	36.59	39.90
	<u>42 17.34</u>	<u>40 01.49</u>

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

28. Additional information to financial statement

- 1 Estimated amount of contracts remaining to be executed on capital accounts not provided for as on 31.03.2025 ₹ 20.13 lakhs (Advance paid ₹ 4.13 lakhs) (P.Y. ₹ 4.13 lakhs Advance paid ₹ 4.13 lakhs)
- 2 Future Hire Purchase charges payable as on 31.03.2025 is ₹ 5.25 lakhs. (Previous year ₹ 8.82 lakhs)
- 3 Income-tax Assessment for the Assessment year 2024-25 is pending.

4. Imports-CIF Basis

a) Purchases

(₹ in Lakhs)

Particulars	31.03.2025	31.03.2024
Raw material	-	-
Spares and Components	53.79	106.86
Capital Goods	-	354.10

b) Consumption

(₹ in Lakhs)

Particulars	2024-25		2023-24	
	Imported	Indigenous	Imported	Indigenous
Raw material value	--	27846.60	--	29463.03
As a % of Total Raw material Consumption	-- %	100%	--	100%
Spares and Components	53.79	1165.20	106.86	1216.51
As a % of Total Spares & Components	4.42%	95.58%	8.07%	91.92%

- 5 i) **Expenditure in Foreign Currency**

	31.03.2025	31.03.2024
Travelling Expenses	56.28	52.70
Interest on foreign currency borrowings	159.53	105.00
- ii) **Earnings in Foreign Currency**

Export of Goods FOB Basis on Direct Export	12272.55	11456.92
--	----------	----------

- 6 Particulars regarding investment in the capital of the Partnership Firm.

Name of the Firm : K G House (Madras)
 Total Capital of the Firm : ₹ 16,18,400/-

Name of the Partner	Capital Contribution (₹)	Share Ratio
Sri Kannapiran Mills Limited	7,93,800/-	49.0%
Sri Kumaraguru Mills Limited	7,93,800/-	49.0%
Mr K G Balakrishnan	4,808/-	0.3122%
Mr G Bakthavathsalam	3,952/-	0.2566%
Mr G Ramaswamy	11,428/-	0.7421%
Mrs R Kannammal	4,807/-	0.3122%
Mrs B Amirthlakshmi	4,095/-	0.2659%
Mrs B Dhanalakshmi	855/-	0.0556%
Mrs R Shanthamani	855/-	0.0556%

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

- 7 Balance of certain Creditors, Debtors, Loans and Advances given are subject to confirmation and reconciliation with the respective Parties, however in the opinion of management, there would not be any material impact on financial statements.
- 8 The segmental reporting as required under AS-17 is not applicable as the Company operates in only one segment, i.e., Textile.

9 AS 15 Employee Benefits

A. Defined Benefit Plan

	31.03.2025	31.03.2024
1. Principal Actuarial Assumptions		
Discount Rate	6.80%	7.15%
Salary Escalation Rate	4.00%	4.00%
Attrition Rate	1.00%	1.00%
Expected Rate of Return on Plan Assets	0.00%	0.00%
(₹ in Lakhs)		
II. Changes in the present value of the obligation (PVO)		
-Reconciliation of Opening and Closing balances		
PVO as at the beginning of the period	543.90	517.30
Interest Cost	38.86	38.88
Current Service Cost	43.90	44.32
Past Service Cost – (Non Vested Benefits)	0	0
Past Service Cost – (Vested Benefits)	0	0
Benefits Paid	-52.64	-43.72
Actuarial loss / (gain) on obligation (balancing figure)	-38.96	-12.89
PVO as at the end of the period	535.05	543.90
III. Changes in the fair value of plan assets -		
Reconciliation of opening and closing balances		
Fair value of the plan assets as at the beginning of the period	0	0
Expected return on plan assets	0	0
Contributions	0	0
Benefits paid	0	0
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
V. Actuarial gain / loss recognized		
Actuarial gain/(loss) for the period – Obligation	-38.96	-12.89
Actuarial gain / (loss) on plan assets	0	0
Total gain / (Loss) for the period	-38.96	-12.89
Actuarial gain / (loss) recognized in the period	-38.96	-12.89

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

VI. Expenses recognized in the statement of profit and loss

Current service cost	43.89	44.32
Interest Cost	38.86	38.88
Expected return on plan assets	0	0
Net actuarial (gain)/loss recognized in the year	-38.96	-12.89
Expenses recognized in the statement of profit and loss	43.79	70.32

VII. Movements in the liability recognized in the balance sheet

Opening net liability	543.90	517.30
Expense as above	43.79	70.32
Contribution paid	(52.64)	(43.72)
Closing net liability	535.05	543.90

Note:

- i. The salary escalation considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- ii. Gratuity is based on last drawn basic salary. The scheme takes into account each completed year of service or part thereof in excess of six months.

B. Defined Contribution Plan Contribution to Provident Fund	199.05	199.29
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10 AS 18 – Related Party Disclosures

Names of related parties :	
1. Key Management Personnel	Dr G Bakthavathsalam, Director Mr B Sriramulu, Director Mr B Srihari , Managing Director Mr A Velusamy, Director Mrs Vanithamani, Whole Time Director Mr R Seenivasahan, Whole Time Director Mr G Krishnakumar, Chief Financial Officer Mr K Jayaraj, Company Secretary
2. Relatives of Key Management Personnel	Mr KG Balakrishnan, Chairman Mrs T Anandhi
3. Subsidiary	Kannapiran Polymers Limited
4. Other Related Parties	K G Denim Limited Sri Balamurugan Textile Processing Limited RND Softtech Pvt Ltd Trigger Apparels Limited Sri Karthikeya Spinning and Weaving Mills Private Limited Danalakshmi Paper Mills Pvt Ltd Vijayalakshmi Paper Mills

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	Other Related Party *		Key Management Personnel		Relatives of Key Management Personnel	
	2025	2024	2025	2024	2025	2024
Purchase of Goods	1696.15	1746.54	--	--	--	--
Purchase of Power	-	146.16	--	--	--	--
Sale of Goods	416.49	3928.70	--	--	--	--
Conversion Charges (Receipt)	6.13	6.36	--	--	--	--
Conversion Charges (Payment)	6.52	14.34	--	--	--	--
Managerial Remuneration	--	--	90.59	93.37	--	--
Sitting Fees	--	--	--	--	0.40	0.40
Lease Rent Payment Land/Building/Machinery	2.48	13.10	--	--	29.69	27.66
Services charges receipt	--	35.40	--	--	--	--
Interest Payment on Inter Corporate Deposit	66.46	13.02	--	--	--	--
Balance Outstanding as on March 31st						
Payable	276.09	224.89	5.95	6.95	---	2.13
Receivable	2424.50	2306.49	--	--	8.24	-

Note: Related party transactions value inclusive of GST wherever applicable.

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

* Other related party transactions

(₹ in Lakhs)

Particulars	Other Related Party	
	2024-25	2023-24
Purchase of Goods	1696.15	1746.54
KG Denim Limited	67.68	31.38
Sri Balamurugan Textile Processing Limited	1624.18	1709.89
Others	4.29	5.27
Purchase of Power	0.00	146.16
KG Denim Limited	-	146.16
Sale of Goods	416.49	3928.70
KG Denim Limited	416.49	2881.82
Sri Balamurugan Textile Processing Limited	--	1046.88
Conversion Charges (Receipt)	6.13	6.36
KG Denim Limited	6.13	6.36
Conversion Charges (Payment)	6.52	14.34
KG Denim Limited	6.52	14.34
Lease Rent Payment – Land/Building/Machinery	2.48	13.10
Sri Balamurugan Textile Processing Limited	--	10.62
KG Denim Limited	2.48	2.48
Services charges receipt	0	35.40
RND Softech Private Limited	0	35.40
Interest Payment on Inter corporate Deposit	66.46	13.02
RND Softech Private Limited	15.02	12.41
Sri Balamurugan Textile Processing Limited	51.44	0.61
Balance Outstanding as on March 31st		
Payable	276.09	224.89
Receivable	2424.50	2306.49

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

11 AS 19 – LEASES

The Company's significant leasing arrangements are mainly in respect of Godown rent. The aggregate rentals payable on these leasing arrangements are charged as lease rent under other expenses. (₹ in Lakhs)

Particulars	31.03.2025	31.03.2024
Not later than one year	6.03	7.83
Later than one year but not later than five Years	--	--
Later than Five years	-	-

12 AS 20 – EARNINGS PER SHARES

(₹ in Lakhs)

Particulars	31.03.2025	31.03.2024
Net profit after tax and adjustments	533.74	-569.62
Weighted average No. of Equity Shares	54,19,928	54,19,928
Basic & diluted Earnings Per Share (Face Value – ₹ 10/- each)	9.85	-10.51

13 AS 22 – DEFERRED TAX LIABILITY

(₹ in Lakhs)

	Opening as on 01.04.2024	Adjustments made during the year	Closing as on 31.03.2025
Deferred Tax Liability			
Depreciation	2289.21	24.95	2314.16
Total	2289.21	24.95	2314.16
Deferred Tax Asset			
Provision for Gratuity (Net)	169.70	-14.39	155.31
Amalgamation Expenses	--	--	-
Preliminary Expenses	0.81	-0.27	0.54
On account of losses	314.77	-227.71	87.06
Total	485.28	-242.37	242.91
Net Deferred Tax Asset / (Liability)	(1803.93)	267.32	(2071.25)

- 14 TANGEDCO, Tamil Nadu is demanding E -Tax on Maximum Demand charges and self-generation Tax on units generated through windmills/D G sets. An amount of ₹ 299.97 lakhs (Previous year ₹ 279.59 lakhs) towards self-Generating Tax and ₹ 126.58 lakhs (Previous year ₹ 103.91 lakhs) towards E-tax payable on Maximum Demand. The Company has gone through TASMA (Textiles Association) for appeal and the same is pending before the Supreme court. In respect of Deemed demand benefit of ₹ 243.93 lakhs (Previous year ₹ 232.02 lakhs). TANGEDCO has gone for appeal in Madras High court and the same is pending. These amounts are shown as liability in the books of accounts as on 31.3.25.
- 15 Electricity charges debited in Profit and Loss Account is net of value of Captive electricity generation through wind mill of ₹ 151.94 lakhs (Previous year ₹ 169.04 lakhs).

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

16. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given below:

(₹ in Lakhs)

		31.03.2025	31.03.2024
a)	Principal amount due	139.80	139.47
b)	Interest due on above	-	-
c)	Interest paid during the period beyond the appointed date	-	0.03
d)	Amount of Interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
e)	Amount of Interest accrued and remaining unpaid at the end of the period	-	-
f)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

17 In the opinion of the Board of Directors, assets other than fixed assets and noncurrent investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

18. Other Regulatory Information

(i). Trade Payable ageing schedule as on 31.03.2025

(₹. in Lakhs)

Particulars	Not Due	Less than 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
(i) MSME	139.80	-	-	-	-	139.80
(ii) Others	2188.23	2121.93	0.49	-	1.01	4311.66
(iii) Disputed dues – MSME		-	-	-	-	-
(iv) Disputed dues- others		-	-	-	-	-

(ii). Trade Payable ageing schedule as on 31.03.2024

Particulars	Not Due	Less than 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
(i) MSME	139.47	-	-	-	-	139.47
(ii) Others	3308.97	1807.30	0.62	-	-	5116.90
(iii) Disputed dues –MSME		-	-	-	-	-
(iv) Disputed dues - others		-	-	-	-	-

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(iii). Trade Receivable ageing schedule as on 31.03.2025

Particulars	Not Due	Less than 6 month	6 month 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
Undisputed Trade Receivable - considered good	2128.08	4004.02	302.43	0.12	3.73	14.21	6452.59
Undisputed Trade Receivable - considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivable - Considered good	-	-	-	-	-	5.16	5.16
Disputed Trade Receivable Considered Doubtful	-	-	-	-	12.46	15.41	27.87

(iv). Trade Receivable ageing schedule as on 31.03.2024

Particulars	Not Due	Less than 6 month	6 month 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
Undisputed Trade Receivable - considered good	3271.16	3999.18	42.89	1.55	-	41.88*	7356.66
Undisputed Trade Receivable - considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivable - Considered good	-	-	-	12.46	-	13.92	26.38
Disputed Trade Receivable -Considered Doubtful	-	-	-	-	-	-	-

(v) Loans and advances made to Director, KMP & Related Parties

Particulars	Amount of Loan or advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loan	
Promoters	-	-	-	-
	-	-	-	-

Sri Kannapiran Mills Limited

Notes forming part of Consolidated Financial Statements

(vi) Disclosure regarding the discrepancies noted in the quarterly statement filed by the company with the banks (Indian Bank, The South Indian Bank, Central Bank of India, HDFC, Union Bank of India and Punjab National Bank)

(₹ in lakhs)

Quarter	Particulars of securities provided	Amount as per books of Accounts	Amount as reported in Quarterly returns/ statement	Amount of difference
June 24	Inventories &	15693	15675	(18)
September 24	Receivables	15280	15451	171
December 24		14955	15006	51
March 25		14739	14712	(27)

The difference was on account of arriving average cost for the relevant quarter while valuing stocks and subsequent reconciliation on accounting of export receivables based on shipment for the relevant quarter for the purpose of reporting in quarterly Bank statement vis-à-vis Books of accounts. Considering the total value of inventory and receivables, the above mentioned differences are not material.

- (vii). All title deeds of immovable properties of the Company are held in the name of Company only.
- (viii) During the year, there is no Capital work in process on account of fixed assets.
- (ix). The Company has no intangible assets under development.
- (x). The Company is not holding any benami property and hence no proceeding has been initiated or pending against the company in this regard.
- (xi). The Company has not been declared as willful defaulter by any bank or financial institution during the year, as there was no over dues in working capital limits and term loans
- (xii). There is no transaction with struck off companies under section 248 of companies Act 2013 or section 560 of companies Act 1956
- (xiii). The company has created all required charges in respect of new term loan/working capital limits and also filed satisfaction of charges in respect of loans closed during the year with Registrar of Companies.
- (xiv). The company has not revalued its property, plant and equipment based on market price during the year.
- (xv). There has been no Scheme of Arrangement approved by the competent authority.
- (xvi). The Company has complied with the number of layers prescribed under clause (87) of Section 2 of Companies Act 2013 read with Companies (Restriction on number of layers) Rules, 2017.
- (xvii). The Company has not loaned or advanced the borrowed funds or Share Premium amount to any other persons or entities with an understanding to

==== Sri Kannapiran Mills Limited ====

Notes forming part of Consolidated Financial Statements

- (a) 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)
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
19. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's disclosure/classification.

See accompanying notes to the financial statements

In terms of our Report of even date
For Gopalaiyer and Subramanian

Firm Regd. No. 000960S
Chartered Accountants
(Sd/-) CA R Mahadevan
Partner

Coimbatore
25.06.2025

Membership No. 027497
UDIN: 25027497BMNBBN8684

(Sd/-) KG Balakrishnan
Chairman
DIN No.: 00002174

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) B Srihari
Managing Director
DIN No.: 00002556

(Sd/-) K. Jayaraj
Company Secretary



Sri Kannapiran Mills Limited

PERFORMANCE OVER THE YEAR

(₹ in Lakhs)

	For the year ended March 31										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Revenue from Operations	16692.17	17613.04	18971.62	30326.95	30234.21	25194.09	49357.82	49041.86	45600.43	43840.22	
Other Income	242.51	229.3	170.44	604.03	312.02	294.08	219.41	566.33	567.15	360.76	
Total Revenue	16934.68	17842.34	19142.06	30930.98	30546.23	25488.17	49577.23	49608.19	46167.58	44200.98	
Profit Before Interest and Depreciation	2455.79	2327.05	2364.28	3378.21	2754.82	2844.92	6522.38	3118.09	1953.96	3346.70	
Financial Charges	1038.07	853.40	762.24	1762.44	1891.03	1766.86	1664.27	1498.27	1732.48	1647.08	
Depreciation	442.21	455.70	461.26	849.75	781.75	757.83	830.19	751.82	779.99	810.63	
Profit Before Taxation	975.51	1017.95	1140.78	766.02	82.04	320.23	4027.92	868.00	-558.51	888.99	
Profit After Taxation	970.86	999.16	877.73	766.02	-46.30	228.36	2675.54	671.22	-574.04	583.69	
Gross Fixed Assets	16615.07	16388.28	17326.31	29196.17	29211.08	29225.99	29158.48	29899.11	31815.14	32332.57	
Net Fixed Assets	6998.68	7010.37	7529.54	14736.76	14154.04	13610.85	13539.11	13762.46	15276.68	15023.70	
Share Capital	368.30	363.66	363.66	677.00	677.00	677.00	542.00	542.00	542.00	542.00	
Reserves and Surplus	3689.14	4377.99	5184.64	8069.43	8023.14	8251.50	10927.03	11598.25	11024.21	11607.87	
Long Term Borrowings	2974.96	2412.00	2033.82	5127.38	4027.92	6164.83	5920.01	4730.93	4088.56	2605.10	

* from 2019, performance includes figures of merged entity