SRI KANNAPIRAN MILLS LIMITED

Annual Report

for the year ended March 31, 2026

Sri Kannapiran Mills Limited

Registered Office
MILLS PREMISES
Sowripalayam
Coimbatore - 641 028
CIN : U17111TZ1946PLC000188
Phone : (0422) 235 1111
Website: www.kannapiran.co.in
E-mail : csd@kannapiran.co.in

Factories
SOWRIPALAYAM
KEMPANAICKENPALAYAM
JADAYAMPALAYAM
ONAPALAYAM
SIPCOT, PERUNDURAI
&
KALAPATTI

Registrar and Share Transfer Agent
Cameo Corporate Services Limited
"Subramanian Building"
No.1, Club House Road,
Chennai - 600 002
Phone : (044) 28460390 (5 lines)
E-mail : investor@cameoindia.com

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Board of Directors

KG BALAKRISHNAN Chairman	(DIN : 00002174)
G BAKTHAVATHSALAM (Vice Chairman Upto 05.06.2026)	(DIN : 00007132)
B SRIHARI Managing Director	(DIN : 00002556)
B SRIRAMULU	(DIN : 00002560)
A VELUSAMY	(DIN : 00002204)
G P MUNIAPPAN	(DIN : 01653599)
K B NAGENDRA MURTHY	(DIN : 00359864)
V BHUVANESHWARI	(DIN : 01628512)
R SEENIVASAHAN	(DIN : 09024674)
K VANITHAMANI	(DIN : 00051410)

Vice President & Chief Financial Officer
G. KRISHNAKUMAR

Vice President & Company Secretary
K. JAYARAJ

Auditors
M/s GOPALAIYER AND SUBRAMANIAN
Chartered Accountants
Coimbatore

Cost Auditor
M NAGARAJAN
Cost Accountant
Coimbatore

Secretarial Auditor
M R L NARASIMHA
Practising Company Secretary
Coimbatore

Bankers
INDIAN BANK, Coimbatore
TAMILNAD MERCANTILE BANK, Coimbatore
CENTRAL BANK OF INDIA, Coimbatore
HDFC BANK LIMITED, Coimbatore
UNION BANK OF INDIA, Coimbatore
PUNJAB NATIONAL BANK, Coimbatore
THE KARUR VYSYA BANK, Coimbatore

DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors have pleasure in submitting their 80th Annual Report and audited financial statements of your Company for the year ended March 31, 2026.

Summary of Financial Results

(₹ in Lakhs)

	Standalone		Consolidated	
	For the year ended 31st March, 2026	**For the year ended 31st March, 2025**	**For the year ended 31st March, 2026**	**For the year ended 31st March, 2025**
Income	444 26.76	442 00.98	456 92.77	463 76.65
Gross Profit Before Financial Charges, Depreciation and Taxes	37 50.13	33 46.70	36 93.59	34 04.15
Less: Financial Charges	15 29.33	16 47.08	16 00.44	17 25.37
Depreciation	8 23.25	8 10.63	8 52.11	8 42.48
Profit (+) / Loss (-) Before Tax	13 97.55	8 88.99	12 41.04	8 36.30
Less: Current Tax (MAT)	-5 44.43	-1 48.32	-5 44.43	-1 48.32
MAT Credit entitlement	-	1 21.50	-	1 21.50
Income tax refund for prior years	-	1.64	-	1.64
Deferred Tax Assets (+) / Liability (-)	-1 90.61	-2 80.12	-1 50.92	-2 67.32
Profit (+) / Loss(-) After Tax	6 62.52	5 83.69	5 45.70	5 43.80
Add / Less: Minority Interest	-	-	29.48	-10.06
Profit (+) / Loss(-) carried to Balance Sheet	6 62.52	5 83.69	5 16.21	5 33.74

State of Company Affairs

During the year under review, the Company had earned Revenue of ₹ 44427 lakhs and earned a Net Profit After Tax of ₹ 662.52 lakhs on standalone basis and earned a Revenue of ₹ 45693 lakhs and Net Profit After Tax of ₹ 516.21 lakhs on consolidated basis.

Yarn Business

The yarn production for the year was 160 lakhs kgs compared to previous year of 161 lakhs kgs. However the Company had increased efficiency in its machines by continuous modernization by reducing labour and power cost. The main raw material viz., Cotton price was almost stable during the entire current financial year. However in view of continuing depressed demand for yarn in domestic and export market resulted in no increase in yarn margin realization. The Company is planning its product mix in line with the changing market condition dynamically and which resulted in better yarn movement. The Company is continuously sourcing more than 90% of power requirements from firm and private wind and solar power suppliers which are lower than TANGEDCO prices. The Company had installed third party solar power panels in its five factory roof top.

Denim Fabrics Business

The Denim Fabric production for the year was 98 lakhs meters compared to previous year of 101 lakhs meters. Grey Fabric production for other Customers was 28 lakhs meters compared to 25 lakhs meters of previous year.

Denim fabric operates in a B2B driven market. Brands & Consumers are influenced by Green Certifications, Environment Compliance and Verified Sustainability. The Company is India's most Sustainable Denim Fabric manufacturer. The Company is a GreenCo Gold certified Company and the entire product range is GreenPro certified.

Besides traditional 100% cotton denims, the Company's focus has also been on value added denims like Tencel & Blends, Recycled Cotton & Polyester, Hemp and Linen, Light weight denims in Dobbies, Stripes & Prints.

All the above varieties can be produced with Organic, BCI and Recycled certifications, thus making the Company a versatile one to meet any requirement of the Customer.

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 US $ 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 30.25 million 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 continued to be low during the current year also and the margin was lower as in previous year. The demand for denim fabrics and margin was however improved during the year due to lower input cost and better demand. 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 2027 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 2026 though there is increasing trend of cotton price during first quarter of FY 2007 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.

Cotton price instability remains the most severe operational headache for Indian Mills. It affects the export pricing competitiveness against other denim fabric manufacturing countries.

Trade agreements with EU, UK, Australia, New Zealand, UAE and Oman will be implemented soon. This will boost the outlook for export of Denim Garments from India to these countries.

With a population of 1.4 billion people, the average Indian consumer buys just 0.4 pairs of jeans per year compared to 2 to 3 pants in Western Countries. By this logic, the domestic demand looks robust and growing.

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 ₹ 118 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 32 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.

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

No dividend is proposed considering the need to conserve funds for augmenting working capital margin.

Transfer of Amount to Reserves

The Company does not propose to transfer any amount to General Reserve for the financial year ended 31st March, 2026.

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 25.06.2025, 26.08.2025, 27.11.2025 and 20.02.2026. The number of meetings directors attended is as follows.

Name of the Directors	Category	No. of Meetings held	No. of Meetings Attended
Mr K G Balakrishnan	Chairman	4	4
Dr G Bakthavathsalam	Vice Chairman Director – Resigned with effect from 05.06.2026	4	4
Mr B Sriramulu	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

Audit Committee Meeting

The Audit Committee Meeting held on 25.06.2025, 26.08.2025, 27.11.2025 and 20.02.2026. Composition of the Audit Committee as on 31st March, 2026 and the attendance during the year are as under:

Name of the Directors	Position	Category	No. of Meetings 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

Nomination & Remuneration Committee Meeting

The Nomination & Remuneration Committee Meeting held on 26.08.2025. Composition of the Nomination & Remuneration Committee as on 31st March, 2026 and the attendance during the year are as under:

Name of the Directors	Position	Category	No. of Meetings held	No. of Meetings Attended
Mr G P Muniappan	Member	Independent, Non-Executive	1	1
Mr K B Nagendra Murthy	Member	Independent, Non-Executive	1	1
Mr A Velusamy	Member	Director	1	1

Stakeholders Relationship Committee Meeting

The Stakeholders Relationship Committee Meeting held on 11.06.2025, 07.08.2025, 06.10.2025, 13.11.2025 and 06.12.2025.Composition of the Stakeholders Relationship Committee Meeting as on 31st March, 2026 and the attendance during the year are as under:

Name of the Directors	Position	Category	No. of Meetings held	No. of Meetings Attended
Mr K G Balakrishnan	Member	Director	5	5
Mr A Velusamy	Member	Director	5	5
Mrs K Vanithamani	Member	Director	5	5

Risk Management Committee Meeting

The Risk Management Committee Meeting held on 20.02.2026. Composition of the Risk Management Committee as on 31st March, 2026 and the attendance during the year are as under:

Name of the Members	Position	Category	No. of Meetings 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 Directors' Meeting held on 18.02.2026. Composition of the Independent Director's as on 31st March, 2026 and the attendance during the year are as under:

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

Directors' Responsibility Statement

In compliance with 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.

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).

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.
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.

Particulars of Loans, Guarantees and Investments under Section 186 of the 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, 2026 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.

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 2025-26. 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.**

Annual Return

The Annual Return for financial year 2024-25 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-2024-2025.pdf.

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 - 3** to this Report.

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 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 - 4.**

Directors

Mr.B Sriramulu retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

Dr G Bakthavasalam resigned from the Office of Director of the Company with effect from 05.06.2026. The Board places on record its sincere appreciation for valuable guidance, support and contributions made by Dr G Bakthavathsalam during his tenure on the Board.

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 2026 and the Report does not contain any qualification or adverse remark and the same is attached with the Report.

Cost Auditor

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, your 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 27.06.2026 appointed Mr. M Nagarajan, Cost Accountant (Firm Registration Number 000088) as Cost Auditor to audit the cost accounts of the Company for FY 2026-27. As required under the Companies Act, 2013, a resolution seeking members' approval for the ratification of the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

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 2026. The Secretarial Audit Report issued by Mr M.R.L Narasimha is annexed as **Annexure - 5** 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, 2026. The Company has not received any complaints relating to the sexual harassment. The Company has complied with the provisions of the Maternity Benefit Act, 1961.

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.

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, Punjab National Bank, HDFC Bank Limited, Karur Vysya Bank and Tamilnad Mercantile Bank.

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.

Personnel

The Industrial relations were cordial during the year under review.

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.

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.

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.

Details of buy back of Shares

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

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 Sri Venkatachalapathy, Lord Muruga and Goddess Sri Saradambal for the continued prosperity of the Company.

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

Place : Coimbatore
Date : 27.06.2026

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)

Sl.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	1 78.30
5	Reserves and Surplus	-2 68.97
6	Total Assets	7 25.30
7	Total Liabilities	8 15.97
8	Investments (Total)	NIL
9	Turnover	13 74.02
10	Profit (+) / Loss (-) Before Tax	-1 56.51
11	Provision for Taxation – Deferred Tax Assets	39.69
12	Profit (+) / Loss (-) After Taxation	-1 16.82
13	Proposed Dividend	--
14	% of shareholding	75%

The above subsidiary has commenced its operation.

PART B : There are no Associates / Joint Ventures

Annexure - 2
Form 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 31.03.2028.	Transaction covered under Section 188(1) (a) & (d) of the Companies Act, 2013. For the year 2025-2026 Conversion Charges (Receipt) ₹ 2.36 lakhs; Sale of Goods ₹ 118.75 lakhs;. Lease Rent payment ₹ 2.48 lakhs	25.06.2025 26.08.2025 27.11.2025 20.02.2026	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 31.03.2028.	Transaction covered under Section 188(1)(a) & (d) of the Companies Act, 2013. For the year 2025-2026 Purchase of Goods ₹ 229.85 lakhs, Interest paid ₹ 47.74 lakhs	25.06.2025 26.08.2025 27.11.2025 20.02.2026	Nil
3	Kannapiran Polymers Limited -Subsidiary Company.	Purchase / Sale of Goods, Lease of Property and Rendering of Service.	3 years till 31.03.2028	Transaction covered under Section 188(1)(a) (c) & (d) of the Companies Act, 2013. For the year 2025-2026 Sale of Goods ₹ 0.21 lakhs, Purchase of Goods ₹ 1.46 lakhs,. Lease Rent Receipt ₹ 19.47lakhs. Receipt of asset Management Fees ₹ 137.99 lakhs.	25.06.2025 26.08.2025 27.11.2025 20.02.2026	Nil
4	T. Anandhi	Lease Contract	11 Months till 30.04.2026.	Transaction covered under Section 188(1)(c) of the Companies Act, 2013. For the year 2025-2026 Lease Rent payment ₹ 46.35 lakhs.	25.06.2025 26.08.2025 27.11.2025 20.02.2026	Nil

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

Place : Coimbatore
Date : 27.06.2026

Annexure - 3

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	**SPINNING** 1. Installation of VFD for Third Hand Fan in the BD 380 for Ring Frame Pneumafil Motor and in honey comb filter resulted in a total saving of about 338 KWh/day. 2. Installation of PU Air Hoses in the Pneumatic system of Ring Frames at Srinivasa Mills resulted into the energy savings of 120 Kwh /day. 3. Arresting of Air leakage in Autowinders and Carding Machines has enabled the energy savings of about 120 KWh/day. **WEAVING** 1. Installation of additional 2700 cfm air cooled dryer in compressor and reduced the power consumption by 880 unit per month and water consumption by 60 kL. 2. Replacement / upgradation of Motors / Pumps thereby reducing the power consumption of 4360 Units per month.
Steps taken or impact on conservation of Energy	Company has multiple sources of power viz., Solar (68.81 %) Wind (19.47%), EB (10.14%),
Capital investment on energy conservation equipments	₹ 6.00 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;

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.

A. 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	31.03.2026	31.03.2025
Used	187	216
Earned	11602	11925

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

Place : Coimbatore
Date : 27.06.2026

Annexure - 4

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 Directors	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	3	3
2	Mrs.V Bhuvaneshwari	Independent Director	3	3
3	Mr A Velusamy	Director	3	3

3. Provide the weblink where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are discussed on the Website of the Company.

   CSR Committee - https://www.kannapiran.co.in/coomposition of the Committees of the Board

   CSR Policy - https://www.kannapiran.co.in/CSRPolicy.pdf CSR

   CSR Projects approved by the Board : https://www.kannapiran.co.in/csr

4. Provide the executive summary along with web-links(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of the rule 8, if applicable.

   Impact Assessment of CSR Project is not applicable.

5. (a) Average Net Profit of the Company as per Section 135(5) ₹ 399.49 lakhs
   (b) Two percent of average net profit of the Company as per Section 135(5) ₹ 7.99 lakhs
   (c) Surplus arising out of the CSR Projects or Programmes or activities of the previous financial year -----
   (d) Amount required to be set off for the financial year -----
   (e) Total CSR obligation for the Financial Year "[(b)+(c)-(d)]" ₹ 7.99 Lakhs

6. (a) Amount spent on CSR Project
   (i) On Going Project ----
   (ii) Other than On Going Project ₹ 7.99 lakhs
   (b) Amount spend in Administrative Overheads ----
   (c) Amount spent on Impact Assessment, if ----
   (d) Total amount spent for the Financial year [(a)+(b)+(c)] ₹ 7.99 lakhs

e) CSR amount spent or unspent for the financial Year

Total Amount Spent for the Financial year (in ₹ lakhs)	Amount Unspent (₹ in lakhs)				
	Balance Amount in Unspent CSR Account		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
7.99	Not Applicable				

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

Sl.No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. 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 ₹)	Balance Amount in 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 ₹)	Defici-ency if any
					Amount in ₹	Date of Transfer		
1	2022 - 23	-	-	-	-	-	-	-
2	2023 - 24	-	-	-	-	-	-	-
3	2024 - 25	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial year - No

9. 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

Place : Coimbatore Date : 27.06.2026	**B Srihari** Managing Director DIN : 00002556	**K G Balakrishnan** Chairman CSR Committee DIN : 00002174

Annexure 5
Form MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[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, 2025 to 31st March, 2026 (“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, 2026 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, 2026,** 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 2026 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.

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.

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 ₹ 545.68 lakhs which constitutes term loans of ₹ 145.68 lakhs and CC of ₹ 400 lakhs and loan outstanding of such subsidiary as on 31-03-2026 is ₹ 116.89 lakhs and ₹ 411.84 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.

M.R.L. Narasimha
Practicing Company Secretary
Membership No: 2851
Certificate of Practice 799
Peer Review No:- 8114/2026
UDIN: F002851H000697041

Place : Coimbatore
Date : 27.06.2026

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, 2026 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, 2026 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.

M.R.L. Narasimha
Practicing Company Secretary
Membership No: 2851
Certificate of Practice 799
Peer Review No:- 8114/2026
UDIN: F002851H000697041

Place : Coimbatore
Date : 27.06.2026

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, 2026, 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, 2026, 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, but does not include the Standalone Financial Statements, Consolidated Financial Statement and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained 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, 2026 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2026 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;

      (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: 26027497ZZJZBZ5423

Place : Coimbatore
Date : 27.06.2026

"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, 2026 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 Financials Institutions,

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 25	Inventories & Receivables	1 49 88	1 49 83	(5)
September 25		1 47 67	1 47 05	(62)
December 25		1 61 85	1 61 74	(11)
March 26		1 51 85	1 50 97	(89)

*The difference was on account of arriving average cost for the relevant quarter while valuing stock 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.

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 Rs. 545.68 lacs which constitutes term loan of Rs.145.68 lacs and CC of Rs.400 lacs and the loan outstanding of such subsidiary as on 31.03.2026 is Rs.116.89 lacs and Rs.411.84 lacs 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 compiled 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, 2026 for a period of more than six months from the date they became payable.

(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 2026.

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.

(b) 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, 2013 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.

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) The Company did not have any ongoing Corporate Social Responsibility (CSR) projects during the year. Accordingly, there were no unspent CSR amounts required to be transferred to a Special Account under Section 135(6) of the Companies Act, 2013. Therefore, reporting under clause 3(xx)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable.

For **Gopalaiyer and Subramanian**
Chartered Accountants
FRN : 000960S
CA. R.Mahadevan
Partner
(Membership No. 027497)
UDIN: 26027497ZZJZBZ5423

Place: Coimbatore
Date : 27.06.2026

"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, 2026.

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, 2026 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 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

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, 2026, 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.

For **Gopalaiyer and Subramanian**
Chartered Accountants
FRN : 000960S
CA. R.Mahadevan
Partner
(Membership No. 027497)
UDIN: 26027497ZZJZBZ5423

Place : Coimbatore
Date : 27.06.2026

Balance Sheet as at 31st March, 2026

(₹ in Lakhs)

PARTICULARS	Note No.	31.03.2026	31.03.2025
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	5 42.00	5 42.00
Reserves and Surplus	3	122 70.39	116 07.87
Non-Current Liabilities			
Long Term Borrowings	4	18 89.20	26 05.10
Deferred Tax Liabilities (Net)	5	23 12.32	21 21.71
Other Long Term Liabilities	6	7 40.62	6 72.81
Long Term Provisions	7	5 65.22	4 97.78
Current Liabilities			
Short Term Borrowings	8	105 20.61	110 21.89
Trade Payables			
(a) Total outstanding dues of micro and small enterprises	9	71.12	70.22
(b) Total outstanding dues of creditors other than Micro and Small Enterprises and Small Enterprises	9	34 15.94	39 86.68
Other Current Liabilities	10	10 13.21	13 46.21
Short-Term Provisions	11	88.64	1 49.01
TOTAL		**334 29.27**	**346 21.28**
ASSETS			
Non-Current Assets			
Property, Plant & Equipment and Intangible Assets			
(a) Property, Plant & Equipment	12	144 54.06	150 23.65
(b) Intangible Assets		0.05	0.05
Non-Current Investments	13	11 22.28	11 21.68
Long-Term Loans and Advances	14	47.03	41.35
Other Non Current Assets	15	10 82.92	14 16.94
Current assets			
Inventories	16	77 91.12	84 37.86
Trade Receivables	17	73 77.39	62 49.93
Cash and Cash Equivalents	18	2 75.44	2 76.46
Short-Term Loans and Advances	19	8 25.19	15 36.98
Other Current Assets	20	4 53.79	5 16.38
TOTAL		**334 29.27**	**346 21.28**
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
Membership No. 027497
UDIN:26027497ZZJZBZ5423

Coimbatore
27.06.2026

(Sd/-) KG Balakrishnan
Chairman
DIN: 00002174

(Sd/-) B Srihari
Managing Director
DIN: 00002556

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) K. Jayaraj
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2026

(₹ in Lakhs)

PARTICULARS	Note No.	31.03.2026	31.03.2025
REVENUE			
Revenue from Operations	21	439 29.32	438 40.22
Other Income	22	4 97.44	3 60.76
Total Revenue		**444 26.76**	**442 00.98**
EXPENSES			
Cost of materials consumed	23	255 00.19	260 64.77
Purchases of stock in Trade		4 16.44	5 58.05
Changes in inventories of Finished Goods and Work-in-Progress	24	3 71.58	0.62
Power & Fuel		47 99.15	48 51.68
Employee benefits Expense	25	56 44.28	54 52.48
Finance Cost	26	15 29.33	16 47.08
Depreciation		8 23.25	8 10.63
Other expenses	27	39 44.99	39 26.68
Total Expenses		**430 29.21**	**433 11.99**
PROFIT / (LOSS) BEFORE TAX		**13 97.55**	**8 88.99**
Tax Expense			
Current Tax		-5 44.43	-1 48.32
Add : MAT Credit Entitlement		0.00	1 21.50
Income Tax Refund for Prior Years		0.00	1.64
Deferred Tax (Liability)/Asset		-1 90.61	-2 80.12
PROFIT/(LOSS) AFTER TAX		**6 62.52**	**5 83.69**
Earnings per Equity Share			
Basic and Diluted earning per share (in ₹) (Face value ₹10/- per share)		12.22	10.77

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:26027497ZZJZBZ5423

(Sd/-) KG Balakrishnan
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DIN: 00002174

(Sd/-) B Srihari
Managing Director
DIN: 00002556

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) K. Jayaraj
Company Secretary

Coimbatore
27.06.2026

Cash Flow Statement for the year ended 31st March, 2026

(₹ in Lakhs)

PARTICULARS	31.03.2026	31.03.2025
A. Cash Flow from Operating Activities		
Net Profit before tax	13 97.55	8 88.96
Adjustments for :		
Depreciation	8 23.25	8 10.63
(Profit) /Loss on sale of Assets	11.88	-5.82
Interest income	-37.81	-58.92
Dividend income	-0.48	-0.35
Interest paid	15 29.33	16 47.08
Operating Profit before Working Capital Changes	**37 23.71**	**32 81.59**
(Increase)/Decrease in trade and other receivables	-6.81	12 94.97
(Increase)/Decrease in inventories	6 46.75	5 62.86
Increase/(Decrease) in trade and other payables	-8 20.21	-7 79.1
Cash generated from operations	**35 43.43**	**43 60.30**
Direct taxes paid	-5 44.43	-1 48.32
Net Cash from Operating activities	**29 99.01**	**42 11.98**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-2 72.35	-5 71.17
Proceeds from sale of fixed assets	6.80	19.34
(Purchase) /sale of Investment	-0.60	-37.32
Prior year expenses	0.00	1.64
Interest received	19.86	57.16
Dividend received	0.48	0.35
Net cash used in investing activities	**-2 45.79**	**-5 30.00**
C. CASHFLOW FROM FINANCING ACTIVITIES		
Long term Borrowings repaid	-7 15.90	-14 83.47
Short term borrowings	-5 01.28	-8 58.89
Interest Paid	-15 37.05	-16 68.66
Net cash used in financing activities	**-27 54.23**	**-40 11.02**
Net increase in cash and cash equivalents	**-1.01**	**-3 29.04**
Cash and cash equivalents at beginning of the period	**2 76.45**	**6 05.49**
Cash and cash equivalents at end of the period	**2 75.44**	**2 76.45**
Components of Cash and Cash equivalents as at 31st March, 2026		
Cash and Cheques on hand	38.81	11.93
in Current Account	13.45	12.64
in Deposit Account	2 23.18	2 51.89
	2 75.44	**2 76.45**

See accompanying notes to the financial statements

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:26027497ZZJZBZ5423

Coimbatore
27.06.2026

(Sd/-) KG Balakrishnan
Chairman
DIN: 00002174

(Sd/-) B Srihari
Managing Director
DIN: 00002556

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) K. Jayaraj
Company Secretary

Notes forming part of Financial Statements

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 the 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 are accounted on the basis of credit given by the bankers.

d) Export incentives under DEPB licence and premium on transfer of Export incentives are accounted on accrual basis.

Notes forming part of Financial Statements

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.

Notes forming part of Financial Statements

(₹ in Lakhs)

PARTICULARS	Numbers 31.03.2026	Numbers 31.03.2025	Amount 31.03.2026	Amount 31.03.2025
2 Share Capital				
Number and amount of Equity Shares - Authorized (Face Value ₹ 10 each)	270 00 000	270 00 000	27 00.00	27 00.00
	270 00 000	**270 00 000**	**27 00.00**	**27 00.00**
Number and amount of Preference Shares - Authorized (Face Value ₹ 100 each)	**6 00 000**	**6 00 000**	**6 00.00**	**6 00.00**
	6 00 000	**6 00 000**	**6 00.00**	**6 00.00**
Number and amount of Equity Shares - Issued	55 03 024	55 03 024	5 50.30	5 50.30
Number of Equity Shares - Subscribed and Fully Paid up	54 19 928	54 19 928	5 41.99	5 41.99
Add : Forfeited Shares	-	-	0.01	0.01
	54 19 928	**54 19 928**	**5 42.00**	**5 42.00**

Face value per Equity share (in ₹ 10 each)

Shares held by Promoters

Sl. No	PARTICULARS	As at March 31, 2026		As at March 31, 2025		% change during the year
		No of shares	% of Total shares	No of shares	% of Total shares	
1	K G Balakrishnan	5 676	0.10	5 676	0.10	0.00
2	B Sriramulu	2 53 040	4.67	2 53 040	4.67	0.00
3	Pranav Sriram	1 05 702	1.95	1 05 702	1.95	0.00
4	B Srihari	13 47 585	24.86	10 49 682	19.37	5.49
5	Aadya Srihari	12 40 315	22.88	12 40 315	22.88	0.00
6	Deepika Karthikeyan	1 880	0.03	1 880	0.03	0.00
7	T Anandhi	1 34 285	2.48	1 34 285	2.48	0.00
8	Sailendran	73 228	1.35	73 228	1.35	0.00
9	Niketana Thulasidaran	73 228	1.35	73 228	1.35	0.00
10	K G Denim Limited	3 31 588	6.12	3 31 588	6.12	0.00
11	Crocodile India Privte Limited	5 00 000	9.23	5 00 000	9.23	0.00
12	Sri Balamurugan Textile Processing Limited	30 700	0.57	30 700	0.57	0.00

Note : The Board of Directors at their meeting held on June 27,2026 decided to reclassify the shareholding held by Mr. G.Kannapan, Mr. G.Ramaswamy, Dr. G.Bakthavathsalam (who are no longer Directors of the Company) and Mr. G.Vijayakumar (having deceased) and their family and associates as " Public Holding " since (i) the Company's shares are no longer listed, (ii) Mr. G.Kannapan, Mr. G.Ramaswamy and Dr. G.Bakthavathsalam are no longer Directors of the Company (iii) Mr. G.Vijayakumar having deceased and (iv) none of them being in control over the Company either directly or indirectly whether as shareholder, director or otherwise (v) there being no possibility for the Board of Directors to act on their advice, directions or instructions and (vi) the said shareholders no longer fall within the definition of " Promoters " as defined under Section 2 (69) of the Companies Act, 2013 .

Based on the above, the details of the shares held by Promoters as on 31.03.2026 has been reclassified as compared to the details of shares held by Promoters as on 31.03.2025.

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.

Notes forming part of Financial Statements

(₹ in Lakhs)

	PARTICULARS	31.03.2026	31.03.2025
3	**Reserves and Surplus**		
	General Reserve		
	As per last Balance Sheet	36 71.00	36 71.00
		36 71.00	**36 71.00**
	Capital Redemption Reserve		
	As per last Balance sheet	1 39.64	1 39.64
		1 39.64	**1 39.64**
	Surplus		
	As per last Balance Sheet	47 90.88	42 07.22
	Add: Transfer from Profit and Loss Statement	6 62.52	5 83.66
	Closing balance	**54 53.40**	**47 90.88**
	Revaluation Reserve		
	As per last Balance sheet	13 92.25	13 92.25
		13 92.25	**13 92.25**
	Capital Reserve		
	As per last Balance sheet	16 14.10	16 14.10
		122 70.39	**116 07.87**
	Non Current Liabilities		
4	**Long Term Borrowings**		
	Secured		
	Term Loans From Banks	11 96.52	18 46.13
	Long term maturities of finance lease obligations	6.24	14.18
	Deposits:		
	(a) Inter Corporate Deposit	6 24.54	6 86.79
	(b) Performance Deposit	61.90	58.00
		18 89.20	**26 05.10**

SECURITY CLAUSE AS AT 31.03.2026

Term loan (ECB) from Good Fashion Fund, Netherlands of ₹1183.18 lakhs (USD 12,50,000) is secured by exclusive charge on assets acquired out of the term loan and pari-passu second charge on the other entire Fixed assets of the Company (Excluding assets exclusively charged to The Karur Vysya Bank Limited, Good Fashion fund and ICICI Bank) along with Indian Bank, Central Bank of India, HDFC Bank Ltd, Punjab National Bank and The Karur Vysya Bank Limited

GECL/STL Loans availed from Indian Bank of ₹139.05 lakhs, Central Bank of India of ₹22.96 lakhs, The Karur Vysya Bank Limited of ₹16.72 lakhs & ₹75.23 lakhs, Punjab National Bank of India of ₹108.80 lakhs, HDFC Bank of ₹114.79 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 The Karur Vysya Bank Limited, Good Fashion fund and ICICI Bank).

Term Loan from The Karur Vysya Bank Limited of ₹269.18 lakhs, is secured by exclusive charge on assets acquired out of the term loan and pari passu second charge on the other entire fixed assets of the Company

(Excluding assets exclusively charged to The Karur Vysya Bank Limited, Good Fashion fund and ICICI Bank) along with Indian Bank, Central Bank of India, HDFC Bank Ltd and Punjab National Bank.

The Corporate Term Loan of ₹1,200.00 lakhs availed from The Karur Vysya Bank Limited is secured by exclusive charge on vacant land of 0.99 acres situated at SF No. 423/3B, Kalapatti (West), Coimbatore.

₹ Lakhs

Bank	Outstanding as on		Interest rate %	Repayment months	From	Last Installment
	31.03.2026	31.03.2025				
Indian Bank ECLGS	1 39.05	2 22.57	8.65	20		Nov'27
Central Bank of India ECLGS	22.96	55.62	8.65	11		Feb'27
Punjab National Bank- ECLGS	1 08.80	1 61.05	7.65	25		Apr'28
HDFC Bank - ECLGS	1 14.79	1 62.29	9.20	29		Aug'28
The Karur Vysya Bank Limited - Term loan	2 69.18	-	9.25	18		Sep'27
The Karur Vysya Bank Limited – STL	16.72	-	9.25	12		Mar'27
The Karur Vysya Bank Limited - STL	75.22	-	9.25	23		Feb'28
The Karur Vysya Bank Limited - Corporate Term loan	12 00.00	-	9.00	12	July '26	June'27
ICICI Bank	15.62	29.66	10.76	12		Mar'27
Good Fashion Fund ECB loan (USD 1250000)	11 83.18	16 04.65	7.13 (SOFR +3.5%)	24	July '24	Jan'28

The Term Loans (excluding GECL Loans) from The Karur Vysya Bank Limited and Good Fashion Fund are guaranteed by Mr B Srihari, Managing Director.

There is no delay in payment of term loan dues and interest payment as at 31.03.2026.

Working capital facilities from Indian Bank Consortium (Indian Bank, Central Bank of India, Punjab National Bank, The Karur Vysya Bank Limited and HDFC Bank Limited) 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 and plant and machineries of Company (Excluding assets exclusively charged to The Karur Vysya Bank Limited, Good Fashion Fund and ICICI Bank).

The Working capital limits from Indian Bank, Central Bank of India, The Karur Vysya Bank Limited, HDFC Bank Limited, and Punjab National Bank are guaranteed by Mr B Srihari, Managing Director.

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

Notes forming part of Financial Statements

(₹ in Lakhs)

	PARTICULARS	31.03.2026	31.03.2025
5	**Deferred tax liabilities**		
	Deferred Tax Asset:		
	Provision for Gratuity	2 08.92	1 55.31
		2 08.92	**1 55.31**
	Deferred Tax Liability:		
	On account of Depreciation	25 21.24	22 77.02
	Net Deferred Tax Liabilities	**23 12.32**	**21 21.71**
6	**Other Long Term Liabilities**		
	Other Payable - Electricity tax payable	7 40.62	6 72.81
		7 40.62	**6 72.81**
7	**Long Term Provisions**		
	Provision for Gratuity	5 65.22	4 97.78
		5 65.22	**4 97.78**
CURRENT LIABILITIES			
8	**Short Term Borrowings**		
	Secured		
	Loans repayable on Demand from Banks (Secured)	76 06.52	82 14.59
	Current maturities of long term Debt	19 49.02	14 21.21
	From Bank (Unsecured)	9 65.07	13 86.09
		105 20.61	**110 21.89**
9	**Trade Payables**		
	Due to Micro, Small & Medium Enterprises	71.12	70.22
	Others	34 15.94	39 86.68
	Total	**34 87.06**	**40 56.90**
	For ageing schedule refer note no: 1 & 2 in other notes		
10	**Other Current Liabilities**		
	Current maturities of finance lease obligations	7.94	24.92
	Interest accrued and but not due on borrowings	26.93	34.66
	Advances from Customers	40.83	45.19
	Other Payables - Expenses payable	9 37.50	12 41.44
	Total	**10 13.21**	**13 46.21**
	Short-term provisions		
11	**Provision for Employee benefits :**		
	Provision for Gratuity	32.66	37.28
	Provision for Tax (Net of Advance Tax)	55.97	1 11.73
		88.64	**1 49.01**

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 01.04.2025	Additions During the year	Sales During the year	As at 31.03.2026	Up to 31.03.2025	For the Year	Withdrawn for the year	Upto 31.03.2026	As at 31.03.2026	As at 31.03.2025
PROPERTY, PLANT AND EQUIPMENT										
1. Land	25 55.16	6.88	-	25 62.04	-	-	-	-	25 62.04	25 55.16
2. Building	51 96.90	4.80	-	52 01.70	26 32.46	1 36.36	.00	27 68.81	24 32.89	25 64.44
3. Machinery	208 28.23	2 18.73	56.26	209 90.70	116 82.00	5 84.52	37.58	122 28.94	87 61.76	91 46.23
4. Elec. Machinery	26 78.89	28.18	-	27 07.07	21 32.03	72.63	.00	22 04.66	5 02.41	5 46.86
5. Furniture & Fixtures	4 33.70	.00	-	4 33.70	4 03.66	2.82	.00	4 06.48	27.23	30.04
6. Office Equipments	1 43.62	13.74	-	1 57.37	1 16.28	4.08	.00	1 20.36	37.01	27.34
7. Motor Vehicles	4 48.05	-	-	4 48.05	2 96.51	22.85	.00	3 19.36	1 28.70	1 51.54
8.Weighing Scale	20.25	-	-	20.25	19.24	-	.00	19.24	1.01	1.01
9.Tools & Equipments	20.63	-	-	20.63	19.60	-	.00	19.60	1.03	1.03
	323 25.45	**2 72.36**	**56.26**	**325 41.53**	**173 01.79**	**8 23.25**	**37.58**	**180 87.46**	**144 54.06**	**150 23.65**
INTANGIBLE ASSETS										
10. Software	7.12	-	-	7.12	7.07	-	.00	7.07	.05	.05
TOTAL	**323 32.57**	**2 72.36**	**56.26**	**325 48.65**	**173 08.86**	**8 23.25**	**37.58**	**180 94.53**	**144 54.11**	**150 23.70**
Previous year	**318 15.13**	**5 71.17**	**53.75**	**323 32.56**	**165 38.45**	**8 10.63**	**40.23**	**173 08.85**	**150 23.70**	**152 76.68**

Note: Office furniture Cost includes ₹ 78 39 677 lakhs towards cost of Jewels, Golden Charriot, and Thoobasthambam of Prayer Hall Then Thirumalai

Notes forming part of Financial Statements

13. Non-Current Investments

Investments (At Cost) (₹ in Lakhs)

Investments in Equity Instruments (At Cost)	Face Value	31.03.2026 Nos.	31.03.2025 Nos.	31.03.2026 Amount	31.03.2025 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	32 65 183	4 63.85	4 63.85
Trade Investments - Unquoted					
Kannapiran Polymers Limited	10	13 32 946	13 32 946	1 33.29	1 33.29
iEnergy Wind farms (Theni) Private Limited	10	1 075	1 075	0.11	0.11
Watsun Infrabuild Private Limited	10	1 78 934	1 78 934	17.89	17.89
Arkay Energy (Rameswaram) Limited	10	110	1 61 751	0.01	16.18
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	2 10.00	2 10.00
AMP Energy C&I Private Limited	10	20 00 000	20 00 000	2 00.00	2 00.00
MAR Renewable Energy Limited	10	2 600	2 600.00	0.26	0.26
Rithan Green Power Private Limited	10	2 600	2 600.00	0.26	0.26
Anandhaa Solar Energy Private Limited	10		600.00	0.00	0.06
IKKI Green Energy Private Limited	10	26 000	26 000.00	27.82	27.82
ARN Green Energy Private Limited	10	2 600	2 600.00	0.26	0.26
Trang Engineering and Construction Private Limited	10	1 29 220	-	12.92	-
Sri Rathinagiri Green Power Private Limited	10	39 000	-	3.90	-
Non Trade Investments - Unquoted					
Kannapiran Mills Employee's Co-op. Stores Limited				0.04	0.04
Investment in Partnership firm					
Victory Green Power				3.90	3.90
M/s. K G House (Madras)				7.94	7.94
				11 22.28	**11 21.68**
Aggregate Value of quoted investments					
Cost				4 77.67	4 77.67
Market value				4 75.97	5 09.74
Aggregate amount of unquoted investments				6 44.61	6 44.01

Notes forming part of Financial Statements

(₹ in Lakhs)

	PARTICULARS	31.03.2026	31.03.2025
14	**Long-term loans and advances**		
	(Unsecured, considered good)		
	Other Loans and Advances :		
	Advances recoverable in cash or kind,for value to be received	47.03	41.35
	TOTAL	**47.03**	**41.35**
15	**Other Non Current Assets**		
	Long Term Trade Receivables	16.94	51.01
	TUF Subsidy Receivable	36.02	36.02
	MEIS Premium Receivable	0.42	0.42
	Security Deposits	28.11	28.37
	MAT Credit Entitlement	10 01.44	13 01.12
	TOTAL	**10 82.92**	**14 16.94**
16	**Inventories (At lower of cost or net realisable value)**		
	Cotton & Cotton Waste	27 96.13	29 82.75
	Yarn	4 08.92	5 60.51
	Work-in-progress	8 82.97	8 91.18
	Finished goods - Yarn Gloves	23 32.96	24 19.47
	Finished goods - Fabrics	10 47.62	13 24.49
	Stores and spares	2 09.36	1 68.63
	Chemicals	1 13.17	90.83
	TOTAL	**77 91.12**	**84 37.86**
	Refer Accounting policy AS -2 for mode of valuation		
17	**Trade Receivables**		
	(Unsecured, considered good)		
	Outstanding for period exceeding 6 months from due date	25 31.21	68.49
	Others	48 46.17	61 81.44
	TOTAL	**73 77.39**	**62 49.93**
	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	13.45	12.64
	Cash on hand	38.81	11.93
	Other Bank Balances		
	Deposits held as Margin money	2 23.18	2 51.89
	TOTAL	**2 75.44**	**2 76.46**
19	**Short-term loans and advances**		
	(Unsecured, Considered Good)		
	Advances recoverable in cash or in kind, or for value to be received	6 14.82	13 47.76
	GST Receivable	1 00.37	30.16
	Prepaid expenses	1 10.00	1 59.06
	TOTAL	**8 25.19**	**15 36.98**

Notes forming part of Financial Statements

(₹ in Lakhs)

	PARTICULARS		31.03.2026	31.03.2025
20	**Other current assets**			
	(a)Interest accrued on Bank Deposits		32.35	14.40
	(b)Income Receivable:			
	(i)Duty draw back receivable		24.96	12.68
	(ii)Conversion Charges Receivable		16.20	22.55
	(iii)RODTEP Premium Receivable		65.96	49.87
	(iv) Other income receivable		16.60	11.81
	(c)Security Deposit		2 97.71	4 05.07
		TOTAL	**4 53.79**	**5 16.38**
21	**Revenue from operations**			
	a) Sale of products			
	Yarn		235 40.55	231 28.47
	Glove		4 31.75	3 57.61
	Fabric		185 55.20	188 27.50
	Waste		1 04.77	1 47.88
		Sub Total	**426 32.26**	**424 61.46**
	b) Sale of services			
	Conversion Charges -Others		5 88.01	5 61.91
	Service Income		1 08.53	1 59.46
		Sub Total	**6 96.54**	**7 21.37**
	c) Other operating revenues:			
	Export Incentives		6 00.52	6 57.39
	Sub Total		6 00.52	6 57.39
		TOTAL	**439 29.32**	**438 40.22**
22	**Other income**			
	Interest Income		37.81	58.92
	Dividend Income		0.48	0.35
	Rent Received		1 19.38	83.04
	Gratuity excess provision written back		-	8.85
	Profit on sale of assets		-	5.82
	Agriculture Income		1.75	0.40
	Foregin Exchange (gain) -Net		2 43.11	103.06
	Miscellaneous receipts		94.90	1 00.32
		TOTAL	**4 97.44**	**3 60.76**
23	**Cost of materials consumed**			
	Opening Stock			
	Raw material - Cotton & Yarn		35 20.47	39 33.09
	Waste - Cotton		22.80	23.59
	Add : Purchases - Cotton, Waste Cotton & Chemicals		254 14.99	260 95.28
			289 58.26	**300 51.96**
	Less : Sale of Raw Material		2 53.02	4 43.93
	Less: Closing Stock			
	Raw Material - Cotton & Yarn & Chemicals		31 82.67	35 20.47
	Waste - Cotton		22.38	22.80
		TOTAL	**255 00.19**	**260 64.77**
	Details of Materials Consumed			
	Cotton, Waste Cotton and Yarn		242 18.50	247 34.16
	Chemicals		12 81.69	13 30.61
			255 00.19	**260 64.77**

Notes forming part of Financial Statements

(₹ in Lakhs)

	PARTICULARS		31.03.2026	31.03.2025
24	**Changes in Inventory of Finished Goods and WIP**			
	Opening 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
		Sub Total	**46 35.14**	**46 35.76**
	Closing Stock			
	Finished Goods - Yarn		23 27.08	24 14.85
	Finished Goods - Fabrics		10 47.62	13 24.49
	Finished Goods - Glove		5.88	4.62
	Work in Process		8 82.97	8 91.18
			42 63.55	**46 35.14**
	Stock (Increase) / (Decrease)		**3 71.58**	**0.62**
25	**Employee Benefits Expenses**			
	Salaries and wages		49 30.06	47 79.39
	Contribution to provident and other funds		2 00.07	1 99.05
	Gratuity Expenses		1 49.43	52.64
	Welfare expenses		3 48.84	3 89.86
	Managerial Remuneration		15.89	31.54
		TOTAL	**56 44.28**	**54 52.48**
26	**Finance Cost**			
	Interest on Working Capital		11 32.92	10 96.18
	Interest on Term Loan		2 29.00	4 35.44
	Bank Charges		1 67.40	1 15.46
		TOTAL	**15 29.33**	**16 47.08**
27	**Other Expenses**			
	Consumption of Stores and Spare Parts		78.85	67.52
	Consumption of packing materials		3 51.17	3 46.20
	Repairs to Buildings		1 36.18	2 08.91
	Repairs to Machinery		10 18.22	10 18.74
	Repairs & maintenance - others		1 52.61	59.03
	Insurance		95.77	1 02.40
	Rates and Taxes, excluding, Taxes on Income		72.77	91.40
	Accountancy and Legal charges		60.65	31.59
	Filling Fees		0.22	0.22
	Brokerage & Commission		5 32.62	5 97.23
	Selling Expenses		1 68.37	2 16.72
	Carriage Outwards		4 15.19	3 95.00
	Lease Rent		41.38	28.70
	Auditors Remuneration			
	- For Audit Fees		6.00	6.00
	- For Tax Audit Fees		1.25	1.00
	- For Certification Fees &Other Miscellaneous Fees		.03	.37
	Sitting Fees		5.00	4.30
	C S R Expenses		7.99	28.92
	Processing Charges		1 75.77	1 99.52
	Travelling Exps & Maint. of vehicle		4 13.32	3 62.32
	Courier & Telephone charges		88.15	96.75
	Bad Debts Written off		45.13	-
	Prayer Hall Expenses		28.88	29.21
	Loss on Sale of Assets (Net)		11.88	-
	Miscellaneous expenses		37.60	34.63
		TOTAL	**39 44.99**	**39 26.68**

28. Additional information to financial statement

1 Estimated amount of contracts remaining to be executed on capital accounts not provided for as on 31.03.2026 is Nil (31.03.2025 – Rs.16.00 lakhs).

2. Future Hire Purchase charges payable as on 31.03.2026 is Rs. 1.42 Lakhs (Previous year Rs.3.78 lakhs)

3 Income-tax Assessment for the Assessment year 2025-26 is pending.

4. **Imports-CIF Basis**

a) Purchases

(₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
Raw material	-	-
Spares and Components	59.42	53.79
Capital Goods	4.61	-

b) Consumption

(₹ in Lakhs)

Particulars	2025-26		2024-25	
	Imported	Indigenous	Imported	Indigenous
Raw material value	-	255 00.19	-	260 64.77
As a % of Total Raw material Consumption	-	100%	-	100%
Spares and Components	65.35	10 31.72	53.79	10 32.48
As a % of Total Spares & Components	5.96%	94.04%	4.95%	95.05%

(₹ in Lakhs)

			31.03.2026	31.03.2025
5	i)	**Expenditure in Foreign Currency**	**31.03.2026**	**31.03.2025**
		Travelling Expenses	74.30	56.28
		Interest on foreign currency borrowings	1 12.41	1 59.53
	ii)	**Earnings in Foreign Currency**		
		Export of Goods FOB Basis on Direct Export	1 16 01.98	1 19 25.07

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/-	49.00%
Sri Kumaraguru Mills Limited	7,93,800/-	49.00%
Mr K G Balakrishnan	4,808/-	0.3122%
Mr G Bakthavathsalam	3.952/-	0.2566%
Mr G Ramaswamy	11428/-	0.7421%
Mrs R Kannammal	4,807/-	0.3122%
Mrs B Amirthalakhsmi	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 Acutarial Assumptions	**31.03.2026**	**31.03.2025**
Discount Rate	6.85%	6.80%
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	5 35.05	5 43.90
Interest Cost	36.36	38.86
Current Service Cost	49.35	43.90
Past Service Cost – (Non Vested Benefits)	0	0
Past Service Cost – (Vested Benefits)	0	0
Benefits Paid	-86.60	-52.64
Actuarial loss / (gain) on obligation (balancing figure)	63.72	-38.96
PVO as at the end of the period	5 97.88	5 35.05

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	63.72	-38.96
Actuarial gain / (loss) on plan assets	0	0
Total gain / (Loss) for the period	63.72	-38.96
Actuarial gain / (loss) recognized in the period	63.72	-38.96

Notes forming part of Financial Statements

VI. Expenses recognized in the statement of profit and loss

Current service cost	49.35	43.89
Interest Cost	36.36	38.86
Expected return on plan assets	0	0
Net actuarial (gain)/loss recognized in the year	63.72	-38.96
Expenses recognized in the statement of profit and loss	1 49.43	43.79

VII. Movements in the liability recognized in the balance sheet

Opening net liability	5 35.05	5 43.90
Expense as above	1 49.43	43.79
Contribution paid	(86.60)	(52.64)
Closing net liability	5 97.88	5 35.05

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	2 00.07	1 99.05

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 Vijayalakshmi Paper Mills

Notes forming part of Financial Statements

(₹ in Lakhs)

Particulars	Subsidiary		Other Related Party *		Key Management Personnel		Relatives of Key Management Personnel	
	2026	2025	2026	2025	2026	2025	2026	2025
Purchase of Goods	1.46	0.53	2 34.79	16 96.15	–	–	–	–
Purchase of Property, Plant and Equipment	–	–	18.00	–	–	–	–	–
Sale of Goods	0.21	0.22	1 18.75	4 16.49	–	–	–	–
Conversion Charges (Receipt)	–	–	2.36	6.13	–	–	–	–
Conversion Charges (Paid)	–	–	–	6.52	–	–	–	–
Managerial Remuneration	–	–	–	–	81.65	90.59	–	–
Sitting Fees	–	–	–	–	1.70	1.20	0.40	0.40
Lease Rent Paid - Land/Building/Machinery	–	–	2.48	2.48	–	–	46.35	29.69
Lease Rent Received– Land/Building/Machinery	19.47	18.59	–	–	–	–	–	–
Asset Management Fees	1 37.99	1 93.13	–	–	–	–	–	–
Interest Paid on Inter corporate Deposit	–	–	63.08	66.46	–	–	–	–
Balance Outstanding as on March 31st								
Payable	–	–	2 91.37	2 76.09	6.45	5.95	–	–
Receivable	1 39.46	29.09	24 42.96	24 24.50	–	–	10.77	8.24

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

Notes forming part of Financial Statements

*** Other related party transactions**

(₹ in Lakhs)

Particulars	Other Related Party	
	2025-26	2024-25
Purchase of Goods	**2 34.79**	**16 96.15**
KG Denim Limited	–	67.68
Sri Balamurugan Textile Processing Limited	2 29.85	16 24.18
Others	4.94	4.29
Purchase of Property, Plant and Equipments	**18.00**	**0.00**
Sri Karthikeya Spg & Wvg Mills Private Limited	18.00	–
Sale of Goods	**1 18.75**	**4 16.49**
KG Denim Limited	1 18.75	4 16.49
Conversion Charges (Receipt)	**2.36**	**6.12**
KG Denim Limited	2.36	6.12
Conversion Charges (Paid)	**-**	**6.52**
KG Denim Limited	-	6.52
Lease Rent Paid – Land/Building/Machinery	**2.48**	**2.48**
KG Denim Limited	2.48	2.48
Interest Paid on Inter corporate Deposit	**63.08**	**66.46**
RND Softtech Private Limited	15.34	15.02
Sri Balamurugan Textile Processing Limited	47.74	51.44
Balance Outstanding as on March 31st		
Payable	**2 91.37**	**2 76.09**
Receivable	**24 42.96**	**24 24.50**

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	31.03.2026	31.03.2025
Not later than one year	5.08	6.03
Later than one year but not later than five Years	–	–
Later than Five years		

Notes forming part of Financial Statements

12. AS 20 – EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
Net profit after tax and adjustments	6 62.52	5 83.69
Weighted average No. of Equity Shares	54,19,928	54,19,928
Basic & diluted Earnings Per Share (Face Value – Rs 10/- each)	12.22	10.77

13. AS 22 – DEFERRED TAX LIABILITY

(₹ in Lakhs)

	Opening as on 01.04.2025	Adjustments made during the year	Closing as on 31.03.2026
Deferred Tax Liability			
Depreciation	22 77.02	2 44.22	25 21.24
Total	**22 77.02**	**2 44.22**	**25 21.24**
Deferred Tax Asset			
Provision for Gratuity (Net)	1 55.31	53.62	2 08.92
On account of losses			-
Total	**1 55.31**	**53.62**	**2 08.92**
Net Deferred Tax (Asset) / Liability	**21 21.71**	**1 90.61**	**23 12.32**

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 31.03.2026 was ₹545.68 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 ₹317.18 lakhs (Previous year ₹299.97 lakhs) towards self-Generating Tax and ₹147.62 lakhs (Previous year ₹126.58 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 ₹243.93 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 31.03.2026.

16. Electricity charges debited in Profit and loss account is net of value of Captive electricity generation through wind mill of ₹139.41 lakhs (Previous year ₹151.94 lakhs).

17. On 21st November 2025, the Government of India notified the four Labour Codes, namely The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020, and The Occupational Safety, Health and Working Conditions Code, 2020, consolidating 29 existing Central Labour Laws. The Ministry of Labour and Employment has published draft Central Rules and Frequently Asked Questions (FAQs) to facilitate assessment of the financial impact arising from the changes introduced by these Codes.

    The Company has evaluated and quantified the incremental impact of these changes based on the best information currently available and in accordance with the guidance issued by the Institute of Chartered Accountants of India (ICAI). Considering the materiality of the impact and its regulatory-driven, non-recurring nature, the Company has presented the incremental impact as gratuity of the Profit and loss Statement , amounting to ₹62.83 lakhs for the year ended 31.03.2026.

    The increase is primarily attributable to the recognition of additional past service cost relating to gratuity liabilities arising from the revised definition of wages applicable to employees and contract labour under the Labour Codes. The Company continues to monitor the finalisation of the Central and State Rules and any further clarifications issued by the Government on various aspects of the Labour Codes. Appropriate accounting adjustments, if any, will be recognised in the financial statements as and when such developments occur.

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)

		31.03.2026	31.03.2025
a)	Principal amount due Interest due on above	71.12	70.22
b)	Interest paid during the period beyond the appointed date	-	-
c)	Amount of Interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
	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. Pursuant to Section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profits of the three immediately preceding financial years on Corporate Social Responsibility (CSR) activities. The CSR activities of the Company are undertaken in accordance with its CSR Policy.

(₹ in Lakhs)

Particulars	2026	2025
a) Amount required to be spent by the Company during the year	7.99	28.92
b) Amount of expenditure incurred	7.99	28.92
c) Shortfall at the end of the year	-	-
d) Total of Previous years shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	The Company has undertaken Corporate Social Responsibility (CSR) activities primarily in the areas of rural development, including livestock development, community irrigation, water conservation, and other initiatives aimed at improving the socio-economic well-being of rural communities.	The Company has undertaken Corporate Social Responsibility (CSR) activities primarily in the areas of rural development, including livestock development, community irrigation, water conservation, and other initiatives aimed at improving the socio-economic well-being of rural communities.

Notes forming part of Financial Statements

21 Analytical Ratios

Sl. No		2026	2025	Variance %	Remarks
1	Current Ratio (in times)	1.11	1.03	8	Decrease in current liability resulted in increase of ratio
2	Debt Equity Ratio (in times)	0.15	0.21	-31	Repayment of term loans and increase in profit during the year resulted in improvement of ratio
3	Debt Service Coverage Ratio (in times)	1.48	0.94	57	Increase in profits resulted improvement in ratio
4	Return On Equity (in percentage)	0.05	0.05	8	Maintained at the same level
5	Inventory Turnover Ratio(in times)	5.41	5.03	8	Increase in sales resulted in increase of ratio
6	Trade Receivable Turnover Ratio (in times)	6.45	6.58	-2	Increase in Average Receivables level resulted for reduction in ratio
7	Trade Payable Turnover Ratio (in times)	6.74	5.76	17	Decrease in average trade payables resulted increase in ratio
8	Net Capital Ratio (in times)	42.71	66.80	-36	Increase in average working capital resulted in decrease of ratio
9	Net Profit Ratio (in percentage)	0.02	0.01	13	Increase in selling margin resulted in improvement ratio
10	Return on Capital Employed(in percentage)	0.15	0.09	12	Increase in profits resulted for improvement in ratio

22. Other Regulatory Information

1. Trade Payable ageing schedule as on 31.03.2026

(₹ in Lakhs)

Particulars	Not Due	Less than 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
(i) MSME	71.12	-	-	-	-	71.12
(ii) Others	17 62.73	16 53.21	0.00	0.00	0.00	34 15.94
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

2. 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	18 75.32	21 10.34	-	-	1.01	39 86.68
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

Notes forming part of Financial Statements

3 Trade Receivable ageing schedule as on 31.03.2026

(₹ 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	2412,28	2433.90	2531.21	0.11	0.01	13.02	7390.54
Undisputed Trade Receivable - considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivable - Considered good	-	-	-	-	-	3.79	3.79
Disputed Trade Receivable -Considered Doubtful	-	-	-	-	-	-	-

4 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	4207.09	68.49	0.04	3.73	14.21	6267.91
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

5. 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	-	-	-	-

6. Disclosure regarding the discrepancies noted in the quarterly statement filed by the Company with the banks (Indian Bank, The Karur Vysya Bank Limited, Central Bank of India, HDFC 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 25	Inventories &	14,988	14,983	(5)
September 25	Receivables	14,767	14,705	(62)
December 25		16,185	16,174	(11)
March 25		15185	15,097	(89)

Notes forming part of Financial Statements

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.

7. All title deeds of immovable properties of the Company are held in the name of Company only.

8. During the year, there is no Capital work in Progress on account of fixed assets.

9. The Company has no intangible assets under development.

10. The Company is not holding any benami property and hence no proceeding has been initiated or pending against the Company in this regard.

11. 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.

12. There is no transaction with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

13. 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.

14. The Company has not revalued its property, plant and equipment based on market price during the year.

15. There has been no Scheme of Arrangement approved by the competent authority.

16. 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.

17. 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.

23. 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
Membership No. 027497
UDIN:26027497ZZJZBZ5423

(Sd/-) KG Balakrishnan
Chairman
DIN: 00002174

(Sd/-) B Srihari
Managing Director
DIN: 00002556

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) K. Jayaraj
Company Secretary

Coimbatore
27.06.2026

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, 2026, 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, 2026, 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, Business Responsibility Report are expected to be made available to us after the date of this audit report.

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 Holding 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;

(e) On the basis of the written representations received from the Directors as on March 31, 2026 taken on record by the board of Directors, none of the Directors is disqualified as on March 31, 2026 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.

(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.

For **Gopalaiyer and Subramanian**
Chartered Accountants
FRN : 000960S
CA. R.Mahadevan
Partner
(Membership No. 027497)
UDIN: 26027497VCMOHR6491

Place: Coimbatore
Date : 27.06.2026

"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, 2026.

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, 2026 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 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.

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, 2026, 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.

For **Gopalaiyer and Subramanian**
Chartered Accountants
FRN : 000960S
CA. R.Mahadevan
Partner
(Membership No. 027497)
UDIN: 26027497VCMOHR6491

Place: Coimbatore
Date : 27.06.2026

Consolidated Balance Sheet as at 31st March, 2026

(₹ in Lakhs)

PARTICULARS	Note No.	31.03.2026	31.03.2025
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	5 42.00	5 42.00
Reserves and Surplus	3	120 69.31	114 94.13
Minority Interest	3a	-22.88	6.61
Non- Current Liabilities			
Long Term Borrowings	4	19 36.99	27 28.18
Deferred Tax Liabilities (Net)	5	22 22.16	20 71.25
Other Long Term Liabilities	6	7 40.62	6 72.81
Long Term Provisions	7	5 65.22	4 97.78
Current Liabilities			
Short Term Borrowings	8	110 13.13	114 74.02
Trade Payables	9		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		71.12	1 39.80
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		35 01.85	42 82.55
Other Current Liabilities	10	10 63.50	13 76.00
Short-Term Provisions	11	88.64	1 49.01
TOTAL		**337 91.67**	**354 34.13**
ASSETS			
Non-Current Assets			
Property, Plant & Equipment and Intangible assets			
(a) Property, Plant & Equipment	12	147 87.79	153 86.23
(b) Intangible Assets		0.11	0.14
(c) Capital Work-in-Progress		10.60	0.00
Non-Current Investments	13	9 88.98	9 88.39
Long-Term Loans and Advances	14	51.16	45.48
Other Non Current Assets	15	10 83.02	14 17.03
Current Assets			
Inventories	16	80 25.23	88 37.42
Trade Receivables	17	72 64.18	64 05.54
Cash and Cash Equivalents	18	2 76.86	2 80.84
Short-term Loans and Advances	19	8 49.94	15 50.48
Other Current Assets	20	4 53.79	5 22.59
TOTAL		**337 91.67**	**354 34.13**

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
Membership No. 027497
UDIN: 26027497VCMOHR6491

Coimbatore
27.06.2026

(Sd/-) KG Balakrishnan
Chairman
DIN: 00002174

(Sd/-) B Srihari
Managing Director
DIN: 00002556

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) K. Jayaraj
Company Secretary

Consolidated Statement of Profit and loss for the year ended 31st March, 2026

(₹ in Lakhs)

PARTICULARS	Note No.	31.03.2026	31.03.2025
REVENUE			
Revenue from operations	21	451 94.81	459 99.14
Other Income	22	4 97.96	3 77.51
Total Revenue		**456 92.77**	**463 76.65**
EXPENSES			
Cost of materials consumed	23	263 66.47	278 30.70
Purchases of Stock in Trade		4 38.05	5 63.81
Changes in inventories of Finished Goods and Work-in-Progress	24	4 75.25	-1 10.56
Power & Fuel		47 99.15	48 51.68
Employee Benefits Expense	25	57 61.74	56 19.52
Finance Costs	26	16 00.44	17 25.37
Depreciation		8 52.11	8 42.48
Other Expenses	27	41 58.52	42 17.34
Total Expenses		**444 51.73**	**455 40.35**
Profit/(Loss) Before Tax		**12 41.04**	**8 36.30**
Tax Expense:			
Current Tax (MAT)		-5 44.43	-1 48.32
Add : MAT Credit Entitlement		0.00	1 21.50
Income tax refund for prior years		0.00	1.64
Deferred Tax (Liability)/ Asset		-1 50.92	-2 67.32
Profit / (Loss) After Tax		**5 45.70**	**5 43.80**
Minority Interest Profit/(Loss)		**(29.48)**	**(10.06)**
Profit/(Loss) for the period		**5 16.21**	**5 33.74**
Earnings per Equity Share			
Basic and Diluted Earnings per share (in ₹.) (Face value ₹ 10/- Per share)		**9.52**	**9.85**
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
Membership No. 027497
UDIN: 26027497VCMOHR6491

Coimbatore
27.06.2026

(Sd/-) KG Balakrishnan
Chairman
DIN: 00002174

(Sd/-) B Srihari
Managing Director
DIN: 00002556

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) K. Jayaraj
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2026

(₹ in Lakhs)

PARTICULARS	31.03.2026	31.03.2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1241.04	836.29
Adjustments for :		
Depreciation	852.10	842.47
(Profit) /Loss on sale of Assets	11.88	-5.82
Interest income	-37.96	-59.31
Dividend income	-0.48	-0.35
Interest paid	1595.71	1721.91
Operating Profit before Working Capital Changes	**36 62.29**	**33 35.20**
(Increase)/Decrease in trade and other receivables	1 46.60	13 71.01
(Increase)/Decrease in inventories	8 12.20	4 16.96
Increase/(Decrease) in trade and other payables	-9 68.90	-6 77.05
Cash generated from operations	**36 52.19**	**44 46.12**
Direct taxes paid	-5 44.43	-1 48.32
Extra ordinary Items	0.00	49.72
Net Cash from Operating activities	**31 07.76**	**43 47.52**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-2 82.94	-5 79.29
Proceeds from sale of fixed assets	6.80	19.34
(Purchase) /sale of Investment	-0.60	-37.32
Prior year expenses	0.00	1.64
Interest received	20.01	57.56
Dividend received	0.48	0.35
Net cash used in investing activities	**-2 56.25**	**-5 37.72**
C. CASHFLOW FROM FINANCING ACTIVITIES		
Long term Borrowings repaid	-7 91.18	-15 54.35
Short term borrowings	-4 60.88	-8 43.77
Interest Paid	-16 03.43	-17 43.49
Net cash used in financing activities	-28 55.50	-41 41.62
Net increase in cash and cash equivalents	**-3.98**	**-3 31.82**
Cash and cash equivalents at beginning of the period	**2 80.84**	**6 12.66**
Cash and cash equivalents at end of the period	**2 76.86**	**2 80.84**
Components of Cash and Cash equivalents as at 31st March, 2026		
Cash and Cheques on hand	39.88	13.02
in Current Account	13.80	12.92
in Deposit Account	2 23.18	2 54.91
	2 **76.86**	**2 80.84**

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: 26027497VCMOHR6491

Coimbatore
27.06.2026

(Sd/-) KG Balakrishnan
Chairman
DIN: 00002174

(Sd/-) B Srihari
Managing Director
DIN: 00002556

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) K. Jayaraj
Company Secretary

Notes forming part of Consolidated Financial Statements

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 31.03.2026
Kannapiran Polymers Limited	India	75%

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.

Notes forming part of Consolidated Financial Statements

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 collect ability.

b) Direct Sales as reported are net of General Sales Tax.

c) Proceeds of export sales are accounted on the basis of credit given by the 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.

Notes forming part of Consolidated Financial Statements

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.

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	Number 31.03.2026	Number 31.03.2025	Amount 31.03.2026	Amount 31.03.2025
2. Share Capital				
Number and amount of Equity Shares Authorized (Face Value ₹ 10 each)	270 00 000	270 00 000	27 00.00	27 00.00
	270 00 000	270 00 000	27 00.00	27 00.00
Number and amount of Preference Shares Authorized (Face Value ₹ 10 each)	6 00 000	6 00 000	6 00.00	6 00.00
	6 00 000	6 00 000	6 00.00	6 00.00
Number and amount of Equity Shares Issued	55 03 024	55 03 024	5 50.30	5 50.30
Number of Equity Shares Subscribed and Fully Paid up	54 19 928	54 19 928	5 41.99	5 41.99
Add : Forfeited Shares	-	-	0.01	0.01
	54 19 928	54 19 928	5 42.00	5 42.00
Equity shares alloted on account of Amalgamation	-	-	-	-
Total	54 19 928	54 19 928	5 42.00	5 42.00

Par value per Equity share (in Rs 10 each)

Terms & Conditions of equtiy shares:

The Company has only one class of equity shares having a par value of Rs.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 Rs. 135 lakhs during the year 2021-22.

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	PARTICULARS	31.03.2026	31.03.2025
3	**Reserves and Surplus**		
	General Reserve		
	As per last Balance Sheet	36 71.00	36 71.00
		36 71.00	**36 71.00**
	Capital Redemption Reserve		
	As per last Balance sheet	1 39.64	1 39.64
	redemption of Preference shares	**1 39.64**	**1 39.64**
	Surplus		
	As per last Balance Sheet	46 77.14	41 23.28
	Add: Transfer from Profit and Loss Statement	6 62.52	5 83.66
	Add: Share of Profit from Subsidiary	-87.33	-29.81
	Closing balance	**52 52.32**	**46 77.14**
	Revaluation Reserve		
	As per last Balance sheet	13 92.25	13 92.25
		13 92.25	**13 92.25**
	Capital Reserve		
	As per last Balance sheet	16 14.10	16 14.10
		16 14.10	16 14.10
		120 69.31	**114 94.13**
3a	**Minority Interest**		
	Share Capital	45.01	45.01
	Reserves and Surplus	-67.89	-38.40
		-22.88	**6.61**
	Non Current Liabilities		
4	**Long Term Borrowings**		
	Secured		
	Term Loans From Banks	12 44.31	19 69.21
	Long term maturities of finance lease obligations	6.24	14.18
	Deposits:		
	(a) Inter Corporate Deposit	6 24.54	6 86.79
	(b) Performance Deposit	61.90	58.00
		19 36.99	**27 28.18**

SECURITY CLAUSE AS AT 31.03.2026

Term loan (ECB) from Good Fashion Fund, Netherlands of ₹1183.18 lakhs (USD 12,50,000) is secured by exclusive charge on assets acquired out of the term loan and pari-passu second charge on the other entire Fixed assets of the Company (Excluding assets exclusively charged to The Karur Vysya Bank Limited, Good Fashion fund and ICICI Bank) along with Indian Bank, Central Bank of India, HDFC Bank Ltd, Punjab National Bank and The Karur Vysya Bank Limited.

GECL/STL Loans availed from Indian Bank of ₹139.05 lakhs, Central Bank of India of ₹22.96 lakhs, The Karur Vysya Bank Limited of ₹16.72 lakhs & ₹75.23 lakhs, Punjab National Bank of India of ₹108.80 lakhs, HDFC Bank of ₹114.79 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 The Karur Vysya Bank Limited, Good Fashion fund and ICICI Bank).

Term Loan from The Karur Vysya Bank Limited of ₹269.18 lakhs, is secured by exclusive charge on assets acquired out of the term loan and pari passu second charge on the other entire fixed assets of the Company (Excluding assets exclusively charged to The Karur Vysya Bank Limited, Good Fashion fund and ICICI Bank) along with Indian Bank, Central Bank of India, HDFC Bank Ltd and Punjab National Bank.

Notes forming part of Consolidated Financial Statements

The Corporate Term Loan of ₹1,200.00 lakhs availed from The Karur Vysya Bank is secured by exclusive charge on vacant land of 0.99 acres situated at SF No. 423/3B, Kalapatti (West), Coimbatore.

Term loans availed by Subsidiary Company from Union Bank of India of ₹333.00 lakhs with outstanding of ₹116.89 lakhs [PY ₹185.99 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 are secured by hypothecation of the equipment purchased out of the loan. Mr. Govind M Padiath, Director of the Company has given personal guarantee to the Bank. The aggregate value of personal guarantee as on 31.03.2026 was ₹14.41 lakhs [PY ₹35.64 lakhs].

Bank	Outstanding as on		Interest rate %	Repayment months	From	Last Installment
	31.3.2026	31.3.2025				
Indian Bank ECLGS	1 39.05	2 22.57	8.65	20		Nov'27
Central Bank of India ECLGS	22.96	55.62	8.65	11		Feb'27
Punjab National Bank- ECLGS	1 08.80	1 61.05	7.65	25		Apr'28
HDFC Bank - ECLGS	1 14.79	1 62.29	9.20	29		Aug'28
The Karur Vysya Bank Limited - Term loan	2 69.18	-	9.25	18		Sep'27
The Karur Vysya Bank Limited – STL	16.72	-	9.25	12		Mar'27
The Karur Vysya Bank Limited – STL	75.22	-	9.25	23		Feb'28
The Karur Vysya Bank Limited - Corporate Term loan	12 00.00	-	9.00	12	July'26	June'27
ICICI Bank	15.62	29.66	10.76	12		Mar'27
Good Fashion Fund ECB loan (USD 1250000)	11 83.18	16 04.65	7.13 (SOFR +3.5%)	24	July'24	Jan'28
Union Bank of India – TL I	97.09	1 53.69	11.25%	21		Dec'27
Union Bank of India – TL II	19.80	32.30	11.05%	20		Nov'27

The Term Loans (excluding GECL Loans) from Karur Vysya Bank Limited., and Good Fashion Fund are guaranteed by Mr B Srihari, Managing Director.

There is no delay in payment of term loan dues and interest payment as at 31.03.2026

Working capital facilities from Indian Bank Consortium (Indian Bank, Central Bank of India, Punjab National Bank, The Karur Vysya Bank Limited and HDFC Bank) 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 and plant and machineries of Company (Excluding assets exclusively charged to The Karur Vysya Bank Limited, Good Fashion Fund and ICICI Bank).

The Working capital limits from Indian Bank, Central Bank of India, The Karur Vysya Bank Limited, HDFC Bank Limited and Punjab National Bank are guaranteed by Mr B Srihari, Managing Director

The Working Capital facilities availed by Subsidiary Company from Union Bank of India are secured by hypothecation of stock and book debts of the 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 have given Corporate Guarantee and Mr.Govind P Padiath, Director of the Company has given personal guarantee of the Union Bank of India for working capital limits and term loan. The aggregate value of guarantees as on 31.03.2026 was ₹545.68 lakhs (PY ₹733.00 lakhs).

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	PARTICULARS		31.03.2026	31.03.2025
5	**Deferred Tax Liabilities**			
	Deferred Tax Asset:			
	On account of Business Loss		1 27.79	87.60
	Provision for Gratuity		2 08.92	1 55.31
	On account of Preliminary Expenses		0.27	0.00
		Total	**3 36.98**	**2 42.91**
	Deferred Tax Liability:			
	On account of Depreciation		25 59.14	2 314.16
	Net Deferred Tax Liabilities	**Total**	**22 22.16**	**2 071.25**
6	**Other Long Term Liabilities**			
	Other Payable		7 40.62	6 72.81
		Total	**7 40.62**	**6 72.81**
7	**Long Term Provisions**			
	Provision for Gratuity		5 65.22	4 97.78
		Total	**5 65.22**	**4 97.78**
	Current Liabilities			
8	**Short Term Borrowings**			
	Secured			
	Loans repayable on Demand from Banks (Secured)		80 18.36	86 57.22
	Current maturities of long term Debt		20 20.20	14 21.21
	From Bank (Unsecured)		9 65.07	13 86.09
	From related party (Unsecured)		9.50	9.50
		Total	**110 13.13**	**114 74.02**
9	**Trade Payables**			
	Dues to Micro and Small Enterprises		71.12	1 39.80
	Others		35 01.85	42 82.55
		Total	**35 72.97**	**44 22.35**
	For ageing schedule refer note no: 1 & 2 in other notes			
10	**Other Current Liabilities**			
	Current maturities of finance lease obligations		7.94	24.92
	Interest accrued and but not due on borrowings		27.12	35.05
	Advances from Customers		41.09	45.35
	Other Payables		9 87.34	12 70.68
		Total	**10 63.50**	**13 76.00**
11	**Short-term provisions**			
	Provision for Gratuity		32.66	37.28
	Provision for Tax (Net of Advance Tax)		55.97	1 11.73
		Total	**88.64**	**1 49.01**

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 01.04.2025	Additions During the year	Sales During the year	As at 31.03.2026	Up to 31.03.2025	For the Year	Withdrawn for the year	Upto 31.03.2026	As at 31.03.2026	As at 31.03.2025
PROPERTY, PLANT AND EQUIPMENT										
1. Land	25 55.16	6.88	0.00	25 62.04	0.00	0.00	0.00	0.00	25 62.04	25 55.16
2. Building	52 30.71	4.80	0.00	52 35.51	26 35.57	1 37.43	0.00	27 73.00	24 62.52	25 95.14
3. Machinery	211 86.92	2 18.73	56.26	213 49.39	117 47.65	6 06.55	37.58	123 16.63	90 32.76	94 39.27
4. Elec. Machinery	27 09.88	28.18	0.00	27 38.06	21 40.34	75.59	0.00	22 15.94	5 22.12	5 69.54
5. Furniture & Fixtures	4 35.04	0.00	0.00	4 35.04	4 03.88	2.93	0.00	4 06.82	28.23	31.16
6. Office Equipments	1 47.22	13.74	0.00	1 60.97	1 18.33	4.73	0.00	1 23.06	37.91	28.89
7. Motor Vehicles	4 62.68	0.00	0.00	4 62.68	3 01.03	24.59	0.00	3 25.62	1 37.07	1 61.65
8.Weighing Scale	20.25	0.00	0.00	20.25	19.24	0.00	0.00	19.24	1.01	1.01
9.Tools & Equipments	24.76	0.00	0.00	24.76	20.36	0.26	0.00	20.62	4.14	4.40
	327 72.63	**2 72.35**	**56.26**	**329 88.71**	**173 86.40**	**8 52.09**	**37.58**	**182 00.91**	**147 87.79**	**153 86.23**
INTANGIBLE ASSETS										
10. Software	7.27	0.00	0.00	7.27	7.13	0.03	0.00	7.16	0.11	0.14
TOTAL	**327 79.90**	**2 72.35**	**56.26**	**329 95.98**	**173 93.53**	**8 52.10**	**37.58**	**182 08.07**	**147 87.90**	**153 86.36**
Work in Progress	**0.00**	**10.60**	**0.00**	**10.60**	**0.00**	**0.00**	**0.00**	**0.00**	**10.60**	**0.00**
Previous year	**323 04.07**	**5 79.29**	**1 03.47**	**327 79.90**	**165 91.30**	**8 42.48**	**40.22**	**173 93.54**	**153 86.36**	**157 12.77**

Note: Office furniture Cost includes ₹ 78 39 667 lakhs towards cost of Jewels,Golden Charriot, and Thoobasthambam of Prayer Hall Then Thirumalai

Notes forming part of consolidated financial statements

13 Non-Current Investments

Investments in (At Cost)

(₹ in Lakhs)

Particulars	Face Value	31.03.2026 Nos.	31.03.2025 Nos.	31.03.2026 Amount	31.03.2025 Amount
Non Trade - Quoted - Fully paid up					
Rajshree Sugars and Chemicals Limited	10	50 00	50 00	0.50	0.50
IDBI Bank Limited	10	142 40	142 40	11.57	11.57
Indian Bank	10	10 00	10 00	0.91	0.91
The South Indian Bank Limited	1	54 03	54 03	0.84	0.84
Trade Investments - Quoted					
K G Denim Limited	10	326 51 83	326 51 83	463.85	463.85
Trade Investments - Unquoted					
iEnergy Wind Farms (Theni) Private Limited	10	10 75	10 75	0.11	0.11
Watsun Infrabuild Private Limited	10	17 89 34	17 89 34	17.89	17.89
Arkay Energy (Rameswaram) Limited	10	110	16 17 51	0.01	16.18
Arja Energys Private Limited	10	25 00 00	25 00 00	25.00	25.00
Cotton Sourcing Company Limited	10	100 00	100 00	1.00	1.00
Nellai Renewables Private Limited	10	210 00 00	210 00 00	2 10.00	2 10.00
AMP Energy C&I Private Limited	10	200 00 00	200 00 00	2 00.00	2 00.00
MAR Renewable Energy Limited	10	26 00	26 00	0.26	0.26
Rithan Green Power Private Limited	10	26 00	26 00	0.26	0.26
Anandhaa Solar Energy (P) Limited	10	-	6 00	0.00	0.06
IKKI Green Energy Private Limited	10	260 00	2 60 00	27.82	27.82
ARN Green Energy Private Limited	10	26 00	26 00	0.26	0.26
Trang Engineering and Construction Private Limited	10	12 92 20		12.92	
Sri Rathinagiri Green Power Private Limited	10	390 00		3.90	
Non Trade Investments - Unquoted					
Kannapiran Mills Employee's Co-op. Stores Limited				0.04	0.04
Investment in Partnership firm					
Victory Green power				3.90	3.90
M/s. K G House (Madras)				7.94	7.94
				9 88.98	**9 88.39**
Aggregate Value of quoted investments					
Cost				4 77.67	4 77.67
Market value				4 75.97	5 09.74
Aggregate amount of unquoted investments				5 11.31	5 10.72

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	PARTICULARS	31.03.2026	31.03.2025
14	**Long-Term Loans and Advances**		
	(Unsecured, considered good)		
	Other Loans and Advances :		
	Advances recoverable in cash or kind, for value to be received	51.16	45.48
	TOTAL	**51.16**	**45.48**
15	**Other Non Current Assets**		
	Long Term Trade Receivables	16.94	51.01
	TUF Subsidy Receivable	36.02	36.02
	MEIS Premium Receivable	0.42	.42
	Security Deposits	28.21	28.47
	MAT Credit Entitlement	10 01.44	13 01.12
	TOTAL	**10 83.02**	**14 17.03**
16	**Inventories (At lower of cost or net realisable value)**		
	Cotton & Cotton Waste	27 96.13	29 82.75
	Yarn	4 08.92	5 60.51
	Pet Bottles	73.81	1 28.07
	Work-in-progress	8 82.97	8 91.17
	Finished goods -Yarn	23 32.96	24 19.47
	Finished goods -Fabrics	10 47.62	13 24.49
	Finished goods - Pet Flakes	1 06.99	1 69.99
	Pet waste	31.91	72.57
	Stores and spares	2 30.77	1 97.56
	Chemicals	1 13.17	90.83
	TOTAL	**80 25.23**	**88 37.42**
17	**Trade Receivables**		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months from the due date	23 97.79	68.75
	Others	48 66.39	63 36.79
	TOTAL	**72 64.18**	**64 05.54**
18	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Balances with banks		
	In Current Account	13.80	12.92
	Cash on hand	39.88	13.02
	Other Bank Balances		
	Deposits held as Margin money	2 23.18	2 54.91
	TOTAL	**2 76.86**	**2 80.84**
19	**Short-Term Loans and Advances**		
	(Unsecured, Considered Good)		
	Advances recoverable in cash or in kind, or for value to be received	6 16.49	13 51.73
	GST Receivable	1 20.76	36.44
	Prepaid expenses	1 12.69	1 62.31
	TOTAL	**8 49.94**	**15 50.48**

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS		31.03.2026	31.03.2025
20 Other Current Assets			
(a) Interest accrued on Bank Deposits		32.35	14.40
(b) Income Receivable:			
(i) Duty draw back receivable		24.96	12.68
(ii) Conversion Charges Receivable		16.20	22.55
(iii) RODTEP Premium Receivable		65.96	49.87
(iv) Other income receivable		16.60	18.02
(c) Security Deposit		2 97.71	4 05.07
	TOTAL	**4 53.79**	**5 22.59**
REVENUE FROM OPERATIONS			
21 a) Sale of products			
Yarn		235 40.55	231 28.47
Glove		4 31.75	3 57.61
Fabric		185 55.20	188 27.50
Waste		1 80.20	23 57.35
Pet flakes		12 84.02	1 04.46
	Sub Total	**439 91.71**	**447 75.40**
b) Sale of Services			
Conversion Charges - Others		5 88.01	5 61.91
	Sub Total	**5 88.01**	**5 61.91**
c) Other operating revenues:			
Export Incentives		6 15.09	6 61.83
	Sub Total	**6 15.09**	**6 61.83**
	TOTAL	**451 94.81**	**459 99.14**
22 Other income			
Interest Income		37.95	59.32
Dividend Income		0.48	.35
Rent Received		1 02.88	68.14
Gratuity excess provision written back		-	8.85
Foregin Exchange (gain) -Net		2 56.13	1 04.41
Profit on sale of assets		-	5.82
Agriculture Income		1.75	0.40
Miscellaneous receipts		98.76	1 30.23
	TOTAL	**4 97.96**	**3 77.51**
23 Cost of Materials Consumed			
Opening Stock			
Raw material		36 48.54	40 27.96
Waste		22.80	23.59
Add : Purchases		263 11.03	281 43.97
		299 82.37	**321 95.52**
Less : sale of Rawmaterial		3 37.04	6 93.48
Less: Closing Stock			
Raw material - Cotton & Yarn		31 82.67	35 20.47
Waste - Cotton		22.38	22.80
PET Bottles		73.81	1 28.07
	TOTAL	**263 66.47**	**278 30.70**
Details of Materials Consumed			
Cotton, Waste Cotton and Yarn		242 18.50	153 22.09
Chemicals		12 81.69	107 42.68
Pet Bottles		8 66.28	17 65.94
	TOTAL	**263 66.47**	**278 30.70**

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

	PARTICULARS		31.03.2026	31.03.2025
24	**Changes in inventory of Finished Goods and WIP**			
	Opening 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
	Pet flakes & waste		2 42.56	1 31.38
		Sub Total	**48 77.70**	**47 67.14**
	Closing Stock			
	Finished Goods - Yarn		23 27.08	24 14.85
	Finished Goods - Fabrics		10 47.62	13 24.49
	Finished Goods - Glove		5.88	4.62
	Work in Process		8 82.97	8 91.18
	Pet flakes & waste		1 38.89	2 42.56
		Sub Total	**44 02.44**	**48 77.70**
	Stock (Increase) / Decrease		**4 75.25**	**-1 10.56**
25	**Employee Benefits Expenses**			
	Salaries and wages		50 22.13	49 21.76
	Contribution to provident and other funds		2 06.85	2 03.11
	Gratuity Expenses		1 49.43	52.64
	Welfare expenses		3 55.45	3 98.47
	Managerial Remuneration		27.89	43.54
		TOTAL	**57 61.74**	**56 19.52**
26	**Finance Cost**			
	Interest on Working Capital		11 80.91	11 41.65
	Interest on Term Loan		2 47.39	4 64.80
	Bank Charges		1 72.13	1 18.92
		TOTAL	**16 00.44**	**17 25.37**
27	**Other Expenses**			
	Consumption of Stores and Spare Parts		96.41	97.21
	Consumption of packing materials		3 70.65	3 71.71
	Repairs to Buildings		1 38.72	2 18.15
	Repairs to Machinery		10 60.70	10 84.54
	Repairs & Maintenance - Others		1 51.86	59.05
	Insurance		1 00.06	1 06.40
	Rates and Taxes, excluding, Taxes on Income		74.30	92.19
	Accountancy and Legal charges		61.23	32.12
	Filling Fees		0.24	0.28
	Brokerage & Commission		5 47.01	5 99.71
	Selling Expenses		1 69.12	2 17.02

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

PARTICULARS	31.03.2026	31.03.2025
Carriage Outwards	5 11.06	5 25.94
Lease Rent	41.38	29.56
Auditors Remuneration		
- For Audit Fees	6.90	6.90
- For Tax Audit Fees	1.65	1.40
- For Certification Fees &Other Miscellaneous Fees	0.03	.37
Sitting Fees	5.00	4.30
C S R Expenses	7.99	28.92
Processing Charges	1 75.77	1 99.52
Travelling Exps & Maint. of vehicle	4 23.56	3 78.61
Courier & Telephone charges	88.72	97.09
Bad Debts Written off	45.99	.54
Prayer Hall Expenses	28.88	29.21
Loss on Sale of Assets (Net)	11.88	.00
Miscellaneous expenses	39.44	36.59
TOTAL	**41 58.52**	**42 17.34**

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 at 31.03.2026 is Rs.4.13 lakhs (Advance paid Rs.4.13 lakhs) (P.Y. Rs.4.13 lakhs Advance paid Rs.4.13 lakhs)

2 Future Hire Purchase charges payable as on 31.03.2026 is Rs.1.48 lakhs. (Previous year Rs.5.25 lakhs)

3 Income-tax Assessment for the Assessment year 2025-26 is pending.

4. **Imports-CIF Basis**

a) Purchases

(₹ in Lakhs)

Particulars	31.03.2026	31.03.2025
Raw material	-	-
Spares and Components	59.42	53.79
Capital Goods	4.61	-

b) Consumption

(₹ in Lakhs)

Particulars	2025-26		2024-25	
	Imported	Indigenous	Imported	Indigenous
Raw material value	--	26366.47	--	27830.70
As a % of Total Raw material Consumption	– %	100%	–	100%
Spares and Components	65.35	10 91.76	53.79	11 27.97
As a % of Total Spares & Components	5.65%	94.35%	4.55%	95.45%

5 i) **Expenditure in Foreign Currency**

	31.03.2026	31.03.2025
Travelling Expenses	**74.30**	**56.28**
Interest on foreign currency borrowings	1 12.41	1 59.53

ii) **Earnings in Foreign Currency**

Export of Goods FOB Basis on Direct Export	121 92.63	120 98.81

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/-	49.00%
Sri Kumaraguru Mills Limited	7,93,800/-	49.00%
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 Amirthlakhsmi	4,095/-	0.2659%
Mrs B Dhanalakshmi	855/-	0.0556%
Mrs R Shanthamani	855/-	0.0556%

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

	31.03.2026	31.03.2025
1. Principal Acutarial Assumptions		
Discount Rate	6.85%	6.80%
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	5 35.05	5 43.90
Interest Cost	36.36	38.86
Current Service Cost	49.35	43.90
Past Service Cost – (Non Vested Benefits)	0	0
Past Service Cost – (Vested Benefits)	0	0
Benefits Paid	-86.60	-52.64
Actuarial loss / (gain) on obligation (balancing figure)	63.72	-38.96
PVO as at the end of the period	5 97.88	5 35.05
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	63.72	-38.96
Actuarial gain / (loss) on plan assets	0	0
Total gain / (Loss) for the period	63.72	-38.96
Actuarial gain / (loss) recognized in the period	63.72	-38.96

Notes forming part of Consolidated Financial Statements

VI. Expenses recognized in the statement of profit and loss

Current service cost	49.35	43.89
Interest Cost	36.36	38.86
Expected return on plan assets	0	0
Net actuarial (gain)/loss recognized in the year	63.72	-38.96
Expenses recognized in the statement of profit and loss	1 49.43	43.79

VII. Movements in the liability recognized in the balance sheet

Opening net liability	5 35.05	5 43.90
Expense as above	1 49.43	43.79
Contribution paid	(86.60)	(52.64)
Closing net liability	5 97.88	5 35.05

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	2 00.07	1 99.05

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 Director 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 Private Limited Trigger Apparels Limited Sri Karthikeya Spinning and Weaving Mills Private Limited Vijayalakshmi Paper Mills

Notes forming part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	Other Related Party *		Key Management Personnel		Relatives of Key Management Personnel	
	2026	2025	2026	2025	2026	2025
Purchase of Goods	2 34.79	16 96.15	--	--	--	--
Purchase of Property , Plant and Equipment	18.00	--	--	--	--	--
Sale of Goods	1 18.75	4 16.49	--	--	--	--
Conversion Charges (Receipt)	2.36	6.13	--	--	--	--
Conversion Charges (Paid)	--	6.52	--	--	--	--
Managerial Remuneration	--	--	81.65	90.59	--	--
Sitting Fees	--	--	1.70	1.20	0.40	0.40
Lease Rent Paid – Land/Building/Machinery	2.48	2.48	--	--	46.35	29.69
Interest Paid on Inter corporate Deposit	63.08	66.46	--	--	--	--
Balance Outstanding as on March 31st						
Payable	2 91.37	2 76.09	6.45	5.95	--	--
Receivable	24 42.96	24 24.50	--	--	10.77	8.24

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

Notes forming part of Consolidated Financial Statements

*** Other related party transactions**

(₹ in Lakhs)

Particulars	Other Related Party	
	2025-26	2024-25
Purchase of Goods	**2 34.79**	**16 96.15**
KG Denim Limited	-	67.68
Sri Balamurugan Textile Processing Limited	2 29.85	16 24.18
Others	4.94	4.29
Purchase of Property, Plant and Equipments	**18.00**	**-**
Sri Karthikeya Spg & Wvg Mills Private Limited	18.00	0.00
Sale of Goods	**1 18.75**	**4 16.49**
KG Denim Limited	1 18.75	4 16.49
Conversion Charges (Receipt)	**2.36**	**6.13**
KG Denim Limited	2.36	6.13
Conversion Charges (Paid)	**-**	**6.52**
KG Denim Limited	-	6.52
Lease Rent Paid – Land/Building/Machinery	**2.48**	**2.48**
KG Denim Limited	2.48	2.48
Interest Paid on Inter corporate Deposit	**63.08**	**66.46**
RND Softtech Private Limited	15.34	15.02
Sri Balamurugan Textile Processing Limited	47.74	51.44
Balance Outstanding as on March 31st		
Payable	**2 91.37**	**2 76.09**
Receivable	**24 42.96**	**24 24.50**

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	31.03.2026	31.03.2025
Not later than one year	5.08	6.03
Later than one year but not later than five Years	--	–
Later than Five years	–	–

12 AS 20 – EARNINGS PER SHARES

Particulars	31.03.2026	31.03.2025
Net profit after tax and adjustments	5 16.21	5 33.74
Weighted average No. of Equity Shares	54,19,928	54,19,928
Basic & diluted Earnings Per Share (Face Value – ₹ 10/- each)	9.52	9.85

13 AS 22 – DEFERRED TAX LIABILITY

(₹ in Lakhs)

	Opening as on 01.04.2025	Adjustments made during the year	Closing as on 31.03.2026
Deferred Tax Liability			
Depreciation	23 14.16	2 44.98	25 59.14
Total	**23 14.16**	**2 44.98**	**25 59.14**
Deferred Tax Asset			
Provision for Gratuity (Net)	1 55.31	53.61	2 08.92
Preliminary Expenses	0.54	(0.27)	0.27
On account of losses	87.06	40.73	127.79
Total	**2 42.91**	**94.07**	**3 36.98**
Net Deferred Tax (Asset) / Liability	**20 71.25**	**1 50.91**	**22 22.16**

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 ₹ 317.18 lakhs (Previous year ₹ 299.97 lakhs) towards self-Generating Tax and ₹147.62 lakhs (Previous year ₹126.58 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 ₹ 243.93 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 31.03.2026.

15 Electricity charges debited in Profit and loss account is net of value of Captive electricity generation through wind mill of ₹139.41 lakhs (Previous year ₹151.94 lakhs).

16. On 21st November 2025, The Government of India notified The Four Labour Codes, namely The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020, consolidating 29 existing central labour laws. The Ministry of Labour and Employment has published Draft Central Rules and Frequently Asked

Notes forming part of Consolidated Financial Statements

Questions (FAQs) to facilitate assessment of the financial impact arising from the changes introduced by these Codes.

The Company has evaluated and quantified the incremental impact of these changes based on the best information currently available and in accordance with the guidance issued by the Institute of Chartered Accountants of India (ICAI). Considering the materiality of the impact and its regulatory-driven, non-recurring nature, the Company has presented the incremental impact as gratuity of the Profit and loss Statement , amounting to ₹62.83 lakhs for the year ended 31st March, 2026.

The increase is primarily attributable to the recognition of additional past service cost relating to gratuity liabilities arising from the revised definition of wages applicable to employees and contract labour under the Labour Codes. The Company continues to monitor the finalisation of the Central and State Rules and any further clarifications issued by the Government on various aspects of the Labour Codes. Appropriate accounting adjustments, if any, will be recognised in the financial statements as and when such developments occur.

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

(₹ in Lakhs)

		31.03.2026	31.03.2025
a)	Principal amount due	71.12	139.80
	Interest due on above	-	-
b)	Interest paid during the period beyond the appointed date	-	-
c)	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.	-	-

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

19. Pursuant to Section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profits of the three immediately preceding financial years on Corporate Social Responsibility (CSR) activities. The CSR activities of the Company are undertaken in accordance with its CSR Policy.

(₹ in Lakhs)

Particulars	2026	2025
a) Amount required to be spent by the Company during the year	7.99	28.92
b) Amount of expenditure incurred	7.99	28.92
c) Shortfall at the end of the year	-	-
d) Total of Previous years shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	The Company has undertaken Corporate Social Responsibility (CSR) activities primarily in the areas of rural development, including livestock development, community irrigation, water conservation, and other initiatives aimed at improving the socio-economic well-being of rural communities.	The Company has undertaken Corporate Social Responsibility (CSR) activities primarily in the areas of rural development, including livestock development, community irrigation, water conservation, and other initiatives aimed at improving the socio-economic well-being of rural communities.

20. Other Regulatory Information

i). Trade Payable ageing schedule as on 31.03.2026

(₹. in Lakhs)

Particulars	Not Due	Less than 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
(i) MSME	71.12	-	-	-	-	71.12
(ii) Others	17 83.59	17 18.26	0.00	0.00	0.00	35 01.85
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

ii) Trade Payable ageing schedule as on 31.03.2025

Particulars	Not Due	Less than 1 year	1 year 2 years	2 years 3 years	Above 3 years	Total
(i) MSME	1 39.80	-	-	-	-	1 39.80
(ii) Others	21 88.23	20 92.82	0.49	-	1.01	42 82.55
(iii) Disputed dues –MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-

Notes forming part of Consolidated Financial Statements

(iii). Trade Receivable ageing schedule as on 31.03.2026

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	24 22.75	23 98.37	24 38.04	5.05	0.09	13.02	72 77.33
Undisputed Trade Receivable - considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivable - Considered good	-	-	-	-	-	3.79	3.79
Disputed Trade Receivable	-	-	-	-	-	-	-

(iv). 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	21 16.40	42 20.39	68.75	0.04	3.73	14.21	64 23.52
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

(v) Capital Work-in-progress ageing schedule as on 31.03.2026 (₹. in Lakhs)

Particulars	Amount of Capital Work-in-progress for a period of (Rs. In lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	10.60	Nil	Nil	Nil	10.60
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

Notes forming part of Consolidated Financial Statements

(vi) Capital Work-in-progress ageing schedule as on 31.03.2025

(₹. in Lakhs)

Particulars	Amount of Capital Work-in-progress for a period of (Rs. In lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	Nil	Nil	Nil	Nil	Nil
Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

(vii) 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	-	-	-	-
	-	-	-	-

(viii) 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 25	Inventories &	14,988	14,983	(5)
September 25	Receivables	14,767	14,705	(62)
December 25		16,185	16,174	(11)
March 26		15185	15,097	(89)

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.

(ix). All title deeds of immovable properties of the Company are held in the name of the Company only.

(x). The Company has no intangible assets under development.

(xi). The Company is not holding any benami property and hence no proceeding has been initiated or pending against the Company in this regard.

(xii). 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

(xiii). There is no transaction with struck off companies under Section 248 of the Companies Act, 2013, or Section 560 of the Companies Act, 1956.

Notes forming part of Consolidated Financial Statements

(xiv). 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.

(xv). The Company has not revalued its property, plant and equipment based on market price during the year.

(xvi). There has been no Scheme of Arrangement approved by the competent authority.

(xvii). The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

(xviii). 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.

21. 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
Membership No. 027497
UDIN: 26027497VCMOHR6491

Coimbatore
27.06.2026

(Sd/-) KG Balakrishnan
Chairman
DIN: 00002174

(Sd/-) G Krishnakumar
Chief Financial Officer

(Sd/-) B Srihari
Managing Director
DIN: 00002556

(Sd/-) K. Jayaraj
Company Secretary

PERFORMANCE OVER THE YEAR

(₹ in Lakhs)

	For the year ended March 31									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue from Operations	176 13.04	189 71.62	303 26.95	302 34.21	251 94.09	493 57.82	490 41.86	456 00.43	438 40.22	439 29.32
Other Income	2 29.3	1 70.44	6 04.03	3 12.02	2 94.08	2 19.41	5 66.33	5 67.15	3 60.76	4 97.44
Total Revenue	178 42.34	191 42.06	309 30.98	305 46.23	254 88.17	495 77.23	496 08.19	461 67.58	442 00.98	444 26.46
Profit Before Interest and Depreciation	23 27.05	23 64.28	33 78.21	27 54.82	28 44.92	65 22.38	31 18.09	19 53.96	33 46.70	37 50.13
Financial Charges	8 53.40	7 62.24	17 62.44	18 91.03	17 66.86	16 64.27	14 98.27	17 32.48	16 47.08	15 29.33
Depreciation	4 55.70	4 61.26	8 49.75	7 81.75	7 57.83	8 30.19	7 51.82	7 79.99	8 10.63	8 23.25
Profit Before Taxation	10 17.95	11 40.78	7 66.02	82.04	3 20.23	40 27.92	8 68.00	-5 58.51	8 88.99	13 97.25
Profit After Taxation	9 99.16	8 77.73	7 66.02	-46.30	2 28.36	26 75.54	6 71.22	-5 74.04	5 83.69	6 62.52
Gross Fixed Assets	163 88.28	173 26.31	291 96.17	292 11.08	292 25.99	291 58.48	298 99.11	318 15.14	323 32.57	325 48.64
Net Fixed Assets	70 10.37	75 29.54	147 36.76	141 54.04	136 10.85	135 39.11	137 62.46	152 76.68	150 23.70	144 54.11
Share Capital	3 63.66	3 63.66	6 77.00	6 77.00	6 77.00	5 42.00	5 42.00	5 42.00	5 42.00	5 42.00
Reserves and Surplus	43 77.99	51 84.64	80 69.43	80 23.14	82 51.50	109 27.03	115 98.25	110 24.21	116 07.87	122 70.39
Long Term Borrowings	24 12.00	20 33.82	51 27.38	40 27.92	61 64.83	59 20.01	47 30.93	40 88.56	26 05.10	18 89.20

* from 2019, performance includes figures of merged entity

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 80th Annual General Meeting of the Members of Sri Kannapiran Mills Limited will be held on Tuesday, the 29th day of September, 2026 at 10.45 AM (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 2026, 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. B Sriramulu (DIN: 00002560), 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 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-imbursement 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, 2027 be and are hereby ratified and confirmed.

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

Place : Coimbatore
Date : 27.06.2026

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, 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, General Circular No.09/2024 dated 19.09.2024, and General Circular No.03/2025 dated 22.09.2025 . In terms of the said Circulars, the 80th 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 80th AGM to be held on 29.09.2026 along with Annual Report of the financial year 2025-26 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 2025-26 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.com. The 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 23.09.2026 to 29.09.2026 (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, 25.09.2023,19.09.2024 and 22.09.2025 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. 02/2022 dated 05.05.2022, General Circular No.10/2022 dated 28.12.2022, General Circular No.09/2023 dated 25.09.2023, General Circular No.09/2024 dated 19.09.2024 and General Circular No.03/2025 dated 22.09.2025, it has been decided to allow companies to conduct their AGMs through VC or OAVM till further orders, 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. 22.09.2026, 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 26.09.2026. at 9.00 AM (IST) and ends on 28.09.2026 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 22.09.2026 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 22.09.2026

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.L Narasimha, (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
Individual Shareholders holding securities in Demat mode with CDSL Depository	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 and 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 e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting 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 / MUFG Intime, 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 website www.cdslindia.com and click on login and 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 or click on https://evoting.cds lindia.com. 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 e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	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	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https :// eservices .nsdl. com /Secure Web/ Ideas Direct Reg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name 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. 4) For OTP based login you can click on https://eservices.nsdl.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 the 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the Company name or e-Voting service provider name 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.

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

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 helpdesk by sending a request at the lpdesk.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 helpdesk 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) ● 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)

   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.

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

Place : Coimbatore
Date : 27.06.2026

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

Item No. 3

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 2027. 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.3 of the notice for ratification of the remuneration of the Cost Auditor for the financial year 2026-2027.

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

Place : Coimbatore
Date : 27.06.2026

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.B Sriramulu**
DIN	00002560
Date of Birth	27.04.1967
Date of reappointment on the Board	25.05.2023
Inter-se relationship with other directors or Key Managerial Personnel of the Company	He is related to Mr K G Balakrishnan, Director, and Mr B Srihari, Managing Director of the Company.
Qualification	B.Tech., MS
Experience/ Expertise in functional areas	He is a Graduate Engineer in Textile Technology from Bharathiar University, Tamil Nadu and Master of Science (Textile Technology) from the University of Manchester, UK. 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 .
No. of Shares held	253040
Board Position held	Director
Terms and conditions of Appointment / Reappointment	Liable to retire by rotation
Remuneration sought to be paid	Sitting Fee
Number of Board meetings attended	4
Directorships held in other Companies	K G Denim Limited K G B Securities & Investments Private Limited KGDL Data Park Limited KumaranGanapathy Investments Private Limited GanapathyKumaran Investments Private Limited Crocodile India Private Limited KGB Education Foundation
Chairmanship / Membership of the Committees of the Board of other Companies in which he/she is Director	-

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

Place : Coimbatore
Date : 27.06.2026