

ANNUAL REPORT 2024-25



LOYAL TEXTILE MILLS LIMITED

BOARD OF DIRECTORS	: Mrs.Valli M Ramaswami, Chairperson & Whole Time Director Ms.Vishala Ramswami, Non-Executive Director Mr.M.E.Manivannan, Whole Time Director Mr.B.Vaidyanathan, Non-Executive Director Mrs.Vijayalakshmi Rao, Independent Director Mr.R.Kannan, Independent Director Mr.Lakshmi Narayanan, Independent Director Mr.Gokul S Dixit, Independent Director Mr.K.Kumaran, Independent Director Mr.Madhavan Nambiar, Non-Executive Director (Upto 23 rd September, 2024)
CHIEF EXECUTIVE OFFICER	: Mr. N.Srinivasan (w.e.f 1 st April, 2025) Mr. A.Velliangiri (upto 31 st March, 2025)
CHIEF FINANCIAL OFFICER	: Mr.U.Thenappan (w.e.f. 12 th November, 2024)
COMPANY SECRETARY	: Mr.S.Muthukrishnan (w.e.f. 12 th November, 2024)
STATUTORY AUDITOR	: Mr. N. Sri Krishna, Partner, M/s. Brahmayya & Co., Chartered Accountants, Chennai
COST AUDITOR	: Mr. B. Venkateswar, Practicing Cost Accountant
INTERNAL AUDITOR	: M/s. Capri Assurance and Advisory Services Chartered Accountants, Chennai
SECRETARIAL AUDITOR	: Mr. K.J. Chandra Mouli Partner, M/s. BP & Associates, Company Secretaries
BANKERS	: Central Bank of India State Bank of India IndusInd Bank Limited HDFC Bank Limited IDBI Bank Limited
REGISTERED OFFICE	: 21/4, Mill Street Kovilpatti – 628 501. Phone: 04632 – 220001 E-mail: investors@loyaltextiles.com
REGISTRAR AND SHARE TRANSFER AGENT	: M/s. GNSA Infotech Private Limited STA Department, Nelson Chambers 4 th Floor, F Block, No.115, Nelson Manickam Road Aminjikarai, Chennai – 600 029 Phone: 044-42962025 E-mail: sta@gnsaindia.com
WEBSITE	: www.loyaltextiles.com

Contents

CONTENTS	Page No.
Notice	3
Board's Report	19
Annexures I - VIII to the Board's Report	28
Standalone Financial Statements	
Independent Auditors' Report	53
Balance Sheet	66
Statement of Profit and Loss	67
Statement of Cash Flow	69
Notes to Financial Statements	71
Consolidated Financial Statements	
Independent Auditors' Report	115
Balance Sheet	124
Statement of Profit and Loss	125
Statement of Cash Flow	127
Notes to Financial Statements	129

Notice

LOYAL TEXTILE MILLS LIMITED

(CIN: L17111TN1946PLC001361)

REGD OFFICE: 21/4 MILL STREET, KOVILPATTI 628 501

Email: investors@loyaltextiles.com, Website: www.loyaltextiles.com

Phone: 04632-220001 Fax: 04632-221353

NOTICE

NOTICE is hereby given that the 79th Annual General Meeting of the Members of the Company will be held on Friday, **September 26, 2025 at 10.00 A.M. (IST)** through Video Conference ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) The Audited Standalone Financial Statements of the company for the Financial year ended March 31, 2025, together with the report of the Board of Directors and Auditors thereon; and
 - b) The Audited Consolidated Financial Statements of the company for the Financial year ended March 31, 2025 together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. B.Vaidyanathan (DIN: 00263983), liable to retire by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr.Gokul S Dixit (DIN: 00357170) as an Independent Director**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Gokul S Dixit (DIN: 00357170), who was appointed as an Independent Director and who holds office of Independent Director upto November 3, 2025 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of additional tenure of 1 year (1) on the Board of the Company from November 4, 2025 till November 3, 2026."

4. **APPOINTMENT OF SECRETARIAL AUDITOR**

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

"RESOLVED THAT pursuant to the provision of Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 204 and other applicable provisions of the Companies Act, 2013, if any, and applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Messrs. Mohan Kumar & Associates (Firm Registration No. P2025TN103700), be and is hereby appointed as Secretarial Auditor of the Company to hold office from the conclusion of this Annual General Meeting ("**AGM**") till the conclusion of the 84th Annual General Meeting (AGM) to be held in the year 2030, at such remuneration and on such terms and conditions as may be determined by the Board of Directors of the Company (including its Committee(s) thereof) in consultation with the Secretarial Auditors.

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorized to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.

5. **Ratification of Remuneration to the Cost Auditor**

To consider and if thought fit, to pass with or without modification(s), 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 and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs.1,00,000/- (Rupees One Lakh Only), plus applicable taxes and reimbursement of out-of pocket expenses on actuals, payable to Mr.B.Venkateswar, Practicing Cost Accountant, (holding Membership

Notice

No.27622), who are re-appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records maintained by the Company for the financial year ended March 31, 2026.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and are hereby authorized to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

6. **Approval of Material Related Party Transactions with Gruppo P&P Loyal S.P.A.**

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

“RESOLVED that pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], all other applicable laws and regulations, including but not limited to the relevant provisions of the Companies Act, 2013 as may be applicable, and the Company’s Policy on dealing with Related Party Transactions, the approval of the Members, be and is hereby accorded for the Transactions (whether an individual transaction or transactions taken together or series of transactions or otherwise) with Gruppo P&P Loyal S.P.A, (Joint Venture partner of the Company) a ‘Related Party’ of the Company with respect to Sale/ purchase of goods and services, other income / expenses (incentive / commission / discount etc.), reimbursement / recovery of expenditure / reimbursement / sales promotion etc., for FY 2025-26, for an aggregate value which would be in excess of 1,000 Crores or 10% of the annual consolidated turnover as per the Company’s last audited financial statements, whichever is lower, on such terms and conditions as may be decided by the Board of Directors / Audit Committee from time to time, provided that the said contract(s) / arrangement(s) / transaction(s) shall be carried out at arm’s length basis and are in the ordinary course of business of the Company.

“RESOLVED FURTHER that the Board of Directors of the Company / the Audit Committee be and is hereby authorized to do and perform all such acts, deeds and things, as may be necessary, including finalizing the terms and conditions, modes and executing necessary documents, including contracts, schemes, agreements, file applications, make representations thereof and seek approval from relevant authorities, if required and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle

any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).”

7. **Sale of Unit at Andhra Pradesh as an undertaking**

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

“RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, Regulation 37A of the SEBI (LODR) Regulations, 2015 and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution),

- to sell / transfer / dispose off its textile manufacturing Unit situated at Menakur Village, Naidupet Mandal, Nellore District, Andhra Pradesh (“Undertaking”), together with all specified tangible assets, including land, building, plant and machinery and other assets in relation to the Undertaking but excluding its brand name, as a going concern / on a slump sale basis on an “as is where is” basis or in any other manner to any person(s) and /or entity(ies) as may be determined by the Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company.

“RESOLVED FURTHER THAT Mrs. Valli M Ramaswami, Chairperson and Whole time Director be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may

Notice

deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

“RESOLVED FURTHER THAT Mrs. Valli M Ramaswami, Chairperson and Whole time Director be and is hereby authorized to delegate all or any of the powers herein to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments.”

8. Sale of Unit at Sivaganga, Tamilnadu as an undertaking

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

“RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, Regulation 37A of the SEBI (LODR) Regulations, 2015 and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution),

- to sell / transfer / dispose off its textile manufacturing Unit situated at Arasanur Village, Sivaganga, Tamilnadu (“Undertaking”), together with all specified tangible assets, including land, building, plant and machinery and other assets in relation to the Undertaking but excluding its brand name, as a going concern / on a slump sale basis on an “as is where is” basis or in any other manner to any person(s) and / or entity(ies) as may be determined by the Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company.”

“RESOLVED FURTHER THAT Mrs. Valli M Ramaswami, Chairperson and Whole time Director be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all

such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

“RESOLVED FURTHER THAT Mrs. Valli Ramaswami, Chairperson and Whole time Director be and is hereby authorized to delegate all or any of the powers herein to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments.”

**For and on behalf of the Board
LOYAL TEXTILE MILLS LIMITED**

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN:00036508)

Place : Chennai

Date : 12th August, 2025

NOTES:

1. Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 9/2024 dated September 19, 2024, (collectively referred to as (“MCA Circulars”)) has permitted the companies to hold their Annual General Meeting (“AGM” or “Meeting”) through Video Conference (“VC”) or through Other Audio-Visual Means (“OAVM”) without the physical presence of Members at a common venue. In compliance with the provisions of Companies Act, 2013 (“the Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) and Secretarial Standard-2 on General Meetings (“SS-2”) issued by The Institute of Company Secretaries of India and MCA Circulars, the 79th AGM of the Company is being held through VC/OAVM on Friday, September 26, 2025 at 10:00 a.m. (IST). The proceedings of the AGM are deemed to be conducted at the Registered Office of the Company situated at 21/4 Mill Street, Kovilpatti - 628 50.
2. The relevant Explanatory Statement pursuant to Section 102 of the Act, setting out material facts in respect of businesses under item nos. 3 to 8 of the Notice, is annexed hereto. Details pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at this AGM are also annexed.

Notice

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e., other than Individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the Scrutinizer by e-mail at their registered e-mail address to cshkrishnan@gmail.com with a copy marked to evoting@nsdl.com.
5. In accordance with the MCA Circulars and the Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/ PoD2/P/CIR/2023/4 dated January 5, 2023, SEBI/ HO/CFD/ CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 and SEBI/ HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by Securities and Exchange Board of India (collectively referred to as "SEBI Circulars") notice of AGM along with the Annual Report for the FY 2024-25 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.

The Company shall send the physical copy of Annual Report for FY 2024-25 to those Members who have made a request for the same, either to the RTA or the Company. Additionally, any member who desires to get a physical copy of the Integrated Annual Report FY 2024-25, may request for the same by sending an e-mail to the Company at investors@loyaltextiles.com mentioning their Folio No./ DP ID and Client ID. Members may note that the Notice and Annual Report for the FY 2024-25 is also available on the Company's website www.loyaltextiles.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL – www.evoting.nsdl.com.
6. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at investors@loyaltextiles.com.
7. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 16, 2025 through e-mail to investors@loyaltextiles.com. The same will be replied by the Company suitably.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for inspection from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to investors@loyaltextiles.com.
9. Members are requested to note that, dividends if not encashed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). In view of this, Members/ claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/ claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
10. During FY 2024-25, the Company had transferred an amount of Rs.15,89,970/-(Rupees Fifteen Lakhs Eighty-Nine Thousand Nine Hundred and Seventy Only) to IEPF Authority, which remained unpaid/ unclaimed for the past seven years.
11. In terms of requirements of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017 ("the Rules"), the Company is required to transfer the shares in respect of which the dividend remains unpaid or unclaimed for a period of seven consecutive years to the IEPF account established by the Central Government. The Company had accordingly transferred 8,268 Equity shares pertaining to Dividend for the Financial Year 2016-17 to the IEPF account.
12. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 72 of the Act, read with the Rules made thereunder are requested to send the prescribed Form SH-13 to the Corporate/Registered Office of the Company. Any change or cancellation of the nomination already given is to be submitted in Form ISR - 4. Form SH-13 and Form SH-14 are available on the Company's website
13. As per Regulation 40 of SEBI Listing Regulations, all requests for transfer of securities including transmission and transposition, issue of duplicate share certificate; claim from unclaimed suspense account; renewal/exchange of

Notice

share certificate; endorsement; sub-division/splitting of share certificate; consolidation of share certificates/folios shall be processed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

14. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the RTA/Company in case the shares are held in physical form, in prescribed Form No. ISR-1, quoting their folio number and enclosing the self-attested supporting document to the Company's Registrar and Share Transfer Agent M/s. GNSA Infotech Private Limited, STA Department, Nelson Chambers, 4th Floor, F Block, No.115, Nelson Manickam Road, Aminjikarai, Chennai – 600 029. Phone: 044-42962025, E-mail: sta@gnsaIndia.com in case shares are held by them in physical form. Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company/RTA for consolidation into a single folio.
16. To support the 'Green Initiative', Members who have not yet registered their E-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the RTA/Company in case the shares are held by them in physical form.
17. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM, i.e., Friday, September 26, 2025.
18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
19. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://loyaltextiles.com/investors>.

20. As per the provisions of Clause 3.A. II. of the General Circular No. 20/ 2020 dated May 05, 2020, the matter of Special Business appearing at Item Nos. 3 to 8 of the Notice were considered to be unavoidable by the Board and hence forms part of this Notice.

21. Voting and joining Annual General Meeting through electronic means:

- (i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of the SEBI Listing Regulations, 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

- (ii) The 'cut-off date' for determining the eligibility for voting through electronic voting system is fixed as Friday, September 19, 2025. The remote e-voting period commences on Tuesday, September 23, 2025 at 9.00 a.m. IST and ends on Thursday, September 25, 2025, at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the Depositories, as on the cut-off date, i.e., Friday, September 19, 2025, shall be entitled to avail the facility of remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members who will be present in the AGM through VC/OAVM facility and have not cast 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 during the AGM. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 19, 2025.

**For and on behalf of the Board
LOYAL TEXTILE MILLS LIMITED**

Valli M Ramaswam
Chairperson & Whole Time Director
(DIN:00036508)

Place : Chennai
Date : 12th August, 2025

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No. 3

Mr.Gokul S Dixit (DIN:00357170) was appointed as an Independent Director for a period of three years with effect from 4th November, 2022 pursuant to the provisions of Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds office as Independent Director of the Company till November 3, 2025.

The Nomination and Remuneration Committee (NRC) and the Board of Directors, based on the report of performance evaluation of Independent Directors, has recommended the re-appointment of Mr.Gokul S Dixit (DIN:00357170) as an Independent Director, not liable to retire by rotation, for an additional term of one more year on the Board of the Company from November 4, 2025 to November 3, 2026.

In the opinion of the Board, Mr.Gokul S Dixit is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of Management.

The Board, considers that, given his background, experience and contribution, the continued association of Mr.Gokul S Dixit (DIN:00357170) would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Mr.Gokul S Dixit as Independent Director of the Company.

The Company has received declarations from Mr.Gokul S Dixit to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is not disqualified from being appointed as Director in terms of Section 164 of the Act.

In terms of Regulation 25(8) of SEBI Listing Regulations, Mr.Gokul S Dixit has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties and The Company has received the requisite consent and disclosures from Mr.Gokul S Dixit relating to his appointment.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr.Gokul S Dixit as an Independent Director is being placed before the Members for their approval.

Except Mr.Gokul S Dixit, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set forth in Item No. 3.

The Board recommends the Special Resolution as set out in Item No. 3 of this Notice for approval by the Members of the Company.

Item No.4

Pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), the Audit Committee and the Board of Directors at their respective meetings held on 12th August, 2025, have approved and recommended the appointment of Messrs. Mohan Kumar & Associates (Firm Registration No. P2025TN103700) as the Secretarial Auditor of the Company on the following terms and conditions:

- a. Term of appointment: For a term of 5 (Five) consecutive years from April 01, 2025 to March 31, 2030.
- b. Proposed Fees: Fees as may be mutually agreed to be between the Board of Directors and the Secretarial Auditor.
- c. Basis of recommendations: The recommendations are based on the fulfilment of the eligibility criteria & qualification prescribed under the Act & Rules made thereunder and SEBI Listing Regulations. While recommending the Board of Directors have also considered, experience of the individual, capability, independent assessment, audit experience and also evaluation of the quality of audit work done by him in the past.
- d. Credentials:

Mr.A.Mohan Kumar, Practicing Company Secretary, Partner - Messrs. Mohan Kumar & Associates, Company Secretaries, Chennai has given their consent to act as Secretarial Auditors of the Company and confirmed that his appointment, if approved would be within the prescribed limits and that he is not disqualified to be appointed as Secretarial Auditor in terms of provisions of the Act & Rules made thereunder and SEBI Listing Regulations.

Notice

The Board of Directors of the Company recommends the resolution set out at Item No. 4 for approval of the Members as an Ordinary Resolution. None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

As per the provisions of Section 148 of the Companies Act, 2013 ("Act") read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"), as amended from time to time, the Company is required to have an audit conducted of its cost records by a cost accountant in practice for products covered under the Rules. The Board, based on the recommendation of the Audit Committee, has approved the re-appointment of Mr.B.Venkateswar, Practicing Cost Accountant (Membership No.27622) as the Cost Auditors to conduct the audit of the cost records of the Company for the FY 2025-26, at a remuneration of Rs. 1,00,000 (Rupees One Lakhs Only) plus applicable taxes and reimbursement of out-of-pocket expenses on actuals. In accordance with Section 148(3) of the Act, read with the Rules, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Members of the Company.

Accordingly, the approval of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for FY 2025-26.

The Board commends ratification of remuneration of Cost Auditors, as set out in Item No. 5 of the Notice for approval by the Members as an Ordinary Resolution. None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 6

As per the definition of Related Party Transactions under Regulation 2(zc) of the SEBI Listing Regulations, transactions between a listed entity and the related parties of the Company will be Related Party Transactions to the listed entity. Hence, all transactions between the Company and Gruppo P&P Loyal S.P.A, shall be treated as Related Party Transactions.

Further, pursuant to Regulation 23(4) of the SEBI Listing Regulations, transactions with a Related Party where the transaction(s) to be entered individually or taken together with previous transaction(s) during a financial year exceeds Rs.1,000 Crores or 10% of the annual consolidated turnover as per last audited financial statements, whichever is lower, would be considered as Material Related Party Transactions and such transactions require prior approval of the Members through an Ordinary Resolution.

Considering the quantum of transactions with Gruppo P&P Loyal S.P.A during the previous years, the business projections for FY 2025-26 and the market trend, the Company expects that the aggregate value of transactions with Gruppo P&P Loyal S.P.A during the FY 2025-26 is estimated to exceed 10% of the annual consolidated turnover of Loyal as at 31st March, 2025. Hence, approval of the Members of the Company is sought by way of an Ordinary Resolution for the transactions with Gruppo P&P Loyal S.P.A, for the FY 2025-26. Members are requested to note that the transactions between the Company and Gruppo P&P Loyal S.P.A would be in the ordinary course of business and at arm's length basis. The particulars of the transaction(s) as required under Regulation 23 of the SEBI Listing Regulations read with SEBI Circular dated November 22, 2021 on disclosure obligations in relation to Related Party Transactions is provided as Annexure to this Notice.

The Audit Committee and the Board of Directors at their respective meetings held on May 27, 2025 have recommended the Material Related Party Transactions with Gruppo P&P Loyal S.P.A for consideration and approval by the Members. The Audit Committee and the Board of Directors are of the opinion that the arrangements are commercially beneficial to the Company and hence the transactions are in the best interest of the Company.

It may be noted that no related party shall vote to approve this Resolution whether the entity is a related party to the transaction or not.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mrs.Valli M Ramaswami and Ms.Vishala Ramswami are in any way interested or concerned, financially or otherwise in the aforesaid Resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 6 of this Notice for approval by the Members of the Company.

Notice

DISCLOSURE PURSUANT TO SEBI CIRCULAR DATED NOVEMBER 22, 2021

Particulars of the transaction(s) as required pursuant to the provisions of the Act and SEBI Circular dated November 22, 2021 are as under:

Related Party Transaction between	The Company and Gruppo P&P Loyal S.P.A
Relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	Gruppo P&P Loyal S.P.A, being a joint venture company is a related Party and hence transactions between the Company and Gruppo P&P Loyal S.P.A. is a related party transaction pursuant to regulation 2(zc) of SEBI Listing Regulations.
Nature, material terms, particulars of the contract or arrangements; and monetary Value	List of transactions - as mentioned in the resolution. Transactions entered between the parties will exceed 10% of the annual consolidated turnover as per the last audited financial statements of the company as at 31 st March, 2025 during FY 2025-2026.
Tenure of the proposed transaction (particular tenure shall be specified)	One year (2025-26) and recurring in nature
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for an RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	Not applicable
The percentage of the subsidiary company's standalone turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	Not applicable
Whether the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not applicable
Details of the source of funds in connection with the proposed transaction	Not applicable
Value of transactions between the parties during the FY 2024-25	93.34 Crore.
a) where any financial indebtedness is incurred to make or give loans, inter corporate deposits, advances or investments nature of indebtedness - cost of funds; and - tenure	Not applicable
b) applicable terms including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured, if secured, the nature of security; and	Not applicable
c) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transactions	Not applicable

Notice

Justification as to why the RPT is in the interest of the listed entity	Gruppo P&P Loyal S.P.A, is the joint venture company through which the export transactions to Europe countries are carried out by the Company in its day-to-day operations and hence the transactions with are commercially beneficial and in the best interest of the Company.
Valuation or any other external party report, if any such report has been relied upon	Not applicable
Name of Director (s) or Key managerial personnel who is related, if any	Mrs.Valli M Ramaswami and Ms.Vishala Ramswami, Directors.

Item Nos. 7 & 8

Members are requested to note that, due to adverse and prolonged market conditions in the textile industry which have significantly impacted demand and margins, the Company has undertaken measures to optimize its operations. These include the reduction of capacities, consolidation of operations, and a sharper focus on high value and high margin products.

The domestic and international textile markets, including the current uncertainties surrounding proposed U.S. trade tariffs, continue to face a demand-supply imbalance with substantial overcapacity in the industry leading to intense competition and sustained pressure on commodity product pricing. In line with the Company's strategy to exit low margin and commodity businesses, the Company has decided to consolidate operations and concentrate resources on value added segments with stronger growth and profitability potential. The proposed sale will also help strengthen the Company's balance sheet through reduction of debt and interest costs.

In view of these factors, and consistent with the Company's strategic shift, the Board has resolved to consolidate operations, improve efficiency, and reduce costs. As part of this strategy, the Company proposes to sell, transfer, or otherwise dispose of its textile manufacturing undertakings located at Menakur Village, Naidupet Mandal, Nellore District, Andhra Pradesh ("Naidupet Unit"), and Arasanur Village, Sivaganga District, Tamil Nadu ("Arasanur Unit"). The sale will be carried out on such terms and conditions, and for such consideration, as the Board may deem fit, and will be in the best interests of the Company and its stakeholders.

The Board of Directors has approved this proposal, considering the long term interests of the Company and its strategic focus on consolidation, value added segments, and monetization of assets to reduce debt and interest costs.

In accordance with Section 180(1)(a) of the Companies Act, 2013, and Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the power to sell, lease, or otherwise dispose of the whole or substantially the whole of any undertaking can be exercised only with the approval of the Members by way of a special resolution.

Accordingly, approval of the Members is sought for the sale of the Naidupet and Arasanur Units by way of Special Resolutions, as set out in the accompanying Notice of the Annual General Meeting.

Disclosure under Regulation 37A(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Units proposed for sale: Naidupet, Andhra Pradesh, and Arasanur Village, Sivaganga, Tamil Nadu

S. No.	Particulars	Details
1	Objective of sale of the properties	Consolidation of operations by exiting low value and commodity segments, thereby improving profitability.
2	Use of proceeds from sale	Proceeds will be utilized for reduction of debt leading to lower interest costs and stronger financial flexibility.

Except as specifically mentioned above, none of the Directors, Key Managerial Personnel, or their relatives thereof are in any way, financially or otherwise, concerned or interested in the passing of this Special Resolution as set out at Item Nos. 7 and 8 of this Notice.

Your Directors recommend the passing of the resolutions as Special Resolutions.

Notice

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Name	Mr. Gokul S Dixit
Director Identification Number	00357170
Date of Birth and Age	08/11/1977, 47 years
Designation/Category of the Director	Non-Executive, Independent Director
Date of First Appointment on the Board	November 04, 2022
Qualification	Mr. Gokul Dixit is a Chartered Accountant and holds a CFA charter as well as MBA from Ross School of Business, University of Michigan, Ann Arbor
Expertise in specific functional areas	<p>A Chartered Accountant and CFA charter as well as MBA from Ross School of Business, University of Michigan, Ann Arbor. He is also a Commerce graduate and Economics post-graduate from University of Madras. Gokul Dixit comes with two decades of experience in North American, European and Indian accounting, financial and capital markets, including audits, securities issuances, M&A, structured finance, private equity buyouts, and venture capital investing.</p> <p>He recently served as Special Invitee on the Accounting Standards Board and Corporate Laws and Corporate Governance Committee of ICAI and was a contributing respondent for the Stakeholder Engagement Consultation Paper published by the National Financial Reporting Authority (NFRA).</p> <p>During his career, he worked with renowned organizations/firms of international repute and MNC including Price water house Coopers, American Express Bank, Arthur Andersen, General Motors etc. He handled M&A, structured finance and treasury operations for General Motors and made leveraged buy-out and growth investments as principal investor of New York - based private equity firms. Recently, he has also been leading investments for Dallas Venture Capital, a technology Saas focused venture capital fund. His interests include tennis, golf, farming and reading. He is the Executive Coordinator, volunteer and fundraiser for Jeevatma Kaikaryam Trust, established for the purpose of cremating unclaimed dead bodies with appropriate Vedic samskaras. He is also co-founder of Askhar Arbol, a K-12 International Baccalaureate school which operates three campuses in Chennai.</p>
Directorships held in other companies including equity listed companies and excluding foreign companies	<ol style="list-style-type: none"> 1. Dice Enterprises Private Limited 2. Shriram Finance Limited 3. Kapitus Strategy Services Private Limited
Memberships/ Chairmanships of committees of other companies (excluding foreign companies)	Nil
Shareholding in the company	Nil
Name of listed entities from which the person has resigned in the past three years	Nil
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	Nil

Notice

Terms and Conditions of appointment / reappointment	Re-appointment as a Non- Executive and Independent Director for an additional term of 1 year with effect from November 04, 2025 till November 03, 2026.
Details of Remuneration sought to be paid	Sitting fees for attending Board / Committee Meetings are waived by the Director

Name	Mr.B. Vaidyanathan
Director Identification Number	00263983
Date of Birth and Age	07/10/1956, 69 yrs
Designation/Category of the Director	Non-Executive, Non-Independent Director
Date of First Appointment on the Board	September 27, 2018
Qualification	Mr.B. Vaidyanathan is a B.Tech Graduate from IIT Madras in Electronics in 1978 and Post -Graduate Diploma in Management (PGDM) from IIM, Ahmedabad in 1980.
Expertise in specific functional areas	Mr.B. Vaidyanathan is a B.Tech Graduate from IIT Madras in Electronics in 1978 and Post -Graduate Diploma in Management (PGDM) from IIM, Ahmedabad in 1980. Joined Pond's (India) Ltd as a Management Trainee in 1980 and worked in Pond's/ Hindustan Lever till 1998, heading the Export Division as General Manager Exports. Subsequently, joined Sanmar Engineering in 1999 and served as the Executive Vice President of Tyco Sanmar and Flowserve Sanmar Ltd. Joined Engelhard Environmental Systems in 2002 as Managing Director. Engelhard was a Global Leader in Catalysts and played a key role in establishing Engelhard as the leader in Indian Auto Catalyst business. Subsequent to the global acquisition of Engelhard by BASF in 2006, continued to serve as the MD of of BASF Catalysts India till April 2017. Established a Greenfield site for BASF which was inaugurated in March 2017. Currently serving as a member of the Board of Directors at Loyal Textiles Ltd and Telekonnnectors Ltd and as a mentor for a few companies at IIT Madras Incubation Centre.
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company.	He is not having any inter-se relationship with other directors of the Company.
Directorships held in other companies including equity listed companies and excluding foreign companies	1. Fabheads Automation Private Limited 2. Telekonnnectors Limited 3. Hanbi E&C India Private Limited
Memberships/ Chairmanships of committees of other companies (excluding foreign companies)	Nil
Shareholding in the company	Nil
Name of listed entities from which the person has resigned in the past three years	Nil
Terms and Conditions of appointment / reappointment	His appointment as Director to retire by rotation at the ensuing annual general meeting as per provisions of the Companies Act, 2013.
Details of Remuneration sought to be paid	Sitting fees for attending Board / Committee Meetings are waived by the Director

Notice

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on 23rd September, 2025 at 9.00 A.M and ends on 25th September, 2025 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system





A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">1. 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 company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp4. 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

Notice

Type of shareholders	Login Method
	<p>you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	<ol style="list-style-type: none"> If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

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

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

Notice

Login type	Helpdesk details
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.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders / Member's section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

Notice

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a. Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cshkrishnan@gmail.com with a copy marked to evoting@nsdl.com
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details / Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request to Ms.Pallavi Mhatre at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to investors@loyaltextiles.com.

Notice

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to investors@loyaltextiles.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e Login method for e-voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholders/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be 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 in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Members can join the AGM in the VC / OAVM mode 15 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 for 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.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at investors@loyaltextiles.com from **September 23, 2025 (9.00 a.m. IST) to September 25, 2025 (5.00 p.m. IST)**. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.com or use Contact No. 022 - 4886 7000 or Contact Mr. Amit Vishal, DVP, NSDL at the designated email ID: evoting@nsdl.com or Contact Ms. Pallavi Mhatre, Sr. Manager, NSDL at the designated email ID: evoting@nsdl.com

BOARD'S REPORT

TO THE MEMBERS

The Directors are pleased to present herewith the Annual Report of Loyal Textile Mills Limited ('the Company') along with the Audited Financial Statements for the Financial Year ('FY') ended 31st March 2025.

FINANCIAL HIGHLIGHTS

(Rs. in Cr.)

Particulars	Standalone		Consolidated	
	2025	2024	2025	2024
Revenue from operations	682.15	939.19	682.16	939.19
EBITDA	2.64	31.28	6.08	34.74
Less : Interest	50.96	52.88	44.88	52.88
Operating Profit (EBDT)	(48.32)	(21.60)	(48.32)	(18.14)
Less : Depreciation	34.68	37.76	34.68	37.76
Profit Before Tax (PBT)	(83.00)	(59.36)	(79.56)	(55.91)
Less: Tax Expenses	(28.32)	(16.41)	(28.32)	(16.41)
Profit After Tax (PAT)	(54.68)	(42.95)	(51.24)	(39.50)
Profit after OCI Income	(55.60)	(42.63)	(52.16)	(39.17)
Add : Surplus brought forward from previous year	195.64	238.59	226.21	265.71
Less: Dividend	-	-	-	-
Less: Dividend Tax	-	-	-	-
Less: Transfer to General Reserve	-	-	-	-
(Add) / Less : Transfer to OCI Reserve due to Ind AS Transition	-	-	-	-
Balance carried to Balance sheet	140.96	195.64	174.97	226.21
Earnings Per Share				
Basic - EPS per Share (in Rs.)	(113.54)	(89.17)	(106.39)	(82.00)
Diluted - EPS per Share (in Rs.)	(113.54)	(89.17)	(106.39)	(82.00)

PERFORMANCE OF THE COMPANY

During the financial year 2024-25, your Company produced 103.43 lakh kg of yarn (198.72 lakh kg in FY 2023-24), 218.86 lakh meters of woven fabric (447.24 lakh meters in FY 2023-24), 51.68 lakh kg of knitted fabric (40.76 lakh kg in FY 2023-24), and 32.27 lakh pieces of garments (29.04 lakh pieces in FY 2023-24). The reduction in yarn and fabric output reflects a deliberate and strategic decision to optimize capacity utilization

and exit low-margin product lines in response to ongoing industry headwinds.

Despite continued challenges in the domestic textile market, export revenues showed encouraging growth, increasing to Rs 383.89 crore in FY 2024-25 from Rs 340.21 crore in the previous year. This improvement was driven by sustained demand in key international markets and a sharpened focus on servicing higher-value customers. The Company's commitment to product quality, reliability, and customer engagement continues to reinforce its position in the global textile value chain.

On the domestic front, revenues declined to Rs 249.30 crore from Rs 542.22 crore in FY 2023-24. This contraction was largely the result of a conscious effort to consolidate operations and discontinue non-viable and commoditized product lines. The restructuring is expected to yield greater operational focus, better resource allocation, and improved long-term business sustainability.

Total revenue from operations stood at Rs 682.15 crore, compared to Rs 939.19 crore in the previous year. The Company incurred a net loss of Rs 54.68 crore (after taxes) during the year, primarily on account of lower price realisation in yarns & woven fabric, restructuring-related costs, inventory revaluation, and underutilization of capacity. Restructuring and consolidation of the business are necessary steps in repositioning the Company for future growth, resilience, and profitability.

Throughout the year, the Company upheld operational discipline, with strong emphasis on cost control, supply chain optimization, and alignment of production volumes with market demand. In parallel, investments were made in workforce development through targeted training programs, especially in the garmenting division, to enhance skill levels and productivity across core operational areas.

Outlook

Looking ahead, the Company remains optimistic about its growth prospects, with a strong strategic focus on the technical textile segment, particularly in personal protective wear. This high-value, niche segment continues to gain momentum, supported by heightened global emphasis on workplace safety standards and rising institutional demand across both domestic and export markets.

To meet the increasing demand, the Company is actively enhancing production capacity in the garmenting division. One of the key operational challenges being addressed is the shortage of skilled tailors, which has temporarily constrained output. In response, targeted recruitment drives, and structured skill development programs are being rolled out to strengthen and expand the tailoring workforce.

Board's Report

As part of its comprehensive transformation strategy, the Company has undertaken the following initiatives:

Product Portfolio Realignment: The business has been strategically restructured to focus on the profitable garments segment—particularly technical textiles—while significantly reducing exposure to commodity-driven products like yarn, which are subject to intense price volatility and margin pressure.

Asset Monetization for Debt Reduction: To further reduce debt and lower interest costs, the Company has initiated plans to monetize select non-core assets. These efforts are expected to improve financial flexibility and strengthen the balance sheet.

Cost Optimization and Efficiency Enhancement: A series of cost control and operational efficiency initiatives are underway to further streamline operations, optimize resource utilization, and boost overall productivity.

With these strategic actions firmly in place, the Company is confident of executing a successful turnaround in the upcoming fiscal year. By focusing on high-margin segments, maintaining operational rigor, and investing in workforce capabilities, the Company is well-positioned to enhance competitiveness, improve profitability, and deliver sustained shareholder value in the years ahead.

DIVIDEND

As the Company has incurred loss due to consolidation of operations and pruning down unviable operations no dividend is proposed.

SHARE CAPITAL

As on 31st March 2025, the paid-up share capital of the Company was Rs.4,81,64,460/- comprising 48,16,446 equity shares of Rs.10/- each. There has been no change in the share capital of the Company during the year under review.

During the year, the company has not issued any shares or any convertible instruments.

TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to General Reserve.

MATERIAL CHANGES OCCURED AFTER THE END OF FINANCIAL YEAR

No material changes and commitments which could affect the company's financial position have occurred between the end of the financial year and the date of this report.

MANAGEMENT DISCUSSIONS ON THE INDUSTRY SCENARIO & OUTPUTS

The global Textile and Apparel (T&A) trade continues to navigate a complex environment shaped by evolving macroeconomic,

geopolitical, and social dynamics. While FY 2024-25 remained challenging for the sector, the latter part of the year signaled early signs of recovery. Key drivers of this gradual rebound include improved consumer sentiment, a modest uptick in demand for casual and athleisure wear, and the easing of supply chain disruptions that had plagued the industry since 2023.

Nevertheless, certain global disruptions continued to exert pressure. The prolonged Russia-Ukraine conflict sustained inflationary trends and dampened consumer demand in major European markets. Additionally, the Red Sea shipping crisis in early 2024 contributed to elevated freight costs and transit delays, further complicating logistics. Civil unrest in Bangladesh, a major textile-exporting country, also affected regional supply chains. Further, the recent trade actions initiated by the United States, including the imposition of higher tariffs on select textile and apparel categories, have introduced additional uncertainty in global markets. These shifts in trade policy may impact competitiveness, pricing and demand dynamics in the exporting geographies.

Despite these setbacks, the outlook for Global T&A trade remains cautiously optimistic. With recessionary fears in the West subsiding and hopes for a geopolitical thaw in Eastern Europe, global demand is expected to gradually revive. The stabilization of freight routes and normalization of inventory cycles could further support the industry's path to recovery.

INDIAN TEXTILE INDUSTRY

The Indian Textile and Apparel industry holds a vital position in the national economy, contributing approximately 2.3% to GDP, 13% to industrial output, and 12% to export earnings. It is also the second-largest employer in the country, offering direct employment to 45 million individuals and supporting 60 million more in allied sectors.

India accounts for nearly 4% of global textile and apparel trade, with the USA, EU, and UK collectively representing around 50% of the country's exports in this segment. After a period of sluggish performance, Indian exports demonstrated tentative signs of recovery in FY 2024-25. However, the long-term growth rate remains modest, with a five-year compounded annual growth rate (CAGR) of just 2%. Structural inefficiencies and competitive pressures have intensified the financial strain on the industry prompting a wave of consolidation across the sector. The recent protectionist stance adopted by the US administration, through tariff increases and import scrutiny, poses additional challenges for Indian exporters. These measures, may indirectly affect export momentum in select categories. The industry's resilience will hinge on adaptability, innovation, and a shift toward higher-value and less price-sensitive segments.

Going forward, vertically integrated, innovation-driven, and cost-efficient companies and those offering value-added high and products are expected to lead industry growth and profitability.

Board's Report

Outlook for the Company

Against this backdrop, your Company has proactively undertaken several strategic initiatives aimed at repositioning itself for long-term success. While FY 2024-25 was marked by lower capacity utilization and a net loss—primarily due to restructuring and realignment efforts—these decisions were crucial in laying a stronger foundation for the future.

Looking ahead, the Company will focus on:

- **Accelerating Growth in Technical Textiles:** The Company is prioritizing its presence in the fast-growing technical textile segment, especially in **personal protective wear**, which is witnessing rising demand from institutional buyers and export markets due to increasing focus on workplace safety and compliance standards.
- **Strategic Product Realignment:** To improve profitability, the Company has restructured its product mix, reducing dependence on low-margin commodity segments such as yarn, and shifting its emphasis to higher-value garments and specialized textiles. Growing garments segment will support utilisation and efficiency of the downstream capacities in spinning, weaving & knitting.
- **Monetizing Assets to Strengthen Financials:** As part of its financial turnaround strategy, the Company has initiated plans to monetize certain non-core assets. Proceeds will be directed toward reducing debt and lowering interest costs, enhancing overall financial stability.
- **Improving Operational Efficiency:** A series of measures are underway to optimize production costs, streamline supply chains, and enhance workforce capabilities, particularly within the garmenting division where targeted training programs are addressing skill shortages.

While the US market poses fresh challenges due to evolving tariff regimes, a large part of the Company's future export business is derived from Europe, the Middle East, Australia, and other regions, which currently remain unaffected by such restrictions. As a result, the overall impact on Loyal's export momentum is expected to be limited.

In alignment with broader industry trends, especially the shift toward technical garments Company is confident of navigating current headwinds and achieving a meaningful turnaround in the coming fiscal year.

RENEWABLE ENERGY

During the year, the company generated 4.82 crore units of wind power against 6.18 crore units in the previous year and solar power 0.74 crore units against 1.17 lakh units in the previous year. The wind power generation during the year has reduced compared to the previous year.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is furnished in **Annexure I** to this Report.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 and Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a separate statement containing the salient features of the financial performance of the Joint Venture(s) is attached to the financial statements in the prescribed format.

BOARD MEETING

The Board met six times during the year on 29th May, 2024, 9th August, 2024, 17th October, 2024, 12th November, 2024, 12th February, 2025 and 18th March, 2025.

PASSING OF RESOLUTIONS BY CIRCULATION

During the financial year, certain resolutions of the Board their approved by circulations. The Board confirms that, these circulation are in complianace with provisions of Section 175 of the Companies Act, 2013 along with the applicable rules and amendments thereto.

DIRECTORS / KEY MANAGERIAL PERSONNEL

Appointment / Re-appointment

1. Ms.Vishala Ramswami (DIN:06967899) resigned from the position of Executive Director of the Company with effect from 27th December, 2024. The Board places its sincere appreciation for the valuable services rendered by Ms.Vishala Ramswami during her tenure as Executive Director.
2. Ms.Vishala Ramswami (DIN:06967899) was appointed as Non- Executive Non- Independent Director of the Company with effect from 17th January, 2025 by the Board of Directors and her appointment as Non- Executive Non- Independent Director was approved by the shareholders of the Company through postal ballot process on 25th February, 2025.
3. Mr.Gokul S Dixit (DIN: 00357170) appointment as Non-Executive Independent Director for additional period of one year from November 04, 2025 to November 03, 2026 (both days inclusive) is placed in the Notice convening the AGM for approval of the Shareholders of the Company by way of a Special Resolution.

Board's Report

4. In accordance with provisions of the Act and the Articles of Association of the Company, Mr.B.Vaidyanathan (DIN: 00263983), Non-Executive Non-Independent Director is liable to retire by rotation at this AGM and is eligible for re-appointment.

Disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards on General Meeting ('SS-2') are given in the Notice of AGM, forming part of the Annual Report in respect of the appointment and re-appointment of Directors at the ensuing AGM.

INDEPENDENT DIRECTORS

In terms of Section 149 of the Act and the SEBI Listing Regulations, Mr.Lakshmi Narayanan, Mr.K Kumaran, Mrs. Vijayalakshin Rao, Mr.Gokul S Dixit and Mr.R.Kannan are the Independent Directors of the Company as on the date of this Report.

All Independent Directors of the Company have submitted declarations under Section 149(7) of the Act, confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have further confirmed that they are not aware of any circumstance or situation, which exists or may be reasonable be anticipated, which could impair or impact their ability to discharge their duties with objective independent judgement and without any external influence. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company during the financial year 2024-25 comprised the following:

- Mr. A. Velliangiri - Chief Executive Officer
- Mr. N. Srinivasan - Chief Operating and Strategy Officer
- Mr. U. Thenappan - Chief Financial Officer
- Mr. S. Muthukrishnan - Company Secretary and Compliance Officer

Changes in Key Managerial Personnel during the Year

During the year under review, the following changes occurred in the composition of Key Managerial Personnel:

1. Mr. K. Ganapathi resigned as Chief Financial Officer with effect from 29th June 2024.

2. Mr. N. Srinivasan was appointed as Chief Financial Officer and Chief Strategy Officer with effect from 9th August 2024.
3. Mr. P. Mahadevan resigned as Company Secretary and Compliance Officer with effect from 23rd September 2024.
4. Mr. N. Srinivasan stepped down from the position of Chief Financial Officer and was re-designated as Chief Operating and Strategy Officer with effect from 12th November 2024.
5. Mr. S. Muthukrishnan was appointed as Company Secretary and Compliance Officer with effect from 12th November 2024.
6. Mr. U. Thenappan was appointed as Chief Financial Officer with effect from 12th November 2024.
7. Mr. A. Velliangiri retired from the position of Chief Executive Officer with effect from 31st March 2025.

Changes Post Financial Year-End

Subsequent to the close of the financial year:

- Mr. N. Srinivasan was appointed as the Chief Executive Officer with effect from 1st April 2025 for a period of two years, up to 31st March 2027.
- Mr. R. M. Shanmugam was appointed as Chief Operating Officer with effect from 6th March 2025.
- Mr. R M Shanmugam resigned as the Chief Operating Officer with effect from 12th June, 2025.

CORPORATE GOVERNANCE

The Company has in place a system of Corporate Governance. Corporate Governance is about maximizing shareholder value legally, ethically, and sustainably. The company has taken adequate steps to adhere to all the conditions laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time with respect to Corporate Governance. A report on Corporate Governance is included as part of this annual report as **Annexure VII**.

A Certificate from the Statutory Auditors of the Company confirming the compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual report as **Annexure VIII**.

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The following Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee

Board's Report

- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee

Details of composition, terms of reference and number of meetings held in FY25 for the aforementioned committees are given in the Report on Corporate Governance, which forms a part of this Report. Further, during the year under review, all recommendations made by the various committees have been considered and accepted by the Board.

BOARD EVALUATION

As required under the provisions of Section 134(3) (p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out a formal annual evaluation of its own performance, and that of its committees and individual directors based on the guideline formulated by the Nomination & Remuneration Committee.

The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a policy on Familiarisation Programme for Independent Directors of the Company.

The Policy on Familiarisation Programme as approved can be viewed on the Company's website.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the company has framed a Vigil Mechanism / Whistle Blower Policy. The Vigil Mechanism Policy has been posted on the website of the Company. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. No complaint has been received from any employee during this year.

SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013 the Annual return as on 31st March 2025 is available on the Company's website at www.loyaltextiles.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the applicable Rules, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The Committee comprises three Directors, consisting of two Independent Directors and one Whole-time Director.

The Company continues to allocate 2% of the average net profit of the preceding three financial years toward CSR activities, in alignment with the mandates of Schedule VII of the Act. CSR efforts during the year were primarily focused on Education and Healthcare, with specific attention to supporting underprivileged communities and improving access to essential services.

During the financial year 2024-25, the Company contributed Rs 45.62 lakhs towards CSR initiatives, in line with its statutory obligation. The Annual Report on CSR activities, including a detailed account of the projects undertaken, the composition of the CSR Committee, and related disclosures as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is attached as **Annexure III** to this Report.

The Company's CSR Policy is available on the Company website at: www.loyaltextiles.com

AUDIT

STATUTORY AUDIT

M/s. Brahmayya & Co., Chartered Accountants (Firm Registration No. 000511S), were appointed as the Statutory Auditors of the Company for a period of five years at the 76th Annual General Meeting held on September 22, 2022. Their term continues until the conclusion of the 81st Annual General Meeting, scheduled for the year 2027.

The Statutory Auditor's Report for the financial year ended 31st March 2025 does not contain any qualifications, reservations, adverse remarks, or disclaimers. However, the auditors have included an Emphasis of Matter paragraph, which is reproduced below:

"We draw attention to Note No. 45 of the financial statements, which outlines the Company's financial and operational position, including recurring losses, suboptimal utilization of production capacity, and prevailing market conditions affecting liquidity. These circumstances indicate uncertainties in relation to the Company's ability to achieve operational profitability."

Board's Report

However, having regard to the Company's initiatives to raise funds through various means, optimize operations including improved capacity utilization, and rationalize costs aimed at achieving the desired operational profitability, the financial statements have been prepared on a going concern basis. The Company's ability to achieve operational profits is dependent upon successful implementation of the aforementioned plans. Our opinion is not modified in respect of this matter."

Management's Response to the Emphasis of Matter

The Board acknowledges the Auditors' observations and affirms that appropriate corrective measures are being actively implemented.

The Company's losses during the year were primarily driven by a prolonged global demand slowdown and suboptimal capacity utilization, which adversely impacted liquidity. In response, operations have been restructured with a strategic focus on high-margin technical textile garments. In parallel, cost optimization and productivity improvement initiatives are underway to enhance efficiency and operational discipline.

To further support liquidity and financial stability, the Company is also progressing with plans to monetize select non-core assets. Management remains confident that these efforts will enable a return to operational profitability in the second half of the upcoming fiscal year.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the SEBI Listing Regulations, the Board has based on the recommendation of Audit Committee approved appointment of Messrs. Mohan Kumar Associates, Company Secretaries, Chennai, a peer reviewed firm of Company Secretaries in Practice as Secretarial Auditors of the Company for a period of five years, i.e., from April 1, 2025 to March 31, 2030, subject to approval of the Shareholders of the Company at the ensuing AGM. The Report of the Secretarial Auditor - M/s. BP & Associates, Company Secretaries, Chennai for FY 2024-25 is annexed herewith as **Annexure - II**. The said Secretarial Audit Report does not contain any qualification, reservations, adverse remarks or disclaimer.

COST AUDIT & COST RECORDS

Mr.B.Venkateswar, Practicing Cost Accountant was appointed as Cost Auditor for auditing the cost accounts of the Company for the year ended 31st March, 2025. The Cost Audit Report for the financial year 2024-25 will be submitted to the Central Government before due date.

The Board of Directors of the Company have appointed Mr.B.Venkateswar, Practicing Cost Accountant, holding Membership No.27622 as Cost Auditor for the year ending 31st March 2026.

In accordance with the provisions of Section 148(3) of the Companies Act 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders. Accordingly, resolution seeking ratification for the remuneration payable to Cost Auditors is included as one of the items in the Notice convening the AGM.

INTERNAL AUDITORS

The company has appointed M/s. Capri Assurance and Advisory Services, as External Internal Auditors for the period ending 30th September 2025.

OTHER DISCLOSURES

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered into by the Company during the financial year 2024-25 were carried out in the ordinary course of business and at arm's length. These transactions were reviewed and approved by the Audit Committee, which comprises independent directors. Where applicable, repetitive transactions were approved through the omnibus approval route, in accordance with the SEBI Listing Regulations and the Company's related party transaction policy.

As per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any related party transaction that exceeds either Rs. 1,000 crore or 10 percent of the Company's annual consolidated turnover, whichever is lower, is considered as material related party transactions and requires shareholder approval. The Company confirms that no material related party transactions, as defined under the applicable regulations, were entered into during the financial year 2024-25.

Disclosures pursuant to Section 188(1) of the Companies Act, 2013 are provided in Form AOC 2, which forms part of this Report as **Annexure IV**. Additional details of related party transactions, including their nature, value, and terms, are set out in Note 42 to the standalone and consolidated financial statements.

Transactions with persons or entities belonging to the promoter group holding 10% or more of the shareholding in the Company are also disclosed in the financial statements.

During the year under review, non-executive directors had no pecuniary relationships or transactions with the Company other than receipt of sitting fees, commission, and reimbursement of expenses, as applicable.

The Board of Directors, based on the recommendation of the Audit Committee, has adopted a policy to regulate related party transactions in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Policy is available on the Company's website at: <https://loyaltextiles.com/wp-content/uploads/2025/02/LTM-Related-Party-Transaction-Policy.pdf>

Board's Report

Further, during the financial year 2025-26, the Company proposes to enter into related party transactions with Gruppo P&P Loyal S.P.A, the joint venture partner of the Company, which are expected to exceed the materiality threshold of 10% of the Company's annual consolidated turnover as of March 31, 2025. Accordingly, a special resolution seeking shareholder approval for entering into these material transactions is included in the Notice convening the Annual General Meeting.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During FY 2024-25, the Company has not given loans, advances made investments, guarantee to any of its, joint venture Companies and other body corporates and persons.

DEPOSITS FROM PUBLIC

During the year under review, the Company did not accept any deposits from the public in terms of Section 73 of the Companies Act, 2013. Accordingly, there were no outstanding public deposits, whether principal or interest, as on the date of the balance sheet.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. An Internal Committee (IC) has been set up in compliance with the said Act. During the year under review, there were no cases filed pursuant to the provisions of the Act. Necessary annual returns have been filed with respective collectorate. Details of status of complaints as below:

No of Complaints outstanding as on 1 st April, 2024	0
No of complaints received during FY 2024-2025	0
No of complaints redressed during FY 2024-2025	0
No of complaints outstanding as at 31 st March, 2025	0
No of complaints outstanding more than 90 days as at 31 st March, 2025	0

DISCLOSURE UNDER MATERNITY BENEFITS ACT, 1961

During the FY 2024-25, the Company had complied with the relevant applicable provisions of Maternity Benefits Act, 1961.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms that:

- In the preparation of the annual financial statements for the year ended 31st March 2025, the applicable accounting standards have been followed, along with proper explanations relating to material departures, if any.
- The Directors have selected appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company and the loss for the financial year ended 31st March 2025.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.
- The Directors have laid down adequate internal financial controls to be followed by the Company and such internal financial controls are operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Section 124 of the Companies Act, 2013 and the applicable rules made thereunder, the Company has transferred a sum of Rs. 15,89,970/- to the Investor Education and Protection Fund (IEPF) during the year. This amount represents dividends that remained unclaimed and unpaid for a period of seven consecutive years.

As per statutory requirements, any dividend that remains unclaimed or unpaid for seven years from the date of transfer to the unpaid dividend account is required to be transferred to the IEPF.

Due dates for transfer of Unclaimed Dividends to the IEPF is given below:

Financial Year	Rate of Dividend	Date of Declaration of Dividend	Date of Dividend transfer to unpaid Dividend Account	Last Date for Claiming unpaid Dividend	Due to Transfer to IEPF
2017-2018	50%	27-09-2018	29-10-2018	27-09-2025	27-10-2025
2018-2019	15%	26-09-2019	28-10-2019	26-09-2026	26-10-2026
2020-2021	75%	24-09-2021	29-10-2021	29-09-2028	29-10-2028
2021-2022	100%	22-09-2022	27-10-2022	27-09-2029	27-10-2029

Members who have not yet encashed their dividend warrants for the above financial years are advised to submit their claims

Board's Report

to the Company's Registrar and Transfer Agent (RTA) at the earliest by quoting their folio number or DP ID and Client ID

CREDIT RATING

During the financial year 2024-25, CARE Ratings Limited revised the Company's credit ratings for its bank facilities, citing near-term operational and financial pressures. The revised ratings are as follows:

Facilities	Rating	Rating Action
Long Term Bank Facilities	CARE BB+; Stable	Downgraded from CARE BBB; Negative
Long-term / Short-term bank facilities	CARE BB+; Stable / CARE A4+	Downgraded from CARE BBB; Negative / CARE A3
Short Term Bank Facilities	CARE A4+	Downgraded from CARE A3

Management Outlook

Despite the temporary challenges, the Company is undertaking comprehensive measures to improve its financial profile. These include:

- Strategic realignment toward high-value technical textiles and garments.
- Monetization of non-core assets to reduce debt and strengthen liquidity.
- Cost rationalization and operational efficiency initiatives to enhance margins.

With these steps underway, the Company expects improvements in operating performance and credit metrics in the upcoming fiscal period. The management remains confident of regaining an improved rating trajectory once these initiatives translate into measurable financial outcomes.

LISTING

The Company's equity shares are listed on National Stock Exchange India Limited (NSE) and Bombay Stock Exchange (BSE).

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is confirmed that no employee of the Company received remuneration of Rs. 1.02 crore or more during the financial year, or Rs. 8.50 lakhs or more per month during any part of the year under review.

RATIO OF REMUNERATION OF DIRECTOR

Pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement disclosing the ratio of the remuneration of each Director to the median employee's remuneration is provided in **Annexure V** to this Report.

CEO / CFO CERTIFICATION

In accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate certifying the accuracy and completeness of the financial statements and cash flow statement for the year ended 31st March 2025, duly signed by the Chief Executive Officer and Chief Financial Officer, was submitted to the Board of Directors. The certificate is annexed to this Report as **Annexure VI**.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has in place an adequate internal control system designed to ensure the orderly and efficient conduct of its business, including the safeguarding of assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

All transactions are properly authorised, recorded, and reported to the management. The Company adheres to applicable accounting standards and statutory requirements in maintaining its books of accounts. The internal audit function, carried out by an independent firm of auditors, regularly evaluates the effectiveness of internal controls and ensures their compliance with the policies approved by the Board.

RISK MANAGEMENT

The company takes utmost care in managing the risks and it helps to improve operations and production. Risk management framework has been formulated. The Board members are regularly informed of the risk assessment and risk mitigation measures. The forex exchange risk is actively managed within the framework laid down by the Forex management policy approved by the Board.

GENERAL

In accordance with the applicable provisions of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Board confirms the following disclosures for the year under review:

- No significant or material orders were passed by any regulators, courts, or tribunals, other than those already

Board's Report

considered in the financial statements and disclosed under the Statement on Contingent Liabilities and Commitments in the notes to the financial statements, that would impact the going concern status of the Company or its future operations.

- No instances of fraud were reported by the statutory auditors under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors.
- There was no change in the nature of the business of the Company during the financial year. The Company continues to operate in the textile industry, with a strategic focus on value-added offerings, particularly technical textiles and protective wear.
- No proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- The Company did not enter into any one-time settlement with any bank or financial institution during the financial year.

ENHANCING SHAREHOLDERS' VALUE

The company believes in the importance of its Members who are among its most important stakeholders. Accordingly, the company's operations are committed to the goal of achieving high levels of performance and cost effectiveness, growth building, enhancing the productive asset and resource base and nurturing overall corporate reputation. The company is also committed to creating value for its stakeholders by ensuring that its corporate actions have positive impact on the socio-economic and environmental growth and development.

ACKNOWLEDGEMENT

The Board has pleasure in recording its appreciation for the assistance, cooperation and support extended to the company by the banks and the government departments.

The Board also places on record its sincere appreciation of the response received from the company's valuable customers and thank them for their continued support.

The company is grateful to all the employees for their continued co-operation extended to the company. Their contribution has been outstanding and the Directors place on record their appreciation for the same.

The Directors also thank the shareholders for their support and for the confidence they have reposed in the company.

CAUTIONARY STATEMENT

This report, including the Management Discussion and Analysis, contains forward-looking statements that reflect the Company's current expectations regarding future performance. These statements are subject to inherent risks and uncertainties, and actual results may differ materially from those expressed or implied. Key factors that may impact performance include market demand, raw material availability and pricing, changes in government policies, regulatory developments, tax laws, economic conditions, and other operational or legal matters.

For and on behalf of the Board

Valli M Ramaswami

Chairperson & Whole Time Director

(DIN:00036508)

Place: Chennai

Date : 12th August, 2025

ANNEXURE – I

Information pursuant to Section 134(3) (m) of the Companies Act, 2013

A. CONSERVATION OF ENERGY

1. Steps taken or Impact on Conservation of Energy :

- Savio Machine Linkconer suction pressure optimization from 65 Hz to 50 Hz.
- In ring frames 11 no's Energy efficient Main motor with Timing Belt conversion.
- Cogged belt conversion done in 2 Nos BR and Carding machine
- Simplex machine Pneumatic Fan motor stopped by providing stop motion sensor
- Air leakages are corrected by providing Automatic drain valve.
- 3 Nos. inverter installed in RF Pneumafil Motor.

From the above initiatives overall 3 lakh units will be saved per annum.

2. Steps taken by the company for utilizing alternate sources of energy :

During the year, the company utilized 483 lakhs units power generated through windmills.

3. Capital Investment on Energy Conservation Equipment :

- Have invested around Rs.4 lakhs in various Energy saving activities in LTM.
- Have spent Rs.2 Lakhs for various Energy Saving activities in VTM.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption :

- Latest machines from LTM are shifted to VTM -A and created a state of art spinning unit to produce yarns with higher productivity and quality.

2. Benefits derived like product improvement, cost reduction, product development etc. :

- We have developed triblend yarn with cotton, polyester and viscose and submitted to the buyer and the sample is approved.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Cr.)

Particulars	2024-25	2023-24
Total Foreign Exchange Earned	388.01	522.95
Total Foreign Exchange Used	46.71	26.53

Annexure II
FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

LOYAL TEXTILE MILLS LIMITED
21/4, Mill Street, Kovilpatti TN 628501

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

Based on our verification of the **Loyal Textile Mills Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2025 generally complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Loyal Textile Mills Limited for the financial year ended on 31st March, 2025 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; -
- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- f. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- vi. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- vii. Other laws applicable to the Company as per the representations made by the Management;

With respect to Fiscal laws such as Income Tax and Goods and Service Tax we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various acts and based on the information and explanation provided to us by the management and officers of the company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

- i. Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, issued by The Institute of Company Secretaries of India have been generally complied with.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Board's Report

During the period under review there were no events which required specific compliance of the provisions of

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- iv. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

We further report that

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

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

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

We further report that during the audit period, the following significant events have taken place:

1. Mr. K. Ganapathi Chief Financial Officer (KMP) of the Company resigned from Company w.e.f 29th June 2024.
2. The Board of Directors as their meeting held on 09th August 2024 has appointed Mr. N. Srinivasan as Chief Financial Officer and Strategy Officer of the Company.
3. Mr. Maniedath Madhavan Nambiar, Non-Executive - Independent Director of the Company had retired opting not to get re-elected as the Director to retire by rotation at the Annual General Meeting held on 23rd September 2024.

4. Mr. P. Mahadevan had resigned from Company as the Company Secretary and Compliance Officer w.e.f. 30th September 2024.
5. Mr.N.Srinivasan had stepped down from the position of Chief Financial Officer of the Company w.e.f 12th November 2024 and was re-designated as the Chief Operating and Strategy Officer w.e.f. 12th November, 2024
6. The Board of Directors as their meeting held on 12th November 2024 has appointed Mr. U.Thenappan as Chief Financial Officer of the Company.
7. The Board of Directors as their meeting held on 12th November 2024 has appointed Mr. Swaminathan Muthukrishnan as Company secretary(KMP), Compliance Officer and Nodal officer of the Company.
8. Ms. Vishala Ramaswami, had resigned from the position of Executive Director w.e.f. 27th December 2024.
9. Ms. Vishala Ramaswami was appointed as an Additional Director (Non-Independent and Non-Executive Director) of the company w.e.f.17th January 2025 by way of Circular resolution and subsequently approved by the shareholders by passing an ordinary resolution through postal ballot on 27th February,2025.
10. Mr.N.Srinivasan had stepped down from the position of Chief Operating and Strategy Officer w.e.f 31st March, 2025 consequent to his appointment as Chief Executive Officer w.e.f. 1st April. 2025.
11. Mr.A.Velliangiri had retired as Chief Executive Officer of the Company w.e.f. 31st March, 2025.
12. Mr.R.M.Shanmugam was appointed as Chief Operating Officer w.e.f. 6th March, 2025.

For BP & Associates
Company Secretaries

K. J. Chandra Mouli
Partner

M.No: F11720

CP No: 15708

UDIN: L17111TN1946PLC001361

Date : 12/08/2025

Place : Chennai

To,

Loyal Textile Mills Limited
21/4, Mill Street,
Kovilpatti - 628 501
Tamil Nadu

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For BP & Associates
Company Secretaries

K. J. Chandra Mouli
Partner

M.No: F11720
CP No: 15708

Date : 12/08/2025
Place : Chennai

UDIN: L17111TN1946PLC001361

ANNEXURE III ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the Company's CSR policy

The Company's CSR policy is focused primarily on Education and Health Care. The CSR Policy has been uploaded in the company's website www.loyaltextiles.com.

2. Composition of CSR Committee

NAME	POSITION	CATEGORY
Mrs. Vijayalakshmi Rao	Chairperson	Independent Director
Mr. R Kannan	Member	Independent Director
Mr. M.E. Manivannan	Member	Wholetime Director

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the Company's Website www.loyaltextiles.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 – **Not Applicable.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – **Not Applicable.**

6. Average Net Profit

Average net profit of the company for the last three financial years is **Rs.2,281.21 Lakhs**

7. (a) Two percent of average net profit of the company as per section 135(5) is **Rs.45.62 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – **Nil**

(c) Amount required to be set off for the financial year, if any – **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c) – **Rs.45.62 Lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
45.62	NIL		NIL		

Board's Report

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

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S.No	Name of the project	Item from the list of activities in schedule VII to the Act	Local Area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in Rs. Lakhs)	Amount spent in the current Financial year (in Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - through Implementing Agency	
				State	District						Name	CSR Registration No.
Not Applicable												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S.No	Name of the project	Item from the list of activities in schedule VII to the Act	Local Area (Yes / No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - through Implementing Agency	
				State	District			Name	CSR Registration No.
1.	Educational Expenses incurred for Manickam Ramaswamy College of Arts and Science	Promoting education, including special education and vocation skills.	Yes	Tamil Nadu	Thiruparankundram	45.62	No	Manickavasagam Charitable Trust	CSR00001112

(d) Amount spent in Administrative Overheads - **NIL**

(e) Amount spent on Impact Assessment, if applicable - **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - **Rs.45.62 Lakhs**

Board's Report

(g) Excess amount for set off, if any

S. No.	Particulars	Amount (Rs. 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)]	-

9. (a) Details of Unspent CSR amount for the Preceding three financial years:

S. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial year (in Rs.)	Amount transferred to any fund specified under schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial year(in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S. No.	CSR project or activity identified	Sector in which the project is covered	Locations (Unit)	Amount Outlay (Budget)- Project wise/ Program wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
NIL							

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

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the Capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – **Not applicable.**

Vijayalakshmi Rao
Chairperson of CSR Committee
(DIN:00259208)

M.E. Manivannan
Member - CSR Committee
(DIN: 02229808)

Place: Chennai
Date: 27th May, 2025

ANNEXURE IV RELATED PARTY TRANSACTIONS

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 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 arm's length transactions under third proviso thereto

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

S. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts / arrangements / transactions	Nil
c)	Duration of the contracts / arrangements / transactions	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date(s) of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

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

a)	S. No.	Particulars	Details
	a)	Name(s) of the related party and nature of relationship	Gruppo P&P Loyal Spa, Italy – Joint Venture
	b)	Nature of contracts / arrangements / transactions	Sale of Garments, Fabrics and Commission
	c)	Duration of the contracts / arrangements / transactions	01.04.2024 – 31.03.2025
	d)	Salient terms of the contracts or arrangements or transactions including the value	Sale of Garments and Fabric – Rs. 9,334.22 lakhs Purchase of Services – Commission Charges Rs. 3.39 lakhs Dividend receipt – Rs.439.53 lakhs
	e)	Date(s) of approval by the Board	Transactions were approved by Board in the meeting held on 09.08.2024, 12.11.2024, 12.02.2025 and 27.05.2025
	f)	Amount paid as advances	Nil

b)	S. No	Particulars	Details
	a)	Name(s) of the related party and nature of relationship	Valli Agri Industries Pvt Ltd – Mrs. Valli M Ramaswami, Promoter
	b)	Nature of contracts / arrangements / transactions	Purchase of Milk & Ghee
	c)	Duration of the contracts / arrangements / transactions	01.04.2024 – 31.03.2025
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Milk & Ghee Rs. 183.90 lakhs
	e)	Date(s) of approval by the Board, if any	Transactions were approved by Board in the meeting held on 09.08.2024, 12.11.2024, 12.02.2025 and 27.05.2025 Ratification of Rs.33.90 Lakhs was approved at the Audit Committee Meeting held on 27th May, 2025
	f)	Amount paid as advances	Nil

Board's Report

c)	S. No	Particulars	Details
	a)	Name(s) of the related party and nature of relationship	Kurunji Properties Pvt Ltd – Mrs. Valli M Ramaswami, Promoter
	b)	Nature of contracts / arrangements / transactions	Rent Paid
	c)	Duration of the contracts / arrangements / transactions	01.04.2024 – 31.03.2025
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rent Paid Rs. 18.00 lakhs
	e)	Date(s) of approval by the Board, if any	Transactions were approved by Board in the meeting held on 09.08.2024, 12.11.2024, 12.02.2025 and 27.05.2025
	f)	Amount paid as advances	Nil
d)	S. No	Particulars	Details
	a)	Name(s) of the related party and nature of relationship	Manickavasagam Charitable Foundation – Mrs. Valli M Ramaswami, Trustee
	b)	Nature of contracts / arrangements / transactions	Sale of Property and Contribution under CSR obligation for promotion of Education
	c)	Duration of the contracts / arrangements / transactions	01.04.2024 – 31.03.2025
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of Property – Rs.423.90 lakhs Contribution under CSR obligation for promotion of education - Rs.45.62 lakhs Sale of Goods – Rs. 1.28 lakhs. Sale of Land - Rs. 23.90 lakhs Sale of Generator – Rs.1.60 lakhs
	e)	Date(s) of approval by the Board, if any	Transactions were approved by Board in the meeting held on 09.08.2024, 12.11.2024, 12.02.2025 and 27.05.2025 Ratification of CSR contribution of Rs.45.62 Lakhs, Sale of Goods of Rs.1.28 Lakhs and Sale of Generator of Rs.1.26 Lakhs was approved at the Audit Committee Meeting held on 27 th May, 2025
	f)	Amount paid as advances	Nil
e)	S. No	Particulars	Details
	a)	Name(s) of the related party and nature of relationship	P. Orr & Sons Pvt Ltd – Control exists through Promoter
	b)	Nature of contracts / arrangements / transactions	Purchase of Generator
	c)	Duration of the contracts / arrangements / transactions	01.04.2024 – 31.03.2025
	d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Generator - Rs. 5.49 lakhs
	e)	Date(s) of approval by the Board, if any	Ratification of purchase of generator of Rs.5.49 Lakhs was approved at the Audit Committee meeting held on 27 th May, 2025
	f)	Amount paid as advances	Nil

Place: Chennai
Date : 12th August, 2025

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN:00036508)

ANNEXURE – V

RATIO OF REMUNERATION OF DIRECTOR

[Part A : Information pursuant to Section 197 (12) of the Companies Act, 2013

read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and percentage of increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name	Designation	Ratio / Times of remuneration to the Median remuneration of employee	Percentage of Increase of remuneration
1	Mrs. Valli M Ramaswami	Chairperson & Whole Time Director	37	0.00%
2	Mr. M.E. Manivannan	Whole Time Director	18	0.00%
3	Ms. Vishala Ramswami #	Non- Executive Non- Independent Director	7	(8.33%)
4	Mr. A. Velliangiri *	Chief Executive Officer	32	0.00%
5	Mr. K. Ganapathi *	Chief Financial Officer	25	(74.53%)
6	Mr. P. Mahadevan *	Company Secretary & Compliance Officer	11	(40.44%)
7	Mr.N.Srinivasan @**\$	Chief Financial Officer	47	-
8	Mr. U Thenappan @	Chief Financial Officer	22	-
9	Mr.S Muthukrishnan @	Company Secretary & Compliance Officer	12	-

- a. *Mr K. Ganapathi resigned from the position of Chief Financial Officer w.e.f. 29th June, 2024
- b. @ Mr.N.Srinivasan was appointed as Chief Financial and Strategy officer w.e.f. 9th August, 2024.
- c. #Mr.N. Srinivasan resigned from the position of Chief Financial officer w.e.f. 12th November, 2024.
- d. \$ Mr.N.Srinivasan resigned as Chief Operating and Strategy Officer w.e.f 31st March, 2025 and was appointed as Chief Executive Officer w.e.f 1st April, 2025.
- e. *Mr.P. Mahadevan resigned from the position of Company Secretary & Compliance Officer w.e.f. 30th September, 2024
- f. # Ms. Vishala Ramswami resigned from the position of Executive Directorship w.e.f. 27th December, 2024.
- g. @ Ms. Vishala Ramswami was appointed as Non- Executive Non-Independent Director w.e.f 17th January, 2025.
- h. *Mr.A Velliangiri retired from the position of Chief Executive Officer w.e.f. 31st March, 2025.
- i. @Mr.U.Thenappan was appointed as Chief Financial Officer w.e.f.12th November, 2024
- j. @ Mr.S Muthukrishnan was appointed as Company Secretary & Compliance Officer w.e.f.12th November, 2024

Board's Report

- b. Percentage increase / (decrease) in the median remuneration of employees in the financial year: 10.33%
- c. No. of permanent employees on the rolls of the Company: 635
- d. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
Average percentage increase/(Decrease) made in the salaries of employees other than the managerial personnel in the last financial year i.e., 2024-25 was 15.62% whereas the increase/(decrease) in the managerial remuneration for the same financial year was 44.38%.
- e. It is hereby affirmed that the remuneration is as per the remuneration policy of the company.

Part B : Statement of Disclosure pursuant to Section 197 of the Companies Act, 2013

[Read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

- a. No employee of the Company was in receipt of remuneration of not less than Rs.1.02 crores during the year or Rs. 8.50 lakhs per month during any part of the financial year.

Place: Chennai

Date : 12th August, 2025

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN:00036508)

ANNEXURE – VI

CEO/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2025 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered into by the Company during the year ended March 31, 2025 which are fraudulent, illegal or violative of Company's Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting.

Deficiencies noted, if any, are discussed with the Auditors and the Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

- e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.
- f. There have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

Place : Chennai
Date : 27th May, 2025

ANNEXURE VII REPORT ON CORPORATE GOVERNANCE

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance is to achieve high level of integrity, equity and transparency in all its operations. The company believes that good Corporate Governance is essential for achieving long term goals and enhancing stakeholders' value. The Company's business objective is to manufacture and market products which create value that can be sustained over time for the benefit of customers, shareholders, employees, bankers and Government.

1. BOARD OF DIRECTORS

Composition and Category of Directors

The Board has ten Directors, with an optimum combination of Executive and Non-Executive Directors. There are five Independent Non-Executive Directors, two Executive Directors and two Non-Independent, Non-Executive Directors. All the directors are having considerable professional experience in their respective fields and they use independent judgement in the Board deliberation and decisions.

Mrs. Valli M Ramaswami was the Chairperson and Whole Time Director of the Company.

Attendance of Directors at the Board Meetings and Annual General Meeting

S. No.	Directors	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at last AGM
1	Mrs. Valli M Ramaswami	6	6	Yes
2	Mr. Madhavan Nambiar*	6	1	Yes
3	Mrs. Vijayalakshmi Rao	6	6	Yes
4	Mr. B. Vaidyanathan	6	6	Yes
5	Mr. R. Kannan	6	4	No
6	Ms. Vishala Ramswami @	6	4	No
7	Mr. M.E.Manivannan	6	6	Yes
8	Mr. Lakshmi Narayanan	6	5	Yes
9	Mr. Gokul S Dixit	6	6	Yes
10	Mr. K. Kumaran	6	4	No

* Retired as a Director at AGM held on 23rd September 2024.

@ Resigned as Executive Director on 27th December 2024.

@ Appointed as a Non-Independent and Non-Executive Director in the Board w.e.f. 17th January 2025.

Number of Directorship / Membership in other Companies

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of directorships and Committee chairmanships / memberships held by them as on March 31, 2025 is given herein

S. No.	Name	Category	No. of Directorship in other Companies	No. of Committee Membership in other Companies
1	Mrs. Valli M Ramaswami	Promoter & Executive Director	-	-
2	Ms. Vishala Ramswami**	Promoter & Non-Executive Non-Independent Director	-	-
3	Mr. M.E. Manivannan	Whole Time Director	-	-
4	Mr. Madhavan Nambiar*	Non-Executive & Non-Independent Director	-	-
5	Mr. B. Vaidyanathan	Non – Executive & Non-Independent Director	3	-

Board's Report

S. No.	Name	Category	No. of Directorship in other Companies	No. of Committee Membership in other Companies
6	Mrs. Vijayalakshmi Rao	Non-Executive & Independent Director	-	-
7	Mr. R.Kannan	Non-Executive & Independent Director	1	-
8	Mr. Lakshmi Narayanan	Non-Executive & Independent Director	6	-
9	Mr. Gokul S Dixit	Non-Executive & Independent Director	2	-
10	Mr. K. Kumaran	Non-Executive & Independent Director	1	-

* Retired as a Non-Executive Director at 78th AGM held on 23rd September, 2024.

** Resigned as Executive Director on 27th December 2024.

** Appointed as a Non-Independent and Non-Executive Director in the Board w.e.f. 17th January 2025.

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five committees across the public companies in which he/she is a director. None of the Directors on the Board serve as Independent Directors in more than seven listed entities. None of the Executive Directors on the Board serve as an Independent Director in more than three listed entities. None of the Directors/Key Management Personnel of the Company are related to each other (in terms of the Act).

Number of meetings of the Board of Directors held and its dates

S.No.	Date of Board meeting	No. of Directors present
1	29.05.2024	9
2	09.08.2024	9
3	17.10.2024	8
4	12.11.2024	8
5	12.02.2025	9
6	18.03.2025	6

Relationship between Directors inter-se

Ms.Vishala Ramswami is the daughter of Mrs.Valli M Ramaswami, Chairperson & Whole Time Director of the Company.

Number of shares and convertible instruments held by Non-Executive Directors

Except Ms. Vishala Ramswami, who holds 550 shares, no other Director holds any shares in the Company.

Familiarisation programme imparted to Independent Directors

On an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarisation programme for Directors are available on the Company's website.

Skills, Expertise and Competence of the Board

The Board comprises of persons with diverse experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its Committees. The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its members possess:

1. Commercial
2. Finance
3. Sales and Marketing
4. Science and Technology

Board's Report

5. Domain Industry
6. General Management and Human Resource
7. Legal, including laws related to Corporate Governance

Code of Conduct for Members of the Board and Senior Management Personnel

Your Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence prescribed both under the Act and the SEBI Listing Regulations. The Board at its meeting held on May 27, 2025 has taken on record these declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified in SEBI Listing Regulations and are independent of the Management.

INDEPENDENT DIRECTORS

Every Independent Director at the first meeting of the Board in every financial year, give declarations under Section 149(7) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations that he/she meets the criteria of independence as stated in these provisions/clauses.

The Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Your Company has issued formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been hosted on the website of the Company.

The company has laid down the code of conduct for all the Board members and Senior Management personnel of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the Company.

The Independent Directors of the company are bound by duties of Independent directors and in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 read with Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and are independent of the management.

2. AUDIT COMMITTEE

Terms of Reference

The Audit Committee covers all matters specified in Regulation 18 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 and also as per Section 177 of the Companies Act, 2013. The terms of reference broadly include, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory, Secretarial, Internal and Cost Auditors and their remuneration, review of Management Discussions and Analysis, Review of Internal Audit Reports and significant related party transactions.

The Audit Committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board.

Composition of the Committee

The Audit Committee comprises of the following Directors of the Company.

S.No.	Name of the Director	Designaton
1	Mr. Gokul S Dixit	Chairman
2	Mr. B. Vaidyanathan	Member
3	Mr. R. Kannan	Member
4	Mrs. Vijayalakshmi Rao	Member

Board's Report

Meetings and attendance

The Committee met six times during the year on 29th May 2024, 9th August 2024, 17th October 2024, 12th November 2024, 12th February 2025 and 18th March 2025. The attendance details of the meetings are as follows:

S.No.	Name of the Director	Designation	Number of Meetings Attended
1	Mr.Gokul S Dixit	Chairman	6
2	Mr. B. Vaidyanathan	Member	6
3	Mr. R. Kannan	Member	4
4	Mrs. Vijayalakshmi Rao	Member	6

3. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The Committee shall identify the persons, who are qualified to become Directors of the Company/who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance.

It shall also formulate the criteria for determining qualifications, positive attributes, Independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Composition of the Committee

The Committee comprises of the following Directors of the Company.

S.No.	Name of the Director	Position
1	Mrs. Vijayalakshmi Rao	Chairperson
2	Mr. B. Vaidyanathan	Member
3	Mr. Gokul S Dixit	Member

Meetings and attendance

The Committee met four times during the year on 29th May 2024, 9th August 2024, 12th November 2024 and 18th March 2025. The attendance details of the meetings are as follows:

S.No.	Name of the Director	Designation	Number of Meetings Attended
1	Mrs. Vijayalakshmi Rao	Chairperson	4
2	Mr. B. Vaidyanathan	Member	4
3	Mr. Gokul S Dixit	Member	4

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee approves and monitors share transfers and transmissions, splitting and consolidation of shares and issue of duplicate share certificates and looking into redressal of shareholders / investors complaints viz. transfer of shares, non-receipt of declared dividends, etc., and deciding on any other matter as may be required in connection with the shareholders/ investors' servicing or redressal of their grievance.

During the year under review, the company has not received any requests from the shareholders with respect to non-receipt of dividend warrants, non-receipt of share certificates after transfer, non-receipt of Annual Report etc.

All the requests of the shareholders were attended within the stipulated time and there is no pending request / complaints of the shareholders as at 31st March 2025.

Board's Report

The Company has designated an exclusive E-Mail ID: investors@loyaltextiles.com for the purpose of registering complaints by investors and necessary follow up action by the Company / Compliance Officer in compliance with Regulation 13 read with regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year the Committee met once on 9th August 2024. The attendance of the meeting is as follows:

S.No.	Name of the Director	Category	Number of Meetings Attended
1	Mr. B. Vaidyanathan	Chairman	-
2	Mr. Gokul S Dixit	Member	1
3	Mr. M.E.Manivannan	Member	1

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As per the provisions of the Section 135 of the Companies Act 2013, the company has constituted the Corporate Social Responsibility Committee. Currently, the company focus the CSR activities on Education and Health Care.

The Committee comprises of three Members. Mrs. Vijayalakshmi Rao, Non-Executive Independent Director is the Chairperson of the Committee. Mr. M.E. Manivannan and Mr. R. Kannan, Directors are the other members of the Committee.

During the year the Committee met once on 29th May 2024. The attendance of the meeting is as follows:

S.No.	Name of the Director	Position	Number of Meeting Attended
1	Mrs. Vijayalakshmi Rao	Chairperson	1
2	Mr. M.E. Manivannan	Member	1
3	Mr. R. Kannan	Member	1

6. INDEPENDENT DIRECTORS MEETING

During the year, the Independent Directors of the Company without the presence of non-independent directors and management team met on February 12, 2025. The Independent Directors inter-alia reviewed the performance of the non-independent directors, Board as a whole and Chairman of the Company, on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

7. REMUNERATION OF DIRECTORS

While formulating policy the Committee has ensured that (1) The Level and composition of remuneration is reasonable and sufficient to attract /retain and motivate the Directors. (2) The composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The relationship of remuneration to performance shall be clear and meet appropriate performance benchmarks. The Committee may review remuneration of Senior Management Personnel from time to time.

Details of Remuneration paid to Executive Directors during the Financial Year 2024-25:

(Rs. in Lakhs)

S. No.	Particulars	Mrs.Valli M Ramaswami, Chairperson & Whole Time Director	Mr. M.E. Manivannan Whole Time Director	Ms. Vishala Ramswami, Executive Director	Total
1	Salary	60.00	29.42	11.00	100.42
2	Bonus / Benefits	-	-	-	-
3	Commission	-	-	-	-
4	Other perquisites / Performance linked incentives	-	-	-	-
5	Contribution to Provident Fund / Pension	7.20	2.71	1.32	11.23

Board's Report

S. No.	Particulars	Mrs.Valli M Ramaswami, Chairperson & Whole Time Director	Mr. M.E. Manivannan Whole Time Director	Ms. Vishala Ramswami, Executive Director	Total
6	Contribution to Superannuation Fund	-	-	-	-
7	Stock Options	-	-	-	-
8	Service contracts / Notice Period / Severance fees	-	-	-	-
Total		67.20	32.13	12.32	111.65

Remuneration to Non-Executive Directors

There was no Sitting Fees paid to Non - Executive Directors during the year.

Pecuniary Relationship or Transaction of the Non-Executive Directors

There were no pecuniary relationship or transactions of the Non-Executive director's vis-a-vis the Company during the financial year ended 31st March 2025.

Criteria of making payments to Non-Executive Directors

As per the Company's policy for making payments to Non-Executive Directors, all the Non-Executive Directors were entitled sitting fee for attending the Board and other committee meetings.

8. GENERAL BODY MEETINGS

Annual General Meeting (AGM)

FY	DATE AND TIME	VENUE	DETAILS OF SPECIAL RESOLUTION PASSED
2021-22	22/09/2022 10.15 am	AGM held through Video Conferencing facility provided by NSDL	NIL
2022-23	27/09/2023 10.00 am	AGM held through Video Conferencing facility provided by NSDL	NIL
2023-24	23/09/2024 10.00 am	AGM held through Video Conferencing facility provided by NSDL	NIL

9. POSTAL BALLOT

During the year under review, the Company completed process of one postal ballot as per provisions of Section 110 of the Companies Act, 2013. Ms. C Anuradha, Partner, B Chandra & Associates (Company Secretaries in Practice) (CP No. 21407), Chennai, was appointed as Scrutinizer for conducting postal ballot in a fair and transparent manner. The Company had engaged the services of NSDL to provide e-voting facility to its Members. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out.

The voting results along with the Scrutinizer's Report has been submitted to the Bombay Stock Exchange, National Stock Exchange and uploaded in the Company's website.

Board's Report

The details of the Postal Ballot:

S. No.	Resolution	No. of Votes received	No. of Votes favour & %	No. of Votes against & %
1	Ordinary Resolution – Approval for appointment of Ms. Vishala Ramswami (DIN: 06967899) as Non-Executive Non-Independent Director of the Company w.e.f. 17 th April, 2025.	36,23,897	36,23,865 (99.99%)	32 (0.01%)

Whistle Blower Policy

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable stakeholders to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. During the year, the Whistle Blower policy was revamped to extend the policy to suppliers, dealers and all other stakeholders, dealing directly or indirectly with the Company.

The disclosure in relation to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the FY 2024-25 is as below:

- a) Number of complaints filed during the financial year: Nil
- b) Number of complaints disposed off during the financial year: Nil
- c) Number of complaints pending as on end of the financial year: Nil

Payment of Audit Fees to Statutory Auditors

M/s.Brahmayya & Co., Chartered Accountants are the Statutory Auditors of the Company. The total fees paid/payable to the statutory auditors and its network firms by the Company and its subsidiaries for the year ended March 31, 2025 is given below (excluding reimbursement of expenses):

S.No.	Nature of Service	Rs. in Lakhs
1.	Statutory Audit Fees	15
2.	Other services including certification and auditing group reporting pack	0
	Total	15

Reconciliation of Share Capital Audit

Your Company has engaged a qualified practising Company secretary to carry out share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from the Ind AS.

Non-Executive Directors' compensation and disclosures

The Nomination and Remuneration Committee recommends all fees/compensation paid to the Non-Executive Directors (including Independent Directors) and thereafter, the fees/compensation is fixed by the Board and approved by the Members in the General Meeting, if required.

Board's Report

Code of Conduct

Your Company has received confirmations from the Board and the Senior Management Personnel regarding their adherence to the Code of Conduct. The Annual Report of the Company contains a certificate by the Managing Director & Chief Executive Officer, on the compliance declarations received from the Board and Senior Management.

Code of Conduct for Prohibition of Insider Trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. All Designated Persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, the Company is in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. On a quarterly basis, the Audit Committee reviews the compliance with these Regulations. Your Company has also formulated a Code of Practises and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Codes have been hosted on the Company's website.

During the year under review, the Company has not raised any funds through preferential allotment or public issue or rights issue or qualified institutions placement and hence the disclosure as specified under Regulation 32(4) & 32(7A) of the SEBI Listing Regulations is not applicable.

During the year under review, the Company and its subsidiaries had not granted any loans/advances in the nature of loans to firms/companies in which Directors are interested in terms of Section 184(2) of the Act.

9. MEANS OF COMMUNICATION

- The financial results for the Quarter / Year ended are published in the leading English Newspaper viz., Business Line and Tamil version in Tamil Murasu. The financial results have been sent to Stock Exchanges within the stipulated time and uploaded in the Company's website www.loyaltextiles.com
- The company's website www.loyaltextiles.com contains basic information about the Company and other details as required under the Listing Regulations.
- No presentations have been made to institutional investors or to analysts during the year.

10. GENERAL SHAREHOLDER INFORMATION

a	Annual General meeting	
	Date	26.09.2025
	Time	10.00 A.M.
	Venue	Through Video Conference ("VC") / Other Audio-Visual Means ("OAVM")
b	Financial Year	
	Unaudited Financial Results for the Quarter ended 30/06/2025	On or before 14.08.2025
	Unaudited Financial Results for the Quarter ended 30/09/2025	On or before 14.11.2025
	Unaudited Financial Results for the Quarter ended 31/12/2025	On or before 14.02.2026
	Audited Financial Results for the year ended 31/03/2026	On or before 30.05.2026

Board's Report

c	Name and Address of the Stock Exchange where the Company's Shares Listed	Bombay Stock Exchange Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Listing Fee for the Financial year 2024-25 has been paid.
d	Stock Code / ISIN	BSE: 514036 NSE: Symbol: LOYALTEX ISIN: INE970D01010

Share transfer system

In line with amended SEBI (LODR) Regulations, 2015, the Share Transfers are entertained only in dematerialized form, with effect from 1st April, 2019. As at 31st March, 2025, No Equity Shares were pending for transfer.

Shares transferred to IEPF Authority

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), shares in respect of which dividends have remained unclaimed or unpaid for a period of seven consecutive years or more is required to be transferred to the Investor Education and Protection Fund Authority ('IEPF Authority'). In terms of the IEPF Rules, 8268 shares pertaining to 19 shareholders were transferred to the IEPF Authority during the FY 2024-25. The voting rights on the shares outstanding in the IEPF Authority as on March 31, 2025 remains frozen till the rightful owner of such shares claim the same.

Instruction to Members

SEBI has vide circulars dated November 3, 2021, December 14, 2021 and March 16, 2023 made it mandatory for holders of physical securities to furnish their KYC details viz., (i) PAN (ii) Nomination (to register or opt out) (iii) Complete postal address, Mobile No. and E-mail ID (iv) Bank details (v) Specimen signature of shareholder. To encourage mandatory updation of KYC details in the physical folios, reminder letters were sent to the shareholders at their last available addresses for furnishing of PAN, KYC details and Nomination. Further, Members may note that SEBI has as per the aforementioned circular, mandated companies to pay dividend only in electronic mode with effect from April 1, 2024. Hence, physical shareholders are urged to update the KYC details at the earliest to get the future dividends and past unclaimed dividends directly to the bank account. Members may get in touch with GNSA Infotech Private Limited Registrar and Share Transfer Agent, for further information.

Dematerialisation of shares and liquidity

Your Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 98.06% of the Company's equity share capital are dematerialized as on March 31, 2025. The entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI.

The equity shares of the Company are regularly traded in BSE and NSE and hence have good liquidity.

Members are requested to note that SEBI vide circular dated January 25, 2022 has mandated the issuance of securities in dematerialised form only and hence the issuance of share certificates in case of transmission and requests for duplicate share certificates can only be undertaken in dematerialized mode.

Board's Report

Distribution of Shareholder as on 31st March 2025

No. of Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Up to – 500	3249	92.20	2,35,318	4.89
501 – 1000	127	3.60	94,418	1.96
1001 – 2000	67	1.90	97,327	2.02
2001 – 3000	18	0.51	46,412	0.96
3001 – 4000	15	0.43	54,853	1.14
4001 – 5000	4	0.11	19,018	0.39
5001 – 10000	13	0.37	96,986	2.01
10001 & above	31	0.88	41,72,114	86.62
TOTAL	3524	100	48,16,446	100

Shareholding Pattern as on 31st March 2025

S.No	Category	No. of Shares	% of Total Capital
1	Promoter & Promoter Group	35,39,845	73.49
2	Nationalized Banks	4,000	0.08
3	Non Residents	12,480	0.26
4	Others	12,60,121	26.17
Total		48,16,446	100.00

Plant Locations

Spinning, Knitting, Weaving, Ginning & Garments

- 1) 21/4, Mill Street, Kovilpatti – 628 501.
- 2) N Venkateswarapuram, N Subbiahpuram, Sattur Taluk - 626 205.
- 3) Menakur Village, Naidupet Mandal, Nellore District, Andhra Pradesh – 524 221.
- 4) Arasanur, Thirumancholai Post, Sivagangai Taluk– 630 561.
- 5) Annarugudan Village, Tallada Mandal, Khammam District, Telangana.

Processing

- 6) C7 – 1, Sipcot Industrial Complex, Kudikadu , Cuddalore – 607 005.

Disclosure pursuant to SEBI/HO/CFD/CMD1/CIR/P2018/0000000141 circular dated November 15, 2018

The Company is not undertaking any commodity hedging activities, hence there is no risk of commodity hedging of the Company.

Board's Report

Credit Ratings

Facilities	Rating	Rating Action
Long Term Bank Facilities	CARE BB+; Stable	Downgraded from CARE BBB; Negative
Long-term / Short-term bank facilities	CARE BB+; Stable / CARE A4+	Downgraded from CARE BBB; Negative / CARE A3
Short Term Bank Facilities	CARE A4+	Downgraded from CARE A3

SENIOR MANAGEMENT

The names of the members forming part of the Senior Management is available in the Corporate Information page. During the FY 2024-25, the following changes took place in Senior Management category:

Resignation of Mr.K.Ganapathi as Chief Financial Officer	29 th June, 2024
Appointment of Mr.N.Srinivasan as Chief Financial and Strategy Officer	9 th August, 2024
Retirement of Mr.Madhavan Nambiar as Director at AGM.	23 rd September, 2024
Resignation of Mr.P.Mahadevan as Company Secretary & Compliance officer	30 th September, 2024
Resignation of Mr.N.Srinivasan as Chief Financial Officer and re-appointed as Chief Operating and Strategy Officer	12 th November, 2024
Appointment of Mr.U.Thenappan as Chief Financial Officer	12 th November, 2024
Appointment of Mr.S.Muthukrishnan as Company Secretary & Compliance Officer	12 th November, 2024
Resignation of Ms.Vishala Ramaswami as Executive Director	27 th December, 2024
Appointment of Ms.Vishala Ramaswami as Non-Executive Non- Independent Director	17 th January, 2025
Retirement of Mr.A.Velliangiri as Chief Executive Officer	31 st March, 2025
Resignation of Mr.N.Srinivasan as Chief Operating and Strategy Officer	31 st March, 2025
Appointment of Mr.N.Srinivasan as Chief Executive Officer	1 st April, 2025

DISCLOSURE OF AGREEMENTS BINDING THE COMPANY:

During the FY 2024-25, no agreements were entered requiring a disclosure under Clause 5A to para A of part A of Schedule III of SEBI LODR.

Address for Correspondence

Compliance Officer	Registrar and Share Transfer Agent
S Muthukrishnan, Company Secretary & Compliance Officer Loyal Textile Mills Ltd. 21/4, Mill Street, Kovilpatti – 628 501 Phone: (04632) 2220001 E-mail: investors@loyaltextiles.com	GNSA Infotech Private Limited STA Department, Nelson Chambers, 4 th Floor, F Block, No. 115, Nelson Manickam Road, Aminjikarai, Chennai – 600 029 Phone: 044-42962025 E-mail: sta@gnsaindia.com Contact Person: Mr. Krishna Kumar, Director

Board's Report

Other Disclosures

- a) There were no materially significant related party transactions made by the Company with its Promoters, Directors or Management, or relatives etc, during the year that may have potential conflict with the interests of the Company. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.
- b) The Company has complied with the statutory provisions, rules and regulations relating to the capital markets during the last three years and Stock Exchanges or SEBI or any statutory authority has not imposed any penalty or stricture on the Company.

DISCRETIONARY REQUIREMENTS

Pursuant to Regulation 27(1), read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company adopted the following discretionary requirements

1. **The Board** – The Board has a Separate Post of Chairperson and Chief Executive Officer.
2. **Modified Opinion(s) in audit report** – The Financial Statements of the Company have unmodified audit opinion.
3. **Reporting of Internal Auditor** – The internal auditors directly report to the audit committee.

DISCLOSURE OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

[Pursuant to Regulation 34(3) read with Schedule V Para-C (13) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

REGULATION	PARTICULARS	COMPLIANCE STATUS (YES/NO/N.A.)
17	Board of Directors	YES
18	Audit Committee	YES
19	Nomination and Remuneration Committee	YES
20	Stakeholders Relationship Committee	YES
21	Risk Management Committee	N.A.
22	Vigil Mechanism	YES
23	Related Party Transactions	YES
24	Corporate Governance requirements with respect to subsidiary companies	N.A.
25	Obligations with respect to Independent Directors	YES
26	Obligations with respect to Directors and Senior Management	YES
27	Other Corporate Governance Requirements	YES
46(2) (b) to (i)	Website	YES

Board's Report

DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended March 31, 2025..

Place : Chennai
Date : 27th May, 2025

N Srinivasan
Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*[Pursuant to Regulation 34 (3) and Schedule V Para C sub clause (10) (i) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

The Members,
LOYAL TEXTILE MILLS LIMITED,
21/4, Mill Street,
Kovilpatti – 628 501

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Loyal Textile Mills Limited** having CIN L17111TN1946PLC001361 and having registered office at 21/4, Mill Street, Kovilpatti – 628 501 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that None of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Mrs. Valli M Ramaswami	00036508	12-04-2018
2.	Ms.Vishala Ramswami	06967899	17-01-2025
3.	Mr.M.E.Manivannan	02229808	02-12-2021
4.	Mr. B Vaidyanathan	00263983	27-09-2018
5.	Mrs. Vijayalakshmi Rao	00259208	25-09-2017
6.	Mr.R.Kannan	00366831	20-11-2020
7.	Mr. Lakshmi Narayanan	00580679	08-08-2022
8.	Mr. Gokul S Dixit	00357170	04-11-2022
9.	Mr. K.Kumaran	00801146	10-10-2023

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

Date: 07/07/2025
Place : Chennai

Aashish Kumar Jain & Associates
Practicing Company Secretary
Membership No. 10666 CP No.7353
UDIN: F010666G000726854

Auditors' Certificate

ANNEXURE – VIII TO THE DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34 READ WITH SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of
M/s. Loyal Textile Mills Limited
Kovilpatti

1. We have examined the compliance of conditions of Corporate Governance by M/s. Loyal Textile Mills Limited for the year ended on 31st March 2025, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

Management's Responsibility

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI (LODR) Regulations, 2015.

Auditor's Responsibility

3. Our Examination is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the

Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics by the ICAI.

6. We have complied with the relevant applicable requirements of the Standards on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion and to the Best of our information and according to the explanations given to us, and the representation made by the directors and the management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Brahmayya & Co,**
Chartered Accountants
Firm Registration No.000511S

N.Sri Krishna
Partner

Membership No.026575
UDIN: 25026575BML4LT4705

Place : Chennai
Date : 12th August, 2025

Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT

To the Members of Loyal Textile Mills Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Loyal Textile Mills Limited ("the Company"), which comprise the Balance sheet as on 31st March 2025, and the statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

Emphasis of Matter:

Without Qualifying the Audit Opinion, Attention is invited to

Note No. 45 of the standalone Ind AS financial statements, which outlines the Company's financial and operational position, including recurring losses, suboptimal utilization of production capacity, and prevailing market conditions affecting liquidity. These circumstances indicate uncertainties in relation to the company's ability to achieve operational profitability. However, having regard to the company's initiatives to raise funds through various means, optimize operations, including improved capacity utilization and rationalize costs which are aimed at achieving the desired operational profitability, the financial statements have been prepared on a going concern basis and the company's ability to achieve operational profits is dependent upon successful implementation of the aforementioned plans. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our Report. For each matter below, our description of how our audit addressed the matter is provided in that Context.

Independent Auditors' Report

1. Revenue recognition

Key Audit Matter	Auditor's Response
<p>Refer Note No. 2 and 23 to the Standalone Ind AS Financial Statements</p> <p>Cut off Revenue is one of the key profit drivers and is therefore susceptible to misstatement.</p> <p>Cut-off is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognized on sale of goods without substantial transfer of control as on reporting date which will not be in accordance with Ind AS-115 "Revenue from Contracts with Customers".</p> <p>In view of the above and since revenue is a key performance indicator of the Company, we have identified timing of revenue recognition from sale of goods as a key audit matter.</p>	<p>Principal Audit Procedures Performed:</p> <p>Our audit process consisted testing of the design and operating effectiveness of the internal controls and substantive testing performed by us which are as follows:</p> <p>(i) We obtained an understanding of process and evaluated the design, implementation, and operating effectiveness of management's internal controls in relation to revenue recognition from sale of goods. We tested the Company's control over timing of revenue recognition around year end.</p> <p>(ii) At the year end, we have performed the cut off testing for late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales.</p>

2) Inventory Valuation

Key Audit Matter	Auditor's Response
<p>Valuation of inventories (Refer Note No 2 and 7 to the Standalone Ind AS Financial Statements)</p> <p>The Company's inventories comprise of raw materials, work-in-progress, finished goods and stores & spares amounting to Rs.20,853.52 Lakhs as at 31st March 2025.</p> <p>The inventories are valued at lower of cost and net realizable value ('NRV').</p> <p>NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs.</p> <p>The determination of NRV involves estimates of prevailing market conditions, stage of completion of the inventory, the estimated future selling price and selling costs.</p> <p>Considering the significance of the amount of carrying value of inventories and significant judgements and assumptions involved in assessment of NRV, the same is considered a key audit matter.</p>	<p>Principal audit procedures performed.</p> <p>Evaluated the design and operation of internal controls and its operating effectiveness in determining the NRV, including the Company's review of key estimates, such as estimated future selling prices on a test basis.</p> <p>Compared NRV with recent sales or estimated selling price and selling costs.</p> <p>Evaluated the Company's judgement with regards to application of write-down of inventories, where required.</p> <p>Assessed the adequacy and appropriateness of the disclosures made by the management with respect to Inventories in compliance with the requirements of applicable Ind AS 2 and Schedule III to the Companies Act, 2013.</p>

Other Information

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

Our opinion on the Standalone Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information as identified above when made available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditors' Report

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (IND AS) specified under section 133 of the Act read with relevant rules issued thereunder. 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; the selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

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 Ind AS 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 with reference to Ind AS Financial Statements 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS 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 Ind AS Financial Statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of utmost significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", 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, except for the matters stated in point (h)(vi) below, on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts
 - d) In our opinion, the aforesaid standalone Ind AS 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 31st March 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) In our opinion, the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the above on reporting under Section 143(3)(b) of the Act and point (h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
 - g) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in Note No 34.1 to the standalone Ind AS financial statements
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Independent Auditors' Report

- (iv) a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to accounts, 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 attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (iv)(a) and (iv)(b) above, contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the year. Hence provisions of Section 123 of the Act are not applicable.
- (vi) According to information and explanation given to us and based on our examination which included test checks, the Company has used licensed Textile specific ERP software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, in the absence of any confirmation on the controls concerning the maintenance of relevant audit trails at the database level by ERP service provider, we are unable to comment on the prevalence of audit trail (edit log) facility at the database level.
- (vii) Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the Company as per the statutory requirements for record retention under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
- 3) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197(16), which are required to be commented upon by us

Place : Chennai
Date: 27th May, 2025

For **Brahmayya & Co.,**
Chartered Accountants
FRN.000511S

N Sri Krishna
Partner

Membership No.026575
UDIN: 25026575BMLHGL9064

Independent Auditors' Report

Annexure-A to the Independent Auditor's Report

The "Annexure A" referred to in clause 1 of "Report on Other Legal and Regulatory Requirements" paragraph of the Independent Auditors' Report of even date to the members of Loyal Textile Mills Limited ("the Company") on the Standalone Ind AS Financial Statements for the year ended 31st March 2025

- I. In respect of 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 does not have any intangible assets and accordingly, maintenance of proper records is not applicable.
 - b) According to the information and explanations given to us and on the basis of our examination of records of the company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with the programme certain Property, Plant and Equipment were physically verified by the Management during the year and this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) as disclosed in the Standalone Ind AS Financial Statements are held in the name of the Company Based on the examination of relevant documents by us and confirmations received from the lenders as on the reporting date, immovable properties of land and buildings whose title deeds have been pledged as security for borrowings, are held in the name of the Company
 - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year ended 31st March 2025
 - e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- II.
 - a) According to information and explanations given to us and on the basis of our examination of the records of the Company, the inventories were physically verified during the year. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on physical verification.
 - b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns / statements filed by the Company with the banks are in agreement with the books of accounts of the Company.
- III. According to the information and explanations given to us and based on our examination of the records of the Company, the company during the year has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, reporting under clause 3(iii)(a) to (f) of the Order is not applicable
- IV. In our opinion and according to information and explanation given to us and on the basis of our examination of the records of the company, in respect of grant of loans, making investments and providing guarantees or securities, the company has complied with the provision of Section 185 and 186 of the Companies Act 2013 as applicable.
- V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

Independent Auditors' Report

VI. We have reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it 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 records with a view to determine whether these are accurate or complete.

VII. According to the information and explanations given to us, in respect of statutory dues:

- a) The company has been regular in depositing with appropriate authorities undisputed statutory dues such as Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess, and any other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and any other statutory dues were in arrears as at 31st March 2025, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and any other statutory dues which have not been deposited as on 31st March 2025, on account of any dispute and the forum where disputes are pending is given below:

Sl.no	Nature of the Statute	Nature of Dues	Amount in Lakhs	Period to Which amount relates	Forum where dispute is pending
1	Central Sales Tax Act. 1956	CST	795.54	Various Periods from 2013-14	State Tax Appellate Tribunal, Kakinada
2	Goods & Service Tax Act	GST	1,652.94	Various Periods from FY 2017-18 to FY 2022-23	Appellate Authority
3	Income Tax Act 1961	Income Tax	2102.42	Various Periods from AY 2017-18 to AY 2022-23	CIT Appeals
			2.10	AY 2015-16	IT Department

VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

IX. a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of borrowings or in the payment of interest thereon to any lender except for the delay in repayment of fund-based facility arising out of the devolvement of letters of credit during the year

Nature of borrowing	Name of Lender	Whether Principal or interest	Amount not paid on due date (₹ in lakhs)	No. of days of delay	Remarks
Supplier Credit	IndusInd Bank	Principal	Maximum Amount outstanding 2603.45	2 to 87 days	Said dues have been repaid during the financial year and there were no dues remaining unpaid as at the balance sheet date

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority
- c) In our opinion and according to the information and explanations given to us by the management, the company has not availed any term loans during the year

Independent Auditors' Report

- d) According to the information and explanations given to us and on an overall examination of the financial statements of the company as at 31st March 2025, we report that, the company has not raised funds on short term basis to be used for long term investment.
 - e) According to the information and explanations given to us and on an overall examination of the standalone Ind AS Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures as defined under the Act
 - f) According to the information and explanations given to us and procedures performed by us, the company has not raised any loans during the year on the pledge of securities held in its subsidiary or joint venture companies.
- X.
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in India, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause (x)(a) of paragraph 3 of the Order are not applicable to the Company
 - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, carried out in accordance with the generally accepted auditing practices in India, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- XI.
- a. On the basis of books and records of the Company examined by us and according to the information and explanations given to us, we report that no material fraud by the Company or any fraud on the Company has been noticed or reported during the year in the course of our audit
 - b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c. As represented to us by the management, there are no whistle blower complaints received by the company during the year
- XII.
- According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable to the Company
- XIII.
- According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed as related party transactions in Note No.42 the Standalone Ind AS Financial Statements. As represented to us by the management, there are no whistle blower complaints received by the company during the year
- XIV.
- a. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - b. We have considered the internal audit reports of the Company issued for the period under audit.
- XV.
- In our opinion and according to the information and explanations given to us, the Company has not entered non-cash transactions with directors or persons connected with them and hence the provisions of the section 192 of the Act are not applicable to the company.
- XVI.
- a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
 - b. The Company has not conducted any Non-banking Financial or Housing Finance activities during the year. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
 - c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. According, clause 3(xvi)(c) of the order is not applicable.

Independent Auditors' Report

- d. According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable

XVII. The company has incurred a cash loss of Rs. 4,832.34 Lakhs in the current financial year, and Rs.2,160.04 Lakhs in the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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

- XX. a. In our opinion, according to the information and explanations given to us and based on our examination of the records of the Company, the company has no ongoing CSR projects.
- b. In our opinion, according to the information and explanations given to us and based on our examination of the records of the Company, the company has no amount remaining unspent under sub section (5) of section 135 of Companies Act.

For **Brahmayya & Co.,**
Chartered Accountants
FRN.000511S

N Sri Krishna
Partner

Place : Chennai
Date : 27th May, 2025

Membership No.026575
UDIN: 25026575BMLHGL9064

Independent Auditors' Report

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls with reference to standalone Ind AS Financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013, as amended ("the Act")

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of Loyal Textile Mills Limited ("the Company") as of 31st March 2025, in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Ind AS Financial statements included obtaining an understanding of internal financial controls with reference to standalone Ind AS financial statements, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

A company's internal financial control with reference to Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone Ind AS Financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Independent Auditor's Report

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

Because of the inherent limitations of internal financial controls with reference to Standalone Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS Financial statements 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

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

For **Brahmayya & Co.,**
Chartered Accountants
FRN.000511S

N Sri Krishna
Partner

Place : Chennai
Date: 27th May, 2025

Membership No.026575
UDIN: 25026575BMLHGL9064

Operating Result Summary

(Rs. in Lakhs)

Year ended	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Revenue from Operations	68,215	93,919	1,40,289	1,76,287	1,12,180
Other Income	1,269	7,383	3,668	892	305
Total Income	69,485	1,01,302	1,43,957	1,77,178	1,12,485
Cost of materials consumed	32,246	52,448	94,062	1,13,131	62,312
Purchase of Stock-in-Trade	2,855	2,933	1,857	3,679	1,656
Changes in Inventories of Finished Goods, Work-in-progress	9,172	3,662	(6,809)	(9,051)	1,194
Employee Benefits Expense	11,936	15,698	17,651	16,371	12,913
Finance costs	5,096	5,288	3,179	2,963	3,503
Depreciation and amortization expense	3,468	3,776	3,658	3,704	4,307
Other expenses	19,797	23,433	30,503	33,236	23,301
Total Expenses	84,570	1,07,238	1,44,102	1,64,033	1,09,186
Profit/(Loss) before tax	(15,086)	(5,936)	(145)	13,145	3,299
Export	39,041	34,021	68,266	1,30,664	77,467
Production of Yarn in Lakh Kgs	107.43	198.72	269.55	279.72	229.52
Production of Cloth in Lakh Mtrs	223.42	447.24	411.84	533.30	445.73

Balance Sheet Summary

(Rs. in Lakhs)

Year ended	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
Net Fixed Assets	25,484	33,346	33,388	30,770	32,068
Investments	199	201	200	250	254
Other Non-Current Assets	4,399	2,531	3,877	1,715	480
Current Assets	47,548	72,290	89,315	93,312	65,306
Deferred Tax Assets (Net)	3,140	383	-	-	-
Total	80,770	1,08,752	1,26,781	1,26,047	98,108
Long Term Borrowings	-	-	-	-	1,308
Deferred Tax Liability (Net)	-	-	1,237	941	1,709
Current Liabilities	57,271	79,687	92,223	91,403	70,151
Total	57,271	79,687	93,460	92,343	73,168
Networth	23,498	29,066	33,321	33,703	24,940
Represented By					
Share Capital	482	482	482	482	482
Reserves & Surplus	23,017	28,577	32,839	33,222	24,458
Pre Tax Profits	(15,086)	(5,936)	-145	13,145	3,299
Dividend paid on equity shares	-	-	-	-	-
% of dividend paid on equity shares	0%	0%	100%	75%	0%

Standalone Balance Sheet as at 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(Rs. in Lakhs)

PARTICULARS	Note No.	31 st March 2025	31 st March 2024
ASSETS			
A. Non-Current Assets			
(a) Property, Plant & Equipment	3	25,416.64	33,133.13
(b) Capital Work-in-progress	3A	5.49	-
(c) Investment property	3	13.93	151.77
(d) Other Intangible assets	3	48.28	60.81
(e) Financial Assets			
(i) Investments	4	199.00	199.25
(f) Other Non-Current Assets	5	2,365.24	2,530.93
(g) Deferred Tax Assets (Net)	6	3,139.67	383.64
Total Non-Current Assets (A)		31,188.25	36,459.53
B. Current Assets			
(a) Inventories	7	20,853.52	41,559.35
(b) Financial Assets			
(i) Investments	8	-	2.15
(ii) Trade Receivables	9	13,529.85	15,848.67
(iii) Cash and Cash Equivalents	10	23.21	120.30
(iv) Bank Balance Other than (iii) above	11	406.43	1,573.28
(v) Others Financial Assets	12	4,964.99	4,598.84
(c) Current Tax Assets(Net)	13	277.07	366.41
(d) Other current Assets	14	7,492.94	8,223.63
Total Current Assets (B)		47,548.01	72,292.62
C. Non-current assets classified as held forsale	3B	2,033.26	
Total Assets (A+B+C)		80,769.52	1,08,752.16
EQUITY AND LIABILITIES			
D. EQUITY			
(a) Equity Share Capital	15	481.64	481.64
(b) Other Equity	16	23,016.59	28,576.66
Total Equity (d)		23,498.23	29,058.30
LIABILITIES			
E. Non-Current Liabilities			
(a) Provisions	17	116.19	159.00
Total Non-Current Liabilities (E)		116.19	159.00
F. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	18	41,329.94	62,223.03
(ii) Trade Payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises; and		3,791.88	3,098.34
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,152.82	8,097.95
(iii) Other financial liabilities	20	5,330.62	5,280.00
(b) Other current liabilities	21	2,117.04	613.42
(c) Provisions	22	432.81	222.12
Total Current Liabilities (F)		57,155.10	79,534.86
Total Liabilities (E+F)		57,271.29	79,693.86
Total Equity and Liabilities (D+E)+F		80,769.52	1,08,752.16

Note No. 3 to 47 form an integral part of this Financial Statements

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthukrishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

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

(All amounts in lakhs, unless otherwise stated)

		(Rs. in Lakhs)	
PARTICULARS	Note No.	31 st March 2025	31 st March 2024
I. Revenue from Operations	23	68,215.14	93,918.71
II. Other Income	24	1,269.37	7,382.91
III. Total Income (I +II)		69,484.50	1,01,301.62
IV. Expenses:			
Cost of materials consumed	25	32,246.27	52,447.58
Purchase of Stock-in-Trade	26	2,854.75	2,933.40
Changes in Inventories of	27		
Finished Goods		8,010.33	3,010.37
Work-in-progress		1,161.99	651.71
Employee Benefits Expense	28	11,935.91	15,697.62
Finance costs	29	5,096.47	5,288.47
Depreciation and amortization expense	3	3,467.52	3,776.14
Other expenses	30	19,797.13	23,432.52
Total Expenses		84,570.39	1,07,237.81
V. Profit / (Loss) before exceptional items and tax - (III - IV)		(15,085.88)	(5,936.19)
VI. Exceptional Items	31	6,786.01	-
VII. Profit / (Loss) before tax (V - VI)		(8,299.87)	(5,936.19)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	32(a)	(2,831.50)	(1,641.20)
IX. Profit/(Loss) for the period after tax (VII + VIII)		(5,468.37)	(4,294.99)
X. Other Comprehensive Income			
(a) items that will not be reclassified to Profit or (Loss)	33	(16.23)	52.71
(b) Income tax relating to items that will not be reclassified to Profit or Loss	32(b)	(75.47)	(20.27)
X. Total Other Comprehensive Income		(91.70)	32.44
XI. Total Comprehensive Income for the Period (IX+X)		(5,560.07)	(4,262.55)
XII. Earning per equity share of Rs.10/- :			
(1) Basic		(113.54)	(89.17)
(2) Diluted		(113.54)	(89.17)

Note No. 3 to 47 form an integral part of this Financial Statements

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthukrishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

Standalone Statement of Changes In Equity

(All amounts in lakhs, unless otherwise stated)

A) EQUITY SHARE CAPITAL

For the year ended 31st March 2025				(₹ in Lakhs)
Balance as at 01st April 2024	Changes in Equity share capital due to prior period errors	Restated Balance at the beginning of financial year	Changes in Equity share capital during the year	Balance as at 31st March 2025
481.64	-	481.64	-	481.64

For the year ended 31st March 2023				(₹ in Lakhs)
Balance as at 01st April 2022	Changes in Equity share capital due to prior period errors	Restated Balance at the beginning of financial year	Changes in Equity share capital during the year	Balance as at 31st March 2024
481.64	-	481.64	-	481.64

B) OTHER EQUITY

Statement of Changes in Other Equity (2024-25)

(₹ in Lakhs)

Particulars	Reserves & Surplus					Equity Instruments through OCI	Total
	Capital Reserve	General Reserve	Amalgamation Reserve	Retained Earnings	Remeasurement of Defined benefit plans		
Balance as at 01.04.2024	24.19	8,475.06	242.52	19,564.02	251.27	19.60	28,576.66
Total Comprehensive Income/ (Loss) for the Current Year	-	-	-	(5,468.37)	(91.53)	(0.16)	(5,560.07)
Less: Dividend	-	-	-	-	-	-	-
Balance as at 31.03.2025	24.19	8,475.06	242.52	14,095.65	159.72	19.45	23,016.59

Statement of Changes in Other Equity (2023-24)

(₹ in Lakhs)

Particulars	Reserves & Surplus					Equity Instruments through OCI	Total
	Capital Reserve	General Reserve	Amalgamation Reserve	Retained Earnings	Remeasurement of Defined benefit plans		
Balance as at 01-04-2023	24.19	8,475.06	242.52	23,859.01	219.60	18.83	32,839.21
Total Comprehensive Income/ (Loss) for the Current Year	-	-	-	(4,294.99)	31.67	0.77	(4,262.55)
Less: Dividend	-	-	-	-	-	-	-
Balance as at 31.03.2024	24.19	8,475.06	242.52	19,564.02	251.27	19.60	28,576.66

Note No. 3 to 47 form an integral part of this Financial Statements

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthukrishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

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

(All amounts in lakhs, unless otherwise stated)

	(Rs. in Lakhs)	
PARTICULARS	31 st March 2025	31 st March 2025
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	(8,299.87)	(5,936.19)
Adjustments for		
Depreciation	3,467.52	3,776.14
Finance Cost	5,096.47	5,288.47
Dividend received on Investments - Others	(439.53)	(174.71)
Bad Debts & Provision for Bad debts	664.21	4.65
(Profit)/Loss on disposal of Fixed Assets	(8,132.88)	(150.83)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL	(7,644.08)	2,807.53
Adjustments for Changes In Working Capital		
Adjustment for (Increase)/Decrease in Operating Assets		
Inventories	20,705.82	10,602.62
Trade Receivables	1,654.61	4,716.89
Other Financial Assets	800.71	(2,023.59)
Other Assets	953.96	3,058.75
Adjustment for Increase/ (Decrease) in Operating Liabilities		
Trade Payables	(3,251.59)	(5,751.88)
Other Financial Liabilities	50.62	(1,917.22)
Other Current Liabilities	1,375.85	(1,066.48)
Provisions	151.90	181.72
CASH FLOW FROM OPERATING ACTIVITIES	14,797.78	10,608.34
Income Tax (Paid)/Refund	-	-
NET CASH FLOW (A)	14,797.78	10,608.34

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

(All amounts in lakhs, unless otherwise stated)

	(Rs. in Lakhs)	
PARTICULARS	31 st March 2025	31 st March 2025
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Assets acquisition	(67.73)	(2,072.58)
Proceeds on Sale of Fixed Assets	10,595.10	276.40
Purchase of Investments	-	-
Sale/(Purchase) of Investments	(0.00)	0.00
Dividend receipts	439.53	174.71
NET CASH FLOW (B)	10,966.91	(1,621.47)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4,968.69)	(5,208.15)
Proceeds / (Repayment) of Short Term Borrowings	(20,893.09)	(4,003.59)
NET CASH FLOW (C)	(25,861.78)	(9,211.74)
NET CASH INFLOW / (OUTFLOW) (A+B+C)	(97.09)	(224.84)
OPENING CASH AND CASH EQUIVALENTS (D)	120.30	345.14
CLOSING CASH AND CASH EQUIVALENTS (E)	23.21	120.30
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (D-E)	(97.09)	(224.84)

Note No. 3 to 47 form an integral part of this Financial Statements

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthukrishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

1 General Information:

Loyal Textiles Mills Limited ("the Company") is a listed company incorporated on 1956 in the state of Tamilnadu, India. The Company is engaged in manufacturing of yarn, woven fabric, knitted fabric and technical clothing. The Company has manufacturing plants at Kovilpatti, Sattur, Cuddalore, Sivagangai in Tamilnadu, Khammam in Telangana, and Naidupeta in Andhra Pradesh.

The Company is a public listed company and listed on Bombay Stock Exchange Ltd. and National Stock Exchange.

2 Significant Accounting Policies:

(a) Statement of Compliance:

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(b) Basis for Preparation and Presentation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to

the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- * Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies the Board of Directors of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets except those specified in the exceptional items.

b. Provision for doubtful receivables

The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

c. Estimation of net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

d. Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

e. Provision for taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

f. Fair value for Investment Property

The fair Value of the Investment property as disclosed in the Financial statements is the best judgement of the Management with available information include market knowledge, reputation, independence and whether professional standards are maintained.

(d) Revenue Recognition:

Revenue is recognized to that extent it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax and value added taxes.

1. Sale of Goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.

Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers.

The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as Goods and Service Tax (GST) or other taxes directly linked to sales. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices.

2. Sale of Services

Revenue from sale of services is recognised when related services are rendered and related cost are incurred

3. Dividend and Interest Income

Dividend income on investments is recognized when the right to receive the payment is established and when no significant uncertainty as to the measurability or collectability exists.

Interest income from financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to principal outstanding using the effective interest rate method (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

4. Other Income

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

Government grants and subsidies are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

Insurance claims are recognized on the basis of claims admitted / expected to be admitted and when there is no significant uncertainty exists with regard to the amount to be recovered and it is reasonable to expect ultimate collection.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(e) Cash And Cash Equivalents (For Purposes Of Cash Flow Statement)

Cash comprises cash in hand and balance with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

(f) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase, non-refundable duties and taxes, and other costs incurred in bringing the inventories to their present location and condition.

In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase, non-refundable duties and taxes, and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

In case of finished goods at raw material cost plus conversion costs, packing cost, non recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.

In case of by-products at estimated realizable value

Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Property, Plant And Equipment:

Recognition and measurement

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

The Cost of an item of Property, plant and equipment comprises:

- its purchase price including import duties and non- refundable purchase taxes after deducting trade discounts and rebates
- any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The Company has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method and is generally recognised in the Statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight-line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Company for the current and the comparative period are as follows :

Buildings - 30 years

Plant and Equipment - 8 years

Furniture and Fixtures - 8 years

Vehicles - 8 years

Office Equipment - 5 years

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period. Based on technical assessment and consequent advice, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period from/upto which the asset is ready for use/disposed off.

Other Prospects

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss as and when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Capital Work-in-Progress

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(h) Intangible Assets:

Recognition

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over

their estimated useful lives and it is included in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful Life:

The estimated useful life of intangible assets consisting computer software is 6 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(i) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipments requirements for cost model. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment properties as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment properties using the cost-based measurement, the fair value of investment property is disclosed in the notes. The fair Value of the Investment property as disclosed in the Financial statements is the best judgement of the Management with available information. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

(j) Borrowing Cost

Definition:

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are considered as adjustment to interest costs) incurred in connection with the borrowings of funds.

Recognition:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Cessation of Borrowing Cost

An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

(k) Leases

The Company assesses at contract inception whether a contract is or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The

Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for its use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery
- Buildings
- Land

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(l) Impairment of tangible assets and Intangible Assets other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of these instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as may be appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately as profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulations or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in the Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised as profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income and accumulated under the heading of 'Reserve for debt instruments through Other Comprehensive Income'. When the investment is disposed off, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised as profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for the expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained

interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

A financial liability is classified as held for trading if:

- a. it has been incurred principally for the purpose of repurchasing it in the near term; or
- b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- b. the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit and loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the

effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(n) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(o) Government Grants, Subsidies And Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue / other income on a systematic basis.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenue.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(p) Foreign Currency Transactions and Translation

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on translation are recognised in the statement of profit and loss.

(q) Employee Benefits:

Employee benefits include Provident Fund, Employees State Insurance Scheme, Gratuity Fund and compensated absences.

Short term employee benefit obligations:

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

Defined contribution plan Provident Fund & Employee State Insurance

The Company's contribution to Provident Fund and Employees State Insurance Scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Post employment benefit comprise of Gratuity which are accounted for as follows:

Gratuity Fund:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

(r) Segment Reporting:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

The operating segments are the segments for which separate financial information is available. The Accounting policies adopted for segment reporting are in line with the accounting policy of the company.

The Company has identified two reportable operating segments viz., manufacturing and trading activities.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segments.

Pricing for Inter Segment transfers has been made, considering the normal internal business reporting system of the company at estimated realisable value.

Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to segment on reasonable basis are reported under unallocated revenue / expenses / assets / liabilities.

(s) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

(t) Income Taxes:

Income tax expense represents current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income-tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income-tax. Accordingly, MAT Credit is recognised as asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Recognition

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(u) Provisions, Contingent Liabilities, and Contingent Assets:

Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent Liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

Contingent Assets:

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in these standalone financial statements.

(v) Non-Current Asset held for Sale

The Company classifies non current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Current assets classified as held

for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

1. The appropriate level of management is committed to a plan to sell the asset,
2. An active programme to locate a buyer and complete the plan has been initiated (if applicable),
3. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
4. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

(w) Investments in Subsidiary and Joint Venture IND AS 27

Investments in subsidiaries and Joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(Rs. in Lakhs)

Note No: 3 PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY

Particulars	Property, Plant & Equipment							Total PPE	Intangible Assets	Investment Property
	Land**	Building	Plant and Equipment	Furniture and Fittings	Electrical Fittings	Vehicles	Office Equipment			
As at 31st March 2023	1,406.97	13,137.45	45,758.16	421.88	1,831.82	212.15	461.14	63,229.55	196.10	310.94
Additions	-	73.41	3,903.67	5.27	100.15	-	65.88	4,148.37	20.55	-
Disposals	-	-	(363.67)	(2.30)	(0.71)	-	(33.96)	(400.65)	-	(129.98)
As at 31st Mar 2024	1,406.97	13,210.85	49,298.15	424.84	1,931.25	212.15	493.06	66,977.27	216.65	180.96
Additions	-	-	48.93	-	34.66	-	11.55	95.14	1.00	-
Disposals	(410.97)	(295.91)	(3,773.53)	(3.38)	(39.65)	(2.30)	(37.31)	(4,563.03)	-	(162.82)
Assets moved to held for sale	(82.10)	(44.80)	(3,920.38)	-	-	-	-	(4,047.29)	-	-
As at 31st Mar 2025	913.90	12,870.14	41,653.18	421.47	1,926.27	209.85	467.30	58,462.09	217.64	18.14
Depreciation/Amortisation								-		
As at 31st March 2023	3.34	3,280.40	25,458.49	212.58	1,172.99	62.29	283.24	30,473.33	144.09	40.65
Charge for the year 2023-24	1.59	443.56	3,054.60	36.24	112.50	29.26	73.30	3,751.03	11.74	3.57
Disposals/Adjustments			(345.86)	(1.60)	(0.50)	-	(32.27)	(380.23)	-	(15.02)
As at 31st Mar 2024	4.92	3,723.96	28,167.22	247.22	1,284.98	91.54	324.27	33,844.13	155.83	29.19
Charge for the year 2024-25	1.59	438.59	2,764.20	38.61	114.83	24.53	62.82	3,445.17	13.53	2.16
Disposals/Adjustments	-	(61.15)	(2,121.83)	(2.36)	(13.83)	(1.04)	(29.61)	(2,229.82)	-	(27.13)
Assets moved to held for sale	-	(23.06)	(1,990.97)	-	-	-	-	(2,014.03)	-	-
As at 31st Mar 2025	6.51	4,078.35	26,818.62	283.47	1,385.98	115.03	357.47	33,045.45	169.36	4.21
Net Block										
As at 31st March 2024	1,402.04	9,486.89	21,130.93	177.63	646.27	120.61	168.79	33,133.14	60.81	151.77
As at 31st March 2024	907.39	8,791.80	14,834.56	138.00	540.28	94.82	109.82	25,416.64	48.28	13.93

Notes on property, plant and equipment

** Includes Rs.153.63 lacs of Land on "right of use basis" which is depreciated over the useful life of lease term.

1. The title deeds of all immovable properties are held in the name of the Company. Where immovable properties are acquired by the Company consequent to acquisition / merger of companies, the title to the immovable properties of the transferee companies shall be deemed to have been mutated in the name of the company as per the scheme of amalgamation approved by National Company Law Tribunal / court.
2. Fair value disclosure of investment property as required under Ind AS 40: The fair value of the Investment property as on 31.03.2025 is Rs. 1,600 lacs which is estimated by the management based on the available market information and the same is not based on the registered valuer's report.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Note No. 3A. CAPITAL WORK IN PROGRESS AT COST

(Rs. in Lakhs)

Particulars	31 st March 2025	31 st March 2024
Balance at the beginning of the period	-	309.90
Additions during the year	101.63	3,859.02
Capitalisation during the year	96.14	4,168.92
Balance at the end of the period	5.49	-

Additional regulatory Information required under Schedule III of Companies Act, 2013

1. Capital Work in Progress (CWIP) ageing schedule

(Rs. in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	
As at 31.03.2025	5.49	-	-	-	5.49
As at 31.03.2024	-	-	-	-	-

2. There is no Time overrun or cost overrun in the projects as compared to its budgeted plan and no projects which are temporarily suspended, on the above mentioned reporting dates.

3B. Assets Classified as held for Sale

Particulars	31 st March 2025	31 st March 2024
Sale of Windmills	2,032.19	-
Sale of Land - Periyampatti	1.07	-
Total	2,033.26	-

Notes:

During the year ended March 31, 2025, the Company has entered into the following sale agreements:

1. Sale of Windmills:

Business Transfer Agreement was executed during the year ended March 31, 2025, for the sale of 25 windmills. In accordance with the agreement, 7 windmills were sold during the year, and the remaining 18 windmills have been classified as 'Assets Held for Sale' as at March 31, 2025.

2. Sale of Land – Periyampatti:

An agreement has been entered into for the sale of 16 acres of land located at Periyampatti. Pursuant to the agreement, the land has been classified as 'Asset Held for Sale' as at March 31, 2025.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Note No. 4. NON-CURRENT INVESTMENTS

(Rs. in Lakhs)

S. No	Particulars	31 st March 2025	31 st March 2024
I	<u>Investments in Equity Instruments carried at cost as per Ind AS 27</u>		
	<u>Unquoted Investments</u>		
	Joint Ventures		
1	Gruppo P&P Loyal spa (Joint Venture 47.5%) 3,325 Equity shares of Euro 85 each fully paid up.	149.30	149.30
		<u>149.30</u>	<u>149.30</u>
II	<u>Investments in Equity Instruments carried at FVTOCI</u>		
	<u>A) Quoted</u>		
1	Central Bank of India 1,469 Equity shares of Rs. 10/- each fully paid up.	0.63	0.88
2	Amrutanjan Health Care Ltd 1,000 Equity shares of Rs. 1/- each fully paid up.	6.45	6.19
3	Matrimony.com Ltd 2,120 Equity shares of Rs. 5/- each fully paid up.	10.86	11.12
	<u>B) Unquoted</u>		
1	Dhanvantari Nano Ayushadi Private Limited 25,000 Equity shares of Rs. 10/- each fully paid up.	2.50	2.50
2	Cuddalore Sipcot Industries Common Utilities Limited 4,665 Equity shares of Rs. 100/- each fully paid up.	4.67	4.67
3	SIMA Textile Processing Centre Ltd 20,000 Equity shares of Rs. 10/- each fully paid up.	2.00	2.00
4	Dhanvantari Nano Ayushadi Private Limited 2,25,000 Compulsorily Convertible Debentures of Rs. 10/- each	22.50	22.50
		<u>49.60</u>	<u>49.85</u>
III	<u>Investments carried at Amortised Cost</u>		
1	Investment in Government or trust securities	0.10	0.10
		<u>0.10</u>	<u>0.10</u>
	Total Non-Current Investments	<u>199.00</u>	<u>199.25</u>
	Aggregate value of:		
	Quoted Investments	17.93	18.18
	Unquoted Investments	181.07	181.07
	Investments Net of Impairment	199.00	199.25

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No. 5. OTHER NON-CURRENT ASSET		
Capital Advances	511.65	545.55
EB Deposit	1,853.59	1,985.38
Total Other Non-Current Asset	2,365.24	2,530.93
Note No.6. Deferred Tax Assets (Net)		
Deferred Tax Net		
Deferred Tax Liabilities:		
- On account of Depreciation	(3,498.62)	(3,252.57)
Deferred Tax Assets:		
- on account of timing differences under Income tax	6,356.50	3,354.42
MAT credit Entitlement	281.79	281.79
Deferred Tax Assets (Net)	3,139.67	383.64
Note No. 7. INVENTORIES		
(a) Raw Materials	2,929.66	14,265.78
(b) Work-in-progress	8,994.60	10,156.60
(c) Finished Goods	7,380.39	15,390.72
(d) Stores, spares and Packing Materials	1,548.88	1,746.25
Total Inventories	20,853.52	41,559.35
Provision made during the year against carrying value of Inventories arising on account of lower of cost or NRV is ₹ 605.37 lacs (2023-24 - ₹ 817.24 lacs)		
Note No. 8. CURRENT INVESTMENTS		
<u>Investments in Equity Instruments carried at FVTOCI</u>		
Unquoted Investments		
Saheli Exports Private Limited	-	2.15
4300 Equity shares of Rs. 5/- each fully paid up.		
Total Current Investments	-	2.15
Note No.9. TRADE RECEIVABLES		
(i) Trade Receivables - Unsecured, Considered Good	13,529.85	15,848.67
(ii) Trade Receivables which have significant increase in credit risk	778.22	122.80
	14,308.07	15,971.47
Less: Allowance for Doubtful Trade Receivables	(778.22)	(122.80)
Total Trade Receivables	13,529.85	15,848.67

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Ageing of Receivables		
a) Undisputed Trade receivables – considered good		
Less than 6 months	12,091.83	12,625.52
6 months to 1 year	299.24	2,528.54
1 to 2 years	1,633.24	589.59
2 to 3 years	96.57	194.95
More than 3 years	-	32.85
(b) Undisputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	591.03	-
2 to 3 years	-	-
More than 3 years	65.76	1.37
(c) Disputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	108.08
More than 3 years	121.43	13.35
Note No.10. CASH AND CASH EQUIVALENTS		
Balance with banks		
(i) In current accounts	20.96	111.06
(ii) In EEFC accounts	1.25	3.65
Cash on hand	1.01	5.58
Total Cash & Cash Equivalents	<u>23.21</u>	<u>120.30</u>
Note No.11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid Dividend Bank account	13.48	29.63
Bank balances held as margin money	392.95	1,543.65
Total Bank Balances	<u>406.43</u>	<u>1,573.28</u>
Note No. 12. OTHER FINANCIAL ASSETS		
a) Govt Grants and subsidies receivable from Govt.	4,898.87	4,454.93
b) Interest Accrued on Marginal Money Deposits	4.50	30.46
c) Security Deposits	26.75	55.32
d) Insurance Receivable	34.87	58.14
Total Other Financial Assets	<u>4,964.99</u>	<u>4,598.84</u>

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2024	31 st March 2023
Note No.13. Current Tax - Assets (Net)		
Advance tax (Net of provision)	277.07	366.41
Total Current Tax - Assets (Net)	277.07	366.41
Note No. 14. OTHER CURRENT ASSETS		
a) GST Refund / GST ITC Receivable	4,576.59	4,925.93
b) Advances to Suppliers	2,167.76	2,172.82
c) Prepaid Expenses	556.35	1,026.01
c) Other Receivable	192.26	98.87
Total Other Current Assets	7,492.94	8,223.63
Note No.15 (a) Authorised, Issued, Subscribed, Paid-up share capital and par value per share		
Authorised Share Capital		
90,00,000 Equity Shares of Rs.10/- each	900.00	900.00
6,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each (Previous year 6,00,000 preference shares of Rs.100 each)	600.00	600.00
Issued & Subscribed Share Capital		
48,16,446 Equity Shares of Rs.10/- each fully paid - up (Previous year 48,16,446 equity shares of Rs.10/- each)	481.64	481.64
Paid-up Share Capital		
48,16,446 Equity Shares of Rs.10/- each fully paid - up (Previous year 48,16,446 equity shares of Rs.10/- each)	481.64	481.64
	481.64	481.64
Note No. 15(b) Rights, preference and restriction attached to equity shares		
The Company has one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend if any proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Note No. 15 (c) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
Number of shares outstanding as at the beginning of the year	4,816,446	4,816,446
Issue of equity shares during the year	-	-
Number of shares outstanding as at the end of the year	4,816,446	4,816,446

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2024	31 st March 2023
-------------	-----------------------------	-----------------------------

Note No.15.(d) Shares in the company held by each shareholder holding more than 5% shares

S. No.	Promoter Name	Shareholding as on		Shareholding as on	
		31.03.2025		31.03.2024	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	Madurai Tara Traders Pvt Ltd	7,76,887	16.13	7,76,887	16.13
2	Felspar Credit and Investment Pvt Ltd	6,61,126	13.73	6,61,126	13.73
3	Dhanalakshmi Properties Pvt Ltd	6,29,343	13.07	6,29,343	13.07
4	Kurunji Properties Pvt Ltd	3,46,887	7.20	3,46,887	7.20
5	Chinthamani Cotton Trading Pvt Ltd	2,80,270	5.82	2,80,270	5.82

Note No.15 (e) Shareholding of Promoters

S. No.	Promoter Name	Shareholding as on			Shareholding as on		
		31.03.2025			31.03.2024		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
1	Mrs. Valli M Ramaswami	1,95,463	4.06	-	1,95,463	4.06	-
2	Ms. Vishala Ramaswami	550	0.01	-	550	0.01	-
3	Mr. M Ramakrishnan	2	0.00	-	2	0.00	-
4	Mr. P Manivannan	2	0.00	-	2	0.00	-
5	M/s. Madurai Tara Traders Private Ltd.	7,76,887	16.13	-	7,76,887	16.13	-
6	M/s. Felspar Credit and Investments Private Ltd.	6,61,126	13.73	-	6,61,126	13.73	-
7	M/s. Dhanalakshmi Properties Pvt Ltd	6,29,343	13.07	-	6,29,343	13.07	-
8	M/s. Kurunji Properties Pvt Ltd	3,46,887	7.20	-	3,46,887	7.20	-
9	M/s. Chinthamani Cotton Trading Pvt Ltd	2,80,270	5.82	-	2,80,270	5.82	-
10	M/s. Nemesis Cotton Trading Company Private Ltd.	1,36,086	2.83	-	1,36,086	2.83	-
11	M/s. Rhea Cotton Traders Private Ltd.	1,16,660	2.42	-	1,16,660	2.42	-
12	M/s. Nike Cotton Traders Private Ltd.	1,15,000	2.39	-	1,15,000	2.39	-
13	M/s. Hellen Cotton Trading Company Private Ltd.	71,950	1.49	-	71,950	1.49	-
14	M/s. Valli Agri Industries Private Ltd.	55,620	1.15	-	55,620	1.15	-
15	M/s. Valli Yarn Processors Private Ltd.	53,496	1.11	-	53,496	1.11	-
16	M/s. Vishala Apparels Private Ltd.	30,625	0.64	-	30,625	0.64	-
17	M/s. Vishala Knitwear Private Ltd.	29,375	0.61	-	29,375	0.61	-
18	M/s. Sri Manikavasagam Trades and Finance Private Ltd.	22,501	0.47	-	22,501	0.47	-
19	M/s. Emmar Trades and Finance Private Ltd.	18,002	0.37	-	18,002	0.37	-
	Total	35,39,845	73.49	-	35,39,845	73.49	-

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.16. OTHER EQUITY		
<u>(a) Capital Reserves</u>		
Opening Balance	24.19	24.19
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	24.19	24.19
<u>(b) Amalgamation Reserve</u>		
Opening Balance	242.52	242.52
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	242.52	242.52
<u>(c) General Reserve</u>		
Opening Balance	8,475.06	8,475.06
Transfer from Surplus	-	-
Deductions during the year	-	-
Closing Balance	8,475.06	8,475.06
<u>(d) Retained Earnings</u>		
Opening Balance	19,564.02	23,859.00
Add:		
Profit/(Loss) for the period as per statement of profit & loss account	(5,468.37)	(4,294.99)
Closing Balance	14,095.64	19,564.02
<u>(e) Other Comprehensive Income Reserve</u>		
Opening Balance		
Remeasurement of Defined benefit plans	251.27	219.60
Revaluation Surplus	19.60	18.83
Total Opening Balance	270.87	238.43
Other Comprehensive Income for the year		
Items that will not be reclassified to Profit and Loss		
-Actuarial Gain / (Loss) on Defined Benefit Plan	(91.53)	31.67
-Gain /(Loss) on Equity Instruments through OCI	(0.16)	0.77
Total of Items that will not be reclassified to Profit and Loss	(91.70)	32.44
Closing Balance		
Remeasurement of Defined benefit plans	159.74	251.27
Revaluation Surplus	19.43	19.60
Total Closing Balance	179.17	270.87
	179.17	270.87
Total Other Equity	23,016.58	28,576.65

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.17. NON - CURRENT PROVISION		
Employee Benefits		
Provision for Post Employment Benefits - Gratuity (refer note no.37)	116.19	159.00
Total Non-Current Provision	<u>116.19</u>	<u>159.00</u>
Note No.18 BORROWINGS		
Loans Repayable On Demand		
From Banks (secured) at amortised cost*		
- Packing Credit	11,302.27	15,467.73
- Cash Credit	14,395.56	14,978.95
- Working Capital Loan	7,406.11	9,728.51
- LC Discounted with Banks	5,619.69	19,597.65
- Bills Discounted with Banks	2,606.32	2,450.20
Total Current Borrowings	<u>41,329.94</u>	<u>62,223.03</u>
Refer Note No.41 for details of security created against Current borrowings		
Note No.19. TRADE PAYABLES		
- Outstanding dues to creditor - other than Micro and Small Enterprises	4,152.82	8,097.95
- Outstanding dues to creditor - Micro and Small Enterprises	3,791.88	3,098.34
Total Trade Payables	<u>7,944.69</u>	<u>11,196.28</u>
Ageing of Trade payables:		
(i) MSME:		
Less than 1 year	3,057.64	3,098.34
1-2 years	734.24	-
2-3 years	-	-
More than 3 years	-	-
	<u>3,791.88</u>	<u>3,098.34</u>
(ii) Others:		
Less than 1 year	3,026.44	6,851.49
1-2 years	1,126.37	1,246.46
2-3 years	-	-
More than 3 years	-	-
Total Trade Payables	<u>4,152.82</u>	<u>8,097.95</u>

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.20. OTHER FINANCIAL LIABILITIES		
Electricity Charges Payable	2,892.37	2,535.74
Employee Dues Payable	1,219.52	1,682.65
Expenses Payable	731.15	800.30
Interest accrued but not due	127.77	80.32
Interest payable to MSME vendors	359.80	181.00
Total Other Financial Liabilities	5,330.62	5,280.00
Note No.21. OTHER CURRENT LIABILITIES		
Statutory Dues Payable	153.88	182.95
Advances from customers	1,890.97	358.28
Security Deposit from Customer	72.19	72.19
Total Other Current Liabilities	2,117.04	613.42
Note No.22. SHORT-TERM PROVISIONS		
Employee benefits		
Provision for Post Employment Benefits - Gratuity (refer note no.37)	432.81	222.12
Total Short Term Provisions	432.81	222.12

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.23. REVENUE FROM OPERATIONS		
Sale of Products	63,274.14	88,198.02
Sale of Services	985.58	1,380.37
Other operating Revenues		
- Duty Drawback/RODTEP/ROSTCL	2,659.23	1,881.46
- Waste and Scrap Sales	1,296.18	2,458.87
Total Revenue from Operations	68,215.14	93,918.71
Note No.24. OTHER INCOME		
Interest Income	181.53	308.49
Dividend Income	439.53	174.71
Other Non operating income		
a) Insurance Claim Received	-	1,830.51
b) Net Foreign Exchange Gain/(Losses)	532.14	525.01
c) Rental Income	36.33	34.90
d) Profit on Sale of Assets	-	150.83
e) Miscellaneous Income*	79.83	4,358.48
Total Other Income	1,269.37	7,382.91
Note on Other Income		
* Miscellenous Income for FY 2023-2024 includes AP Industrial Investment Promotion Policy subsidy sanction Rs. 28.60 cr.		
Note No.25. COST OF MATERIALS CONSUMED		
i) Cotton, Staple Fibre and Cotton waste	22,590.04	37,376.32
ii) Yarn	6,461.07	11,486.48
iii) Fabric	2,262.88	2,768.77
iv) Dyes	437.75	492.17
v) Reflective band	494.53	323.83
Total Cost of Materials Consumed	32,246.27	52,447.58
Note No.26. PURCHASE OF STOCK-IN-TRADE		
Cotton	2,854.75	2,931.85
Yarn	-	0.00
Fabric	-	1.54
Total Purchase of Stock-in-Trade	2,854.75	2,933.40

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.27. CHANGES IN INVENTORIES		
Opening Stock		
Process Stock	10,156.60	10,808.31
Finished goods	15,390.72	18,401.09
Total (A)	25,547.32	29,209.40
LESS: Closing Stock		
Process Stock	8,994.60	10,156.60
Finished goods	7,380.39	15,390.72
Total (B)	16,374.99	25,547.32
Changes In Inventories Net (Increase) / Decrease (A-B)		
Process Stock	1,161.99	651.71
Finished goods	8,010.33	3,010.37
Total Changes in Inventories	9,172.33	3,662.08
Note No.28. Employee Benefits / Expenses		
Salaries, Wages and Bonus	9,380.21	12,484.45
Unavailed Leave	141.00	200.68
Contribution to Provident Fund and other funds	970.93	1,160.53
Other Welfare Expenses	1,443.78	1,851.96
Total Employee Benefits/Expenses	11,935.91	15,697.62
Note No.29. FINANCE COSTS		
Interest Expenses		
- For Working capital Loan	4,675.07	4,707.49
- For Bills Discounting	232.26	314.77
Other Borrowing Cost	189.14	266.21
Total Finance Costs	5,096.47	5,288.47

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.30. OTHER EXPENSES		
Power and Fuel	5,523.75	9,296.59
Stores Consumed	4,601.44	6,117.38
Freight and forwarding charges	1,910.65	1,282.08
Selling Expenses	918.38	832.68
Conversion Charges	1,203.68	692.82
Processing Charges	1,108.24	754.01
Repairs & Maintenance		
(a) Repairs to Machinery	1,062.26	1,270.19
(b) Repairs to Building	304.91	239.76
(c) Repairs & Maintenance for Vehicles	175.24	294.15
Insurance	446.35	486.82
Bad Debts	8.79	4.65
Rates and Taxes	159.44	151.82
Provision for Doubtful Debts	655.42	-
Expenditure on CSR Activities	45.62	108.38
Payment to the Auditors		
As Auditors	15.00	15.00
For Certification work	1.00	1.00
Rent	115.87	198.93
Bank Charges	621.35	603.68
Travelling Expenses	208.48	290.99
Professional Expenses	344.59	284.18
Communication Expenses	190.01	223.26
Other Miscellaneous Expenses	176.67	284.16
Total Other Expenses	19,797.13	23,432.52
Note No.31. Exceptional Items		
Impairment of Imported Cotton	(748.00)	-
Andhra Pradesh power trueup charges relating to prior years	(602.30)	-
Profit on Sale of Assets	8,136.31	-
Total	6,786.01	-

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.32 (a). Income Tax Recognised In Profit And Loss Account		
Current Tax		
In respect of current year	-	-
Deferred Tax	-	-
In respect of current year	(2,831.50)	(1,641.20)
Total Tax Expenses	<u>(2,831.50)</u>	<u>(1,641.20)</u>

Note No.32 (b). Income Tax Recognised In Other Comprehensive Income

Arising on income and expenses recognised in other comprehensive income

Remeasurement of defined benefit obligation	(75.56)	(19.86)
Net fair value gain/(loss) on investment in equity shares at FVTOCI	0.09	(0.41)
Total income tax recognised in other comprehensive income	<u>(75.47)</u>	<u>(20.27)</u>

Note No.33. Other Comprehensive Income

Remeasurement of defined benefit obligation	(15.98)	51.53
Net fair value gain/(loss) on investment in equity shares at FVTOCI	(0.25)	1.18
Total Other Comprehensive Income	<u>(16.23)</u>	<u>52.71</u>

34) 34.1 Other money for which the Company is contingently liable

The details of dues of Income Tax, Goods and Service tax, Sales Tax, Value Added Tax, cess and other material statutory dues applicable to the Company which have not been deposited as on March 31, 2025 on account of disputes are given below:

Nature of Dues	Forum before which the dispute is pending	Period to which it relates	31 st March 2025	31 st March 2024
Sales Tax	Appeal with STAT, Kakinada Court for AP CST dispute (13-14)	2018-2019	795.54	795.54
GST	Pending with Appellate Authority	2017-2023	1,652.94	-

Nature of Dues	Forum before which the dispute is pending	Assessment Year	31 st March 2025	31 st March 2024
Income Tax	Pending with IT Department	2015-16	2.10	0.78
	Pending with CIT (APPEALS)	2017-18 to 2022-23	2,102.42	2,496.13

34.2 Commitments

Exports obligations under Export Promotion Capital Goods (EPCG) scheme	702.23	1,119.20
--	--------	----------

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

35) Disclosure with respect to Micro, Small and Medium Enterprises Development act, 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006") is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company.

Particulars	31 st March 2025	31 st March 2024
(a) The principal amount remaining unpaid to supplier at the end of each accounting year	3,791.88	3,098.34
(b) The interest payable thereon on (a)	250.05	108.19
(c) The amount of interest paid by the buyer along with the amount of the payment made to the supplier beyond the due date during each accounting year	-	118.80
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	109.75	72.81
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	359.80	181.00
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	359.80	181.00

* includes amount payable to capital creditors (Micro and Small enterprises)

36) Financial Instruments and Risk Management

36.1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt setoff by cash and bank balances and total equity of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, internal accruals and short-term borrowings.

The Company's capital and net debt were made up as follows

Particulars	31 st March 2025	31 st March 2024
Debt	41,457.72	62,303.35
Less: Cash and bank balances	23.21	120.30
Net debt	41,434.51	62,183.06
Total equity	23,498.23	29,058.30
Net debt to equity ratio	1.76	2.14

36.2 Financial Instruments by category

Categories of Financial Instruments

Financial assets at FVTOCI

Investments*	49.60	52.00
--------------	-------	-------

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Financial assets at Amortised Cost #		
Investment in Government or trust securities	0.10	0.10
Trade receivables	13,529.85	15,848.67
Cash and cash equivalents	23.21	120.30
Bank balances other than above	406.43	1,573.28
Other financial assets	4,964.99	4,598.84
Financial liabilities at Amortised Cost #		
Borrowings (short term)	41,330	62,223
Trade payables	7,945	11,196
Other financial liabilities	5,331	5,280

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

* Investment value excludes investment in subsidiaries/Associates which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements"

Fair value measurements (Ind AS 113)

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

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Sensitivity of Level 3 financial instruments are insignificant.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Management Estimates that cost approximates the Fair Value.

Particulars	31 st March 2025	31 st March 2024
Financial assets at Fair Value Through Other Comprehensive Income		
Investments in Listed Equity Shares - Level - 1	17.93	18.18
Investments in Unlisted Equity Shares - Level - 3	31.67	33.82

36.3 Financial Risk Management

Company's principal financial liabilities comprise borrowings, trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Risk Exposures and Responses

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below:

36.3.1 Market Risk

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

(i) Foreign Currency Risk

The company operates internationally and business is transacted in several currencies. The current year export sales of company comprise around 40% of the total sales of the company. Further the company also imports certain assets and material. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risks and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions.

Exchange rate exposures are managed through derivative forward foreign exchange contracts.

Company's Total Foreign currency exposure

Particulars	Currency	31 st March 2025		
		Exchange Rate	Amount in Foreign Currency	Amount ((Rs. lacs)
Trade Receivables	EUR	92.32	23.30	2,150.80
	GBP	110.74	1.49	164.62
	USD	85.58	62.50	5,349.16
Trade Payable	CHF	96.84	(0.13)	(12.74)
	EUR	92.32	1.33	122.72
	GBP	110.74	0.00	0.50
	USD	85.58	6.73	576.22
Import LC Outstanding	USD	85.58	7.17	613.23
31 st March 2024				
Trade Receivables	EUR	90.22	8.39	757.35
	GBP	105.29	0.70	73.98
	USD	83.37	78.95	6,582.34
Trade Payable	CHF	92.04	0.06	5.44
	EUR	90.22	1.50	135.08
	GBP	105.29	0.09	9.63
	USD	83.37	3.47	289.62
Import LC Outstanding	USD	83.37	4.78	398.69

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Company's Unhedged Foreign currency exposure

Particulars	Currency	31 st March 2025		
		Exchange Rate	Amount in Foreign Currency	Amount (Rs.)
Trade Receivables	EUR	92.32	-	-
	GBP	110.74	1.49	164.62
	USD	85.58	37.29	3,191.66
Trade Payable	CHF	96.84	-0.13	-12.74
	EUR	92.32	1.33	122.72
	GBP	110.74	0.00	0.50
	USD	85.58	6.73	576.22
Import LC Outstanding	USD	85.58	7.17	613.23

Particulars	Currency	31 st March 2024		
		Exchange Rate	Amount in Foreign Currency	Amount (Rs.)
Trade Receivables	EUR	90.22	-	-
	GBP	105.29	0.70	73.98
	USD	83.37	46.73	3,896.14
Trade Payable	CHF	92.04	0.06	5.44
	EUR	90.22	1.50	135.08
	GBP	105.29	0.09	9.63
	USD	83.37	3.47	289.62
Import LC Outstanding	USD	83.37	4.78	398.69

Sensitivity

If foreign currency rates had moved as illustrated in the table below, with all other variables held constant, currency fluctuations on unhedged foreign currency denominated financial instruments, post tax profit would have been affected as follows:

Particulars	31 st March 2025	31 st March 2024
USD Sensitivity		
INR/USD - increases by 5%	100.11	160.39
INR/USD - decreases by 5%	(100.11)	(160.39)
EURO Sensitivity		
INR/EURO - increases by 5%	6.14	6.75
INR/EURO - decreases by 5%	(6.14)	(6.75)

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate exposure

Particulars	31 st March 2025	31 st March 2024
Current Borrowings	41,329.94	62,223.03

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at March 31, 2025. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately Rs. 413 lakhs (Pr.Yr: Rs. 622 Lakhs). Similarly, for every 1% decrease in average interest rates there would be an equal and opposite impact on the profit before tax. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

36.3.2 Liquidity Risk

Liquidity Risk is the risk that the company may not be able to meet on its financial obligations as they become due. The objective of the liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

The finance management policy of the company includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast, future cash flows, and by matching the maturity profiles of financial assets and liabilities.

Particulars	As at '31 st March 2025			
	Upto 1 year	1 to 2 years	More than 2 years	Total
Borrowings (short term)	41,329.94	-	-	41,329.94
Trade payables	7,944.69	-	-	7,944.69
Other financial liabilities	5,330.62	-	-	5,330.62
Total	54,605.26	-	-	54,605.26

Particulars	As at '31 st March 2024			
	Upto 1 year	1 to 2 years	More than 2 years	Total
Borrowings (short term)	62,223.03	-	-	62,223.03
Trade payables	11,196.28	-	-	11,196.28
Other financial liabilities	5,280.00	-	-	5,280.00
Total	78,699.32	-	-	78,699.32

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

36.3.3 Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advance for suppliers) and from its financing/ investing activities, including deposits with banks and foreign exchange transactions.

(i) Trade receivables

Trade receivables of the company are typically unsecured and derived from sale made to a large number of independent customers. Customer credit risk is managed by each business unit subject to established policies, procedures and control relating to customer credit risk management. Before accepting any new customer, the company has appropriate level of control procedures to assess the potential customer credit quality. The credit worthiness of its customers are reviewed based on their financial position, past experience and other facts. The credit period provided by the company to its customers generally ranges from 0-90 days. Outstanding customer receivables are reviewed periodically.

The credit related to the trade receivables is mitigated by taking security deposits/ bank guarantee/letter of credit- as and where considered necessary, setting appropriate credit terms and by setting and monitoring internal limits on exposure to individual customers.

There is no substantial concentration of the credit risk as the revenue / trade receivables pertaining to any of the single customer do not exceed 10% of company revenue.

(ii) Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents and balances with Banks is considered to be minimal as the counterparties are all substantial banks and Corporates with high credit ratings. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31st March 2025.

37) Disclosure of Employee Benefits

(a) Defined Contribution Plans :

Amounts recognized in the statement of profit and loss are as under:

Particulars	2024-25	2023-24
Provident Fund	552.36	697.29

The expenses incurred on account of the above defined contribution plans have been included in Note 28 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(b) Defined Benefit Plans - Gratuity

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's plan, whichever is more beneficial.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

The principal assumption used for the purpose of the actuarial valuation were as follows:

Particulars	31 st March 2025	31 st March 2024
Discount Rate	6.64%	7.23%
Salary Escalation Rate	4.00%	7.00%
Attrition Rate	14.00%	8.00%
Expected rate of return on plan assets	7.23%	7.52%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(i) **The total expenses recognised in the Statement of Total Comprehensive Income is as follows:**

Particulars	31 st March 2025	31 st March 2024
Expense recognised in Statement of Profit or Loss		
Current Service Cost	347.45	90.72
Interest Cost	84.46	96.06
Expected return on plan assets	(66.15)	(77.93)
Subtotal	365.76	108.85
Recognised in Other Comprehensive Income		
Actuarial loss/(gain) on Present value of Obligation	(34.43)	(44.95)
Actuarial gain/(loss) on change in fair value Plan Assets	0.58	6.58
Subtotal	(35.01)	(51.53)
Net Benefit Expenses	330.75	57.31

The current service cost, past service cost and the net interest expenses for the year are included in Note 28 "Employee Benefits Expenses" under the head "Salaries and Wages".

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

	Particulars	31 st March 2025	31 st March 2024
(ii)	Net defined benefit plan Asset/Liability recognised in Balance Sheet as follows:		
	Benefit asset / liability		
	Present value of defined benefit obligation	1,395.47	1,336.03
	Fair value of plan assets	846.47	1,047.79
	Net defined benefit plan Asset/Liability recognised in Balance Sheet	(549.00)	(288.25)
iii)	Changes in the present value of the obligation - reconciliation of opening and closing balances:		
		Gratuity	Gratuity
		(Funded Plan)	(Funded Plan)
	Opening balance of Present Value of the Obligation	1,336.03	1,356.64
	Interest Cost	84.46	96.06
	Current Service Cost	347.45	90.72
	Benefits Paid	(338.04)	(162.43)
	Actuarial loss/(gain)	(34.43)	(44.95)
	Closing balance of Present Value of the Obligation	1,395.47	1,336.03
(iv)	Reconciliation of changes in the fair value of plan Assets:		
	Opening balance Fair Value of Plan Assets	1,047.79	1,105.70
	Expected return on Plan Assets	66.15	77.93
	Contribution by the Company	70.00	20.00
	Benefits Paid	(338.04)	(162.43)
	Actuarial gain/(loss)	0.58	6.58
	Closing balance of Fair Value of Plan Assets	846.47	1,047.79
(v)	Reconciliation of Fair value of Assets & Obligation		
	Present value of the obligation	1,395.47	1,336.03
	Fair value of the Plan Assets	846.47	1,047.79
	Surplus/(Deficit)	(549.00)	(288.25)
	Experience adjustments on Plan Liabilities (loss)/ gain	34.43	44.95
	Experience adjustments on Plan Assets (loss)/ gain	0.58	6.58
(vi)	Percentage of each category of plan assets to total fair value of plan assets:		
	a) Government Securities	30.95%	36.96%
	b) Bank deposits (Special deposit scheme)	2.62%	2.08%
	c) Others / approved securities	66.43%	60.96%
vii)	The estimates of future salary increases, considered in actuarial valuation, taken into account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The expected rate of return on assets are estimated as per the return on Government of India bonds.		

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
38) Earnings per share (Rs.)		
The following reflects the profit and shares related data used in the Basic EPS/Diluted EPS computations:		
Opening / Closing number of shares	48,16,446	48,16,446
Profit / Loss after Tax Expense (Rs. Lakhs)	(5,468)	(4,295)
Earnings per share (Rs.)	(113.54)	(89.17)
Face value of shares (Rs.)	10.00	10.00
39) Expenditure towards Corporate Social Responsibility (CSR) activities		
As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profits of the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.		
The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to Rs. 45.62 Lakhs (Pr.Yr. Rs. 108.38 Lakhs). Amount spent during the year on CSR activities as under:		
a) Gross amount required to be spent by the Company during the year	45.62	108.38
b) Amount available for set-off	-	-
c) Amount required to be spent by the company in cash during the year	45.62	108.38
d) Amount of expenditure incurred	45.62	108.38
e) Shortfall at the end of the year	-	-
f) Total of previous year shortfall	Nil	Nil
g) Reason for shortfall	NA	NA
h) Nature of CSR activities	Promotion of Education	Promotion of Health/Promotion of Education
i) Details of related party transaction	45.62	51.73
j) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
40) Assets pledged as security		
Current assets		
Financial assets		
Trade receivables	13,529.85	15,848.67
Non-financial assets		
Inventory	20,853.52	41,559.35
Total current assets pledged as security	34,383.37	57,408.01
Non-current assets		
Property, Plant & Equipment	25,416.64	33,133.13
Capital Work-in-progress	5.49	-
Investment property	13.93	151.77
Other Intangible assets	48.28	60.81
Total non-current assets pledged as security	25,484.34	33,345.72
Total assets pledged as security	59,867.71	90,753.73

Details of security for Current borrowings

Current borrowings from banks are secured as follows:

Primary Security

Pari passu charge on the current assets of company viz., Hypothecation of Inventory and receivables and other current assets along with other working capital bankers.

Collateral Security

Charge on the block assets of the company on pari passu basis among the working capital bankers.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

41) Deferred Tax Liabilities (Net) movement for FY 2024-2025

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<u>Deferred Tax Assets</u>				
Expenses deductible in future years	908.30	216.00	-	1,124.30
Provision for doubtful debts	45.10	229.10		274.20
Unabsorbed Losses - Carry Forward	2,398.90	3,047.62		5,446.52
Others	2.12	(2.12)		-
MAT Credit recoverable	281.79	-		281.79
Total DTA	3,636.20	3,490.60	-	7,126.81
<u>Deferred Tax Liabilities</u>				
Property Plant and Equipment and Intangible Assets	(3,232.30)	-659.10		(3,891.40)
Others	(20.27)	-	75.47	55.20
Total DTL	(3,252.57)	(659.10)	75.47	(3,836.20)
Net DTL	383.64	2,831.50	75.47	3,290.61

Deferred Tax Liabilities (Net) movement for FY 2023-2024

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<u>Deferred Tax Assets</u>				
Expenses deductible in future years	661.40	246.90	-	908.30
Provision for doubtful debts	45.10	-	-	45.10
Unabsorbed Losses - Carry Forward	527.40	1871.5	-	2,398.90
Others	2.12	-	-	2.12
MAT Credit Recoverable	281.79	-	-	281.79
Total DTA	1,517.80	2,118.40	-	3,636.20
<u>Deferred Tax Liabilities</u>				
Property Plant and Equipment and Intangible Assets	(2,755.10)	(477.20)	-	(3,232.30)
Others	-	-	(20.27)	(20.27)
Total DTL	(2,755.10)	(477.20)	(20.27)	(3,252.57)
Net DTL	(1,237.30)	1,641.20	(20.27)	383.64

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

42) Related Party Disclosures for the year ended 31.03.2025

(i) List of Related Parties

No.	Name of the Related Parties and Nature Of Relationship	Companies
1	Joint Venture	Gruppo P&P Loyal Spa, Italy
2	Key Management Personnel (KMP)	<p>Smt Valli M Ramaswami (Chairperson and Whole Time Director)</p> <p>Sri M.E.Manivannan (Whole Time Director)</p> <p>Ms. Vishala M Ramaswami (Executive Director till 27.12.2024, Appointed as Non Independent Non Executive Director w.e.f 17.01.2025)</p> <p>Mr.B.Vaidyanathan (Non-Independent Director)</p> <p>Mr. R. Kannan (Independent Director)</p> <p>Mr. Lakshmi Narayanan (Independent Director)</p> <p>Mr. Madhavan Nambiar (Director retired w.e.f 23.09.2024)</p> <p>Mrs. Vijayalakshmi Rao (Independent Director)</p> <p>Mr. Gokul Dixit (Independent Director)</p> <p>Mr. Kumaran (Independent Director)</p> <p>Mr. A Velliangiri (CEO retired w.e.f 31.03.2025)</p> <p>Mr. K. Ganapathi (CFO resigned w.e.f 29.06.2024)</p> <p>Mr. N. Srinivasan (CFSO w.e.f 09.08.2024 to 12.11.2024 and appointed as (COSO w.e.f 12.11.2024 to 31.03.2025)</p> <p>Mr. N. Srinivasan (CEO w.e.f 01.04.2025)</p> <p>Mr. U. Thenappan (CFO w.e.f 12.11.2024)</p> <p>Mr. P.Mahadevan (Company Secretary, resigned w.e.f 30.09.2024)</p> <p>Mr. S.Muthukrishnan (Company Secretary, w.e.f 12.11.2024)</p>
3	Where control Exists through KMP	<p>P.Orr & Sons Private Limited</p> <p>Valli Agri Industries</p> <p>Kurunji Properties P Ltd</p> <p>Manickavasagam Charitable Foundation</p> <p>Valli Yarn Processors P Ltd</p> <p>Thiagesar Trust</p>

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(ii) Transaction with Related Party - KMP

Remuneration paid to key managerial personnel:	Mrs. Valli M Ramaswami (Chairperson and Whole Time Director)		Ms. Vishala M Ramswami (Director)		Mr. M.E.Manivannan (Whole Time Director)	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Salary, Perquisites and Other allowances	60.00	60.00	11.00	12.00	29.42	29.42
Contribution to provident fund - defined contribution plan	7.20	7.20	1.32	1.44	2.71	2.71
Total	67.20	67.20	12.32	13.44	32.12	32.13

Remuneration paid to key managerial personnel:	Mr. N Srinivasan (Chief Financial Officer/Chief Operating and Strategy Officer)		Mr. U Thenappan, (Chief Financial Officer)		Mr.S Muthukrishnan (Company Secretary & Compliance Officer)	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Salary, Perquisites and Other allowances	76.88	-	15.16	-	10.30	-
Contribution to provident fund - defined contribution plan	4.46	-	0.93	-	0.62	-
Total	81.34	-	16.10	-	10.92	-

Remuneration paid to key managerial personnel:	Mr. A Velliangiri (Chief Executive Officer)		Mr. K Ganapathi, (Chief Financial Officer)		Mr. P Mahadevan (Company Secretary & Compliance Officer)	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Salary, Perquisites and Other allowances	54.08	55.23	24.18	41.18	8.76	13.69
Contribution to provident fund - defined contribution plan	2.83	2.83	0.15	1.69	0.27	0.62
Total	56.91	58.06	24.33	42.87	9.03	14.31

Sitting Fees to Directors		31 st March 2025	31 st March 2024
Independent Director			
Mrs. Vijayalakshmi Rao		-	4.90
Mr.Gokul Dixit		-	4.90
Mr.Lakshminarayanan		-	1.60
Non Independent Director		-	
Mr. B Vaidyanathan		-	4.70

(iii) Outstanding balances as on 31.03.2024 - Related Party (KMP)

Particulars	Mrs. Valli M Ramaswami (Chairperson and Whole Time Director)		Ms. Vishala M Ramswami (Director)		Mr. M.E.Manivannan (Whole Time Director)	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Commission Payable	2.20	59.29	-	-	-	-

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(iv) Transactions with Related Parties other than KMP

S. No.	Name	Relationship of the related party with the reporting entity	Type of Related Party Transaction	Value of Transaction during the reporting period	
				2024-25	2023-24
1	Gruppo P&P	Joint Venture	Sale of Goods	9,334.22	4,434.55
			Purchase of Goods & Services	3.39	3.30
			Dividend Income received	439.53	185.58
	Loyal International Sourcing P.Ltd	Wholly Owned Subsidiary	Investments write off	-	2.00
3	Loyal Dimco Group A.E.B.E.(Joint venture 50%)	Joint Venture	Investments write off	-	18.39
4	Loyal Textiles (UK) Ltd (49%)	Joint Venture	Investments write off	-	0.00
5	Loyal IRV Textile LDA, Portugal (Joint Venture 51%)	Joint Venture	Investments write off	-	1.99
6	Manickavasagam Charitable Foundation	Enterprises over which KMP have significant influence	CSR	45.62	51.73
			Sale of Assets	425.50	
			Sale of Goods	1.28	
7	Valli Agri Industries	Enterprises over which KMP have significant influence	Purchase of Goods.	183.90	97.75
8	Kurunji Properties P Ltd	Enterprises over which KMP have significant influence	Rent Paid	18.00	18.00
9	P.Orr & Sons Private Limited	Enterprises over which KMP have significant influence	Purchase of Asset	5.49	-

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(v) Outstanding balances with Related Parties other than KMP

S.No.	Name	Relationship of the related party with the reporting entity	Outstanding Balance as on 31.03.2025	Outstanding Balance as on 31.03.2024
Outstanding Receivable				
1	Gruppo P&P	Joint Venture	1,892.83	686.99
2	Valli Agri Industries	Enterprises over which KMP have significant influence	36.74	368.63
3	Valli Yarn Processors P Ltd	Enterprises over which KMP have significant influence	151.06	151.06
4	Thiagesar Trust	Enterprises over which KMP have significant influence	10.43	10.43
5	Manickavasagam Charitable Foundation	Enterprises over which KMP have significant influence	3.50	-
Outstanding Payable				
6	P.Orr & Sons Private Limited	Enterprises over which KMP have significant influence	(5.49)	-
7	Kurunji Properties P Ltd	Enterprises over which KMP have significant influence	(14.85)	(4.05)

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

43) Additional regulatory Information required under Schedule III of Companies Act 2013

(i) Details of Benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The returns or statements filed by the company are in agreement with the books of accounts and there are no material discrepancies.

(iii) Wilful defaulter:

The company has not been declared as Wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Registration of charges:

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

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilization of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall 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.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous financial year in the tax assessments under the Income Tax Act, 1961, and hence requirement to record in the books of accounts does not arise.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous financial year.

(xi) Relationship with struck off companies

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during FY 2023-24.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(x)	Ratios					
S. No	Ratios		FY 2024-25	FY 2023-24	Change in %	Reason for variance
a)	Current Ratio	Times	0.83	0.91	(8.47%)	
	Current Assets	Rs. Lacs	47,548	72,293		
	Current Liabilities	Rs. Lacs	57,155	79,535		
b)	Debt Equity Ratio	Times	1.76	2.14	(17.71%)	
	Short term debt+Long term debt+Interest payable on Borrowings	Rs. Lacs	41,458	62,303		
	Shareholder's Equity	Rs. Lacs	23,498	29,058		
c)	Debt Service Coverage Ratio	Times	(0.94)	0.84	(212.25%)	Impacted by current year losses and higher interest costs.
	(EBITDA-current tax+Non operating income and losses).	Rs. Lacs	(4,813)	4,449		
	Interest + principal repayments	Rs. Lacs	5,096	5,288		
d)	Return on Equity	%	(20.81%)	(13.77%)	51.12%	Increased Loss due to sluggish markets
	Profit After Tax	Rs. Lacs	(5,468)	(4,295)		
	Average Shareholder's Equity	Rs. Lacs	26,278	31,190		
e)	Trade Receivables Turnover Ratio	Times	4.64	5.16	(9.96%)	
	Revenue from Operation	Rs. Lacs	68,215	93,919		
	Average Trade Receivable	Rs. Lacs	14,689	18,209		
f)	Trade Payables Turnover Ratio	Times	4.75	4.60	3.25%	
	Purchases	Rs. Lacs	43,332	74,986		
	Average Trade Payable	Rs. Lacs	9,122	16,299		
g)	Net Capital Turnover Ratio	Times	(7.10)	(12.97)	(45.25%)	Due to decline in revenue from operations.
	Revenue from Operation	Rs. Lacs	68,215	93,919		
	Working Capital	Rs. Lacs	(9,607)	(7,242)		
h)	Net profit ratio	%	(8.02%)	(4.57%)	75.29%	Net profit ratio negative due to lower operating margins and on account of sluggish global market.
	Profit After Tax	Rs. Lacs	(5,468)	(4,295)		
	Revenue from Operation	Rs. Lacs	68,215	93,919		

Notes to Standalone Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

S. No	Ratios		FY 2024-25	FY 2023-24	Change in %	Reason for variance
i)	Return on Capital Employed	%	(4.93%)	(0.71%)	595.62%	ROCE negative due to lower operating margins on the back of slump in Global textile market.
	Profit before Tax	Rs. Lacs	(8,300)	(5,936)		
	Add: Finance Cost	Rs. Lacs	5,096	5,288		
	EBIT	Rs. Lacs	(3,203)	(648)		
	Capital Employed	Rs. Lacs	64,956	91,362		
j)	Return on investment	%	220.87%	86.75%	154.61%	Due to higher dividend received in current year.
	Income from Investment	Rs. Lacs	439.53	174.71		
	Cost of the Investment	Rs. Lacs	199.00	201.40		

44) Segmental Information

The Company is primarily engaged in the business of manufacturing, purchase and sale of textiles. The performance evaluation and allocation of resources is based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

45) Operational Note

The Company has been incurring losses due to a prolonged global demand slowdown, leading to suboptimal utilization of capacities, which has adversely affected its overall liquidity. In response, the management has undertaken several strategic measures, including the restructuring and consolidation of operations with a focused shift toward high-value technical textile garments, where demand remains resilient and margins are stronger. Cost control efforts and productivity enhancement initiatives have been implemented to reduce costs, streamline operations, and improve efficiency and capacity utilization. Additionally, the Company is planning to monetize non-core assets to generate liquidity and support operational cash flows. Management is confident that these ongoing actions will enable the Company to achieve operational profitability in the coming year.

46) Regrouping

Previous year's figures have regrouped wherever necessary to correspond with the current year's disclosure.

47) Approval of Financial Statements

The financial statements of Loyal Textile Mills Limited were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on May 27, 2025.

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthukrishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To

The Members of Loyal Textile Mills Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of Loyal Textile Mills Limited ("the Holding Company") and its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its Joint ventures as at 31st March 2025 and its consolidated loss and other Comprehensive loss, consolidated statement of changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Ind AS Financial Statements section of our report. We are independent of the Holding Company and its Joint Ventures in accordance with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

Without Qualifying the Audit Opinion, Attention is invited to

Note No. 47 of the Consolidated Ind AS financial statements, which outlines the Holding Company's financial and operational position, including recurring losses, suboptimal utilization of production capacity, and prevailing market conditions affecting liquidity. These circumstances indicate uncertainties in relation to the Holding Company's ability to achieve operational profitability. However, having regard to the Holding Company's initiatives to raise funds through various means, optimize operations, including improved capacity utilization and rationalize costs which are aimed at achieving the desired operational profitability, the financial statements have been prepared on a going concern basis and the Holding Company's ability to achieve operational profits is dependent upon successful implementation of the aforementioned plans. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our Report. For each matter below, our description of how our audit addressed the matter is provided in that Context.

Independent Auditor's Report

1) Revenue recognition

Key Audit Matter	Auditor's Response
<p>Refer Note No. 2 and 23 to the Consolidated Ind AS Financial Statements</p> <p>Cut off Revenue is one of the key profit drivers and is therefore susceptible to misstatement.</p> <p>Cut-off is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognized on sale of goods without substantial transfer of control as on reporting date which will not be in accordance with Ind AS-115 "Revenue from Contracts with Customers".</p> <p>In view of the above and since revenue is a key performance indicator of the Holding Company, we have identified timing of revenue recognition from sale of goods as a key audit matter.</p>	<p>Principal Audit Procedures Performed:</p> <p>Our audit process consisted testing of the design and operating effectiveness of the internal controls and substantive testing performed by us which are as follows:</p> <p>(i) We obtained an understanding of process and evaluated the design, implementation, and operating effectiveness of management's internal controls in relation to revenue recognition from sale of goods. We tested the Holding Company's control over timing of revenue recognition around year end.</p> <p>(ii) At the year end, we have performed the cut off testing for late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales.</p>

2) Inventory Valuation

Key Audit Matter	Auditor's Response
<p>Valuation of inventories (Refer Note No 2 and 7 to the Consolidated Ind AS Financial Statements)</p> <p>The Holding Company's inventories comprise of raw materials, work-in-progress, finished goods and stores & spares amounting to Rs.20,853.52 Lakhs as at 31st March 2025.</p> <p>The inventories are valued at lower of cost and net realizable value ('NRV').</p> <p>NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs.</p> <p>The determination of NRV involves estimates of prevailing market conditions, stage of completion of the inventory, the estimated future selling price and selling costs.</p> <p>Considering the significance of the amount of carrying value of inventories and significant judgements and assumptions involved in assessment of NRV, the same is considered a key audit matter.</p>	<p>Principal audit procedures performed.</p> <p>Evaluated the design and operation of internal controls and its operating effectiveness in determining the NRV, including the Holding Company's review of key estimates, such as estimated future selling prices on a test basis.</p> <p>Compared NRV with recent sales or estimated selling price and selling costs.</p> <p>Evaluated the Holding Company's judgement with regards to application of write-down of inventories, where required.</p> <p>Assessed the adequacy and appropriateness of the disclosures made by the management with respect to Inventories in compliance with the requirements of applicable Ind AS 2 and Schedule III to the Companies Act, 2013.</p>

Other Information

The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

Our opinion on the Consolidated Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information as identified above when made available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditor's Report

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Holding Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, management is responsible for assessing the Holding 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 Holding Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

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 Ind AS 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 Holding Company has adequate internal financial controls with reference to Ind AS Financial Statements 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 Holding 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 Ind AS 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 Holding Company to cease to continue as a going concern.

Independent Auditor's Report

- Evaluate the overall presentation, structure, and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS 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 Ind AS Financial Statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of utmost significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a) The consolidated financial results include the Holding Company's share of net profit after tax of Rs.784 Lakhs for the year ended 31 March 2025, as considered in the consolidated financial results, in respect of 1 Foreign Joint Venture whose financial statements are unaudited. This unaudited financial statement has been furnished to us by the Board of Directors and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on such annual financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial statement is not material to the Holding Company.
- b) Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the management

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and the other financial information of the subsidiary, and joint ventures incorporated in India, as noted in the 'Other matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order
2. As required by Section 143(3) of the Act, we report based on our audit on Separate Ind AS Financial statements, and the other financial information of Joint ventures as noted in the 'Other Matters' paragraph, we report to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Holding Company so far as it appears from our examination of those books except for the matters stated below, on reporting under Rule 11(g) of the companies (Audit and Auditors)

Independent Auditors' Report

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the consolidated statement of changes in equity, dealt with by this Report are in agreement with the relevant books of account maintained for the preparation of the Consolidated Ind AS Financial Statements.
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with companies (Indian Accounting Standards) Rules, 2015, as amended
- e) On the basis of the written representations received from the directors of the holding Company as on 31st March, 2025 taken on record by the Board of Directors of the holding company, none of the directors of the holding company, is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the above on reporting under Section 143(3)(b) of the Act and below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position in Note 34.1 to the Consolidated Ind AS Financial Statements
 - (ii) The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - (iv) a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to accounts, 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 Holding 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 Holding 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 Holding Company from any person or entity, including foreign entity ('Funding Parties') with the understanding, whether recorded in writing or otherwise, that the Holding 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 attention that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (iv)(a) and (iv)(b) above, contain any material misstatement.
- (v) The Holding Company has not declared or paid any dividend during the year. Hence provisions of Section 123 of the Act are not applicable.
- (vi) According to information and explanation given to us and based on our examination which included test checks, the Holding Company has used licensed Textile specific ERP software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, in the absence of any confirmation on the controls concerning the maintenance of relevant audit trails at the database level by ERP service provider, we are unable to comment on the prevalence of audit trail (edit log) facility at the database level.

Independent Auditors' Report

(vii) Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the Holding Company as per the statutory requirements for record retention under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197(16), which are required to be commented upon by us

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No.000511S

N Sri Krishna
Partner

Membership No.026575
UDIN: 25026575BMLHGM5612

Place : Chennai
Date : 27th May, 2025

Annexure-A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

(xxi) In our opinion and according to the information and explanations given to us, and based on the CARO reports issued for the Holding Company which are included in the Consolidated Ind AS financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports, except to the extent stated herein below:

S. No.	Company	CIN	Holding/ Subsidiary	Clause Number of the CARO report which is qualified or adverse
1	Loyal Textile Mills Limited	L17111TN1946PLC001361	Holding	3(IX)(a) – Repayment of Borrowings
				3(XVII) – Cash Losses

For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No.000511S

N Sri Krishna
Partner

Membership No.026575
UDIN: 25026575BMLHGM5612

Place : Chennai
Date : 27th May, 2025

Independent Auditors' Report

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls with reference to Consolidated Ind AS Financial Statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act 2013, as amended ("the Act")

We have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of Loyal Textile Mills Limited ("the Holding Company") as of 31st March 2025, in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Holding Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Ind AS Financial Statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS Financial statements included obtaining an understanding of internal financial controls with reference to Consolidated Ind AS financial statements, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to Consolidated Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

A Holding Company's internal financial control with reference to Consolidated Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Holding Company's internal financial controls with reference to Consolidated Ind AS Financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the financial statements.

Independent Auditors' Report

Inherent Limitations of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Ind AS Financial statements 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

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

Place : Chennai
Date: 27th May, 2025

For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No.000511S

N Sri Krishna
Partner
Membership No.026575
UDIN: 25026575BMLHGM5612

Consolidated Balance Sheet as at 31st March 2025

(All amounts in lakhs, unless otherwise stated)

		(Rs. in Lakhs)	
PARTICULARS	Note No.	31 st March 2025	31 st March 2024
ASSETS			
A. Non-Current Assets			
(a) Property, Plant & Equipment	3	25,416.64	33,133.13
(b) Capital Work-in-progress	3A	5.49	-
(c) Investment property	3	13.93	151.77
(d) Other Intangible assets	3	48.28	60.81
(e) Financial Assets			
(i) Investments	4	3,594.45	3,250.60
(f) Other Non-Current Assets	5	2,365.24	2,530.93
(g) Deferred Tax Assets (Net)	6	3,139.67	383.64
Total Non-Current Assets (A)		34,583.70	39,510.89
B. Current Assets			
(a) Inventories	7	20,853.52	41,559.35
(b) Financial Assets			
(i) Investments	8	-	2.15
(ii) Trade Receivables	9	13,529.85	15,848.67
(iii) Cash and Cash Equivalents	10	23.21	120.30
(iv) Bank Balance Other than (iii) above	11	406.43	1,573.28
(v) Others Financial Assets	12	4,964.99	4,598.84
(c) Current Tax Assets(Net)	13	277.07	366.41
(d) Other current Assets	14	7,492.94	8,223.63
Total Current Assets (B)		47,548.01	72,292.62
C. Non-current assets classified as held forsale	3B	2,033.26	
Total Assets (A+B+C)		84,164.97	1,11,803.52
EQUITY AND LIABILITIES			
D. EQUITY			
(a) Equity Share Capital	15	481.64	481.64
(b) Other Equity	16	26,412.04	31,628.01
Total Equity (d)		26,893.68	32,109.66
LIABILITIES			
E. Non-Current Liabilities			
(a) Provisions	17	116.19	159.00
Total Non-Current Liabilities (E)		116.19	159.00
F. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	18	41,329.94	62,223.03
(ii) Trade Payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises; and		3,791.88	3,098.34
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,152.82	8,097.95
(iii) Other financial liabilities	20	5,330.62	5,280.00
(b) Other current liabilities	21	2,117.04	613.42
(c) Provisions	22	432.81	222.12
Total Current Liabilities (F)		57,155.10	79,534.86
Total Liabilities (E+F)		57,271.29	79,693.86
Total Equity and Liabilities (D+E)+F		84,164.97	1,11,803.52

Note No. 3 to 49 form an integral part of this Financial Statements

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthu Krishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

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

(All amounts in lakhs, unless otherwise stated)

		(Rs. in Lakhs)	
PARTICULARS	Note No.	31 st March 2025	31 st March 2024
I. Revenue from Operations	23	68,215.14	93,918.71
II. Other Income	24	829.83	7,208.36
III. Total Income (I +II)		69,044.97	1,01,127.07
IV. Expenses:			
Cost of materials consumed	25	32,246.27	52,447.58
Purchase of Stock-in-Trade	26	2,854.75	2,933.40
Changes in Inventories of	27		
Finished Goods		8,010.33	3,010.37
Work-in-progress		1,161.99	651.71
Employee Benefits Expense	28	11,935.91	15,697.62
Finance costs	29	5,096.47	5,288.47
Depreciation and amortization expense	3	3,467.52	3,776.14
Other expenses	30	19,797.13	23,432.52
Total Expenses		84,570.39	1,07,237.81
V. Profit / (Loss) before exceptional items and tax - (III - IV)		(15,525.42)	(6,110.74)
VI. Share of Profit / (Loss) from a joint Venture		783.63	519.86
VII. Exceptional Items	31	6,786.01	-
VIII. Profit / (Loss) before tax (V - VI)		(7,955.78)	(5,590.88)
IX. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	32(a)	(2,831.50)	(1,641.20)
X. Profit/(Loss) for the period after tax (VII + VIII)		(5,124.28)	(3,949.68)
XI. Other Comprehensive Income			
(a) items that will not be reclassified to Profit or (Loss)	33	(16.23)	52.71
(b) Income tax relating to items that will not be reclassified to Profit or Loss	32(b)	(75.47)	(20.27)
XII. Total Other Comprehensive Income		(91.70)	32.44
XIII. Total Comprehensive Income for the Period (IX+X)		(5,215.97)	(3,917.24)
XIV. Earning per equity share of Rs.10/- :			
(1) Basic		(106.39)	(82.00)
(2) Diluted		(106.39)	(82.00)

Note No. 3 to 49 form an integral part of this Financial Statements

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthu Krishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

Consolidated Statement of Changes In Equity

(All amounts in lakhs, unless otherwise stated)

A) EQUITY SHARE CAPITAL

For the year ended 31st March 2025				(₹ in Lakhs)
Balance as at 01st April 2024	Changes in Equity share capital due to prior period errors	Restated Balance at the beginning of financial year	Changes in Equity share capital during the year	Balance as at 31st March 2025
481.64	-	481.64	-	481.64

For the year ended 31st March 2024				(₹ in Lakhs)
Balance as at 01st April 2023	Changes in Equity share capital due to prior period errors	Restated Balance at the beginning of financial year	Changes in Equity share capital during the year	Balance as at 31st March 2024
481.64	-	481.64	-	481.64

B) OTHER EQUITY

Statement of Changes in Other Equity (2024-25)

(₹ in Lakhs)

Particulars	Reserves & Surplus					Equity Instruments through OCI	Foreign Currency Translation Reserve - OCI	Total
	Capital Reserve	General Reserve	Amalgamation Reserve	Retained Earnings	Remeasurement of Defined benefit plans			
Balance as at 01.04.2024	24.19	8,552.40	242.52	22,543.85	251.27	19.60	-5.81	31,628.02
Total Comprehensive Income/(Loss) for the Current Year	-	-	-	(5,124.28)	(91.53)	(0.16)		(5,215.97)
Less: Dividend	-	-	-		-	-		-
Balance as at 31.03.2025	24.19	8,552.40	242.52	17,419.57	159.72	19.45	-5.81	26,412.04

Statement of Changes in Other Equity (2023-24)

(₹ in Lakhs)

Particulars	Reserves & Surplus					Equity Instruments through OCI	Foreign Currency Translation Reserve - OCI	Total
	Capital Reserve	General Reserve	Amalgamation Reserve	Retained Earnings	Remeasurement of Defined benefit plans			
Balance as at 01.04.2023	24.19	8,552.40	242.52	26,493.53	219.60	18.83	(5.81)	35,545.26
Total Comprehensive Income/(Loss) for the Current Year	-	-	-	(3,949.68)	31.67	0.77		(3,917.24)
Less: Dividend	-	-	-		-	-		-
Balance as at 31.03.2024	24.19	8,552.40	242.52	22,543.85	251.27	19.60	(5.81)	31,628.02

Note No. 3 to 49 form an integral part of this Financial Statements

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthu Krishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

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

(All amounts in lakhs, unless otherwise stated)

	(Rs. in Lakhs)	
PARTICULARS	31 st March 2025	31 st March 2025
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	(8,739.41)	(6,110.74)
Adjustments for		
Depreciation	3,467.52	3,776.14
Finance Cost	5,096.47	5,288.47
Dividend received on Investments - Others	-	(0.16)
Bad Debts & Provision for Bad debts	664.21	4.65
(Profit)/Loss on disposal of Fixed Assets	(8,132.88)	(150.83)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL	(7,644.08)	2,807.53
Adjustments for Changes In Working Capital		
Adjustment for (Increase)/Decrease in Operating Assets		
Inventories	20,705.82	10,602.62
Trade Receivables	1,654.61	4,716.89
Other Financial Assets	800.71	(2,023.59)
Other Assets	953.96	3,058.75
Adjustment for Increase/ (Decrease) in Operating Liabilities		
Trade Payables	(3,251.59)	(5,751.88)
Other Financial Liabilities	50.62	(1,917.22)
Other Current Liabilities	1,375.85	(1,066.48)
Provisions	151.90	181.72
CASH FLOW FROM OPERATING ACTIVITIES	14,797.78	10,608.34
Income Tax (Paid)/Refund	-	-
NET CASH FLOW (A)	14,797.78	10,608.34

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

(All amounts in lakhs, unless otherwise stated)

	(Rs. in Lakhs)	
PARTICULARS	31 st March 2025	31 st March 2025
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Assets acquisition	(67.73)	(2,072.58)
Proceeds on Sale of Fixed Assets	10,595.10	276.40
Purchase of Investments	-	-
Sale/(Purchase) of Investments	-	-
Dividend receipts	439.53	174.71
NET CASH FLOW (B)	10,966.91	(1,621.47)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4,968.69)	(5,208.15)
Proceeds / (Repayment) of Short Term Borrowings	(20,893.09)	(4,003.59)
NET CASH FLOW (C)	(25,861.78)	(9,211.74)
NET CASH INFLOW / (OUTFLOW) (A+B+C)	(97.09)	(224.84)
OPENING CASH AND CASH EQUIVALENTS (D)	120.30	345.14
CLOSING CASH AND CASH EQUIVALENTS (E)	23.21	120.30
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (D-E)	(97.09)	(224.84)

See accompanying notes to financial statements 1 to 49

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthu Krishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

1 General Information:

Loyal Textiles Mills Limited ("the Company") is a listed company incorporated on 1956 in the state of Tamilnadu, India. The Company is engaged in manufacturing of yarn, woven fabric, knitted fabric and technical clothing. The Company has manufacturing plants at Kovilpatti, Sattur, Cuddalore, Sivagangai in Tamilnadu, Khammam in Telangana, and Naidupeta in Andhra Pradesh.

The Company is a public listed company and listed on Bombay Stock Exchange Ltd. and National Stock Exchange.

2 Significant Accounting Policies:

(a) Statement of Compliance:

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), and the provisions of the Companies Act ,2013 ('the Act') (to the extent notified) The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(b) Basis for Preparation and Presentation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to

the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies the Board of Directors of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets except those specified in the exceptional items.

b. Provision for doubtful receivables

The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

c. Estimation of net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

d. Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

e. Provision for taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

f. Fair value for Investment Property

The fair Value of the Investment property as disclosed in the Financial statements is the best judgement of the Management with available information include market knowledge, reputation, independence and whether professional standards are maintained.

(d) Revenue Recognition:

Revenue is recognized to that extent it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax and value added taxes.

1. Sale of Goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.

Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and

acceptance terms agreed with the customers.

The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as Goods and Service Tax (GST) or other taxes directly linked to sales. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices.

2. Sale of Services

Revenue from sale of services is recognised when related services are rendered and related cost are incurred

3. Dividend and Interest Income

Dividend income on investments is recognized when the right to receive the payment is established and when no significant uncertainty as to the measurability or collectability exists.

Interest income from financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to principal outstanding using the effective interest rate method (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

4. Other Income

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

Government grants and subsidies are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

Insurance claims are recognized on the basis of claims admitted / expected to be admitted and when there is no significant uncertainty exists with regard to the amount to be recovered and it is reasonable to expect ultimate collection.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(e) Cash And Cash Equivalents (For Purposes Of Cash Flow Statement)

Cash comprises cash in hand and balance with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

(f) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of raw materials at weighted average cost plus direct expenses. The cost includes cost of purchase, non-refundable duties and taxes, and other costs incurred in bringing the inventories to their present location and condition.

In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase, non-refundable duties and taxes, and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.

In case of finished goods at raw material cost plus conversion costs, packing cost, non recoverable indirect taxes (if applicable) and other overheads incurred to bring the goods to their present location and condition.

In case of by-products at estimated realizable value

Net realizable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Property, Plant And Equipment:

Recognition and measurement

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

The Cost of an item of Property, plant and equipment comprises:

- its purchase price including import duties and non- refundable purchase taxes after deducting trade discounts and rebates
- any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The Company has elected to continue with the carrying value of all its PPE recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as on transition date.

Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method and is generally recognised in the Statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight-line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Company for the current and the comparative period are as follows :

Buildings - 30 years

Plant and Equipment - 8 years

Furniture and Fixtures - 8 years

Vehicles - 8 years

Office Equipment - 5 years

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period. Based on technical assessment and consequent advice, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period from/upto which the asset is ready for use/disposed off.

Other Prospects

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss as and when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Capital Work-in-Progress

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(h) Intangible Assets:

Recognition

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated on a straight-line basis over their estimated useful lives and it is included in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful Life:

The estimated useful life of intangible assets consisting computer software is 6 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(i) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipments requirements for cost model. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment properties as per the useful life prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment properties using the cost-based measurement, the fair value of investment property is disclosed in the notes. The fair Value of the Investment property as disclosed in the Financial statements is the best judgement of the Management with available information. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

(j) Borrowing Cost

Definition:

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are considered as adjustment to interest costs) incurred in connection with the borrowings of funds.

Recognition:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Cessation of Borrowing Cost

An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

(k) Leases

The Company assesses at contract inception whether a contract is or contains, a lease, i.e., if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The

Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for its use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery
- Buildings
- Land

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(l) Impairment of tangible assets and Intangible Assets other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of these instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as may be appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately as profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulations or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in the Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognised as profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income and accumulated under the heading of 'Reserve for debt instruments through Other Comprehensive Income'. When the investment is disposed off, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised as profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for the expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred

asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

A financial liability is classified as held for trading if:

- a. it has been incurred principally for the purpose of repurchasing it in the near term; or
- b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- b. the financial liability forms part of group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit and loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that

is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(n) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(o) Government Grants, Subsidies And Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue / other income on a systematic basis.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenue.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(p) Foreign Currency Transactions and Translation

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences arising on translation are recognised in the statement of profit and loss.

(q) Employee Benefits:

Employee benefits include Provident Fund, Employees State Insurance Scheme, Gratuity Fund and compensated absences.

Short term employee benefit obligations:

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

Defined contribution plan Provident Fund & Employee State Insurance

The Company's contribution to Provident Fund and Employees State Insurance Scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Post employment benefit comprise of Gratuity which are accounted for as follows:

Gratuity Fund:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

(r) Segment Reporting:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

The operating segments are the segments for which separate financial information is available. The

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Accounting policies adopted for segment reporting are in line with the accounting policy of the company.

The Company has identified two reportable operating segments viz., manufacturing and trading activities.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segments.

Pricing for Inter Segment transfers has been made, considering the normal internal business reporting system of the company at estimated realisable value.

Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to segment on reasonable basis are reported under unallocated revenue / expenses / assets / liabilities.

(s) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

(t) Income Taxes:

Income tax expense represents current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax assets/liabilities for current year is recognized at the amount expected to be paid to and/or recoverable from the tax authorities.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income-tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income-tax. Accordingly, MAT Credit is recognised as asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Recognition

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(u) Provisions, Contingent Liabilities, and Contingent Assets:

Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent Liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

Contingent Assets:

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in these standalone financial statements.

(v) Non-Current Asset held for Sale

The Company classifies non current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

1. The appropriate level of management is committed to a plan to sell the asset,
2. An active programme to locate a buyer and complete the plan has been initiated (if applicable),
3. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
4. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

(w) BASIS OF CONSOLIDATION

Joint Ventures

Investments in joint arrangement are classified as either Joint operations or Joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the Joint arrangement.

Joint ventures – Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interest in joint venture is accounted for using the equity method, after initially being recognized at cost.

Joint operations – Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments is tested for impairment in accordance with impairment of non-financial asset policy.

(x) Investments in Subsidiary and Joint Venture IND AS 27

Investments in subsidiaries and Joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Note No: 3 PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY (Rs. in Lakhs)

Particulars	Property, Plant & Equipment							Total PPE	Intangible Assets	Investment Property
	Land**	Building	Plant and Equipment	Furniture and Fittings	Electrical Fittings	Vehicles	Office Equipment			
As at 31st March 2023	1,406.97	13,137.45	45,758.16	421.88	1,831.82	212.15	461.14	63,229.55	196.10	310.94
Additions	-	73.41	3,903.67	5.27	100.15	-	65.88	4,148.37	20.55	-
Disposals	-	-	(363.67)	(2.30)	(0.71)	-	(33.96)	(400.65)	-	(129.98)
As at 31st Mar 2024	1,406.97	13,210.85	49,298.15	424.84	1,931.25	212.15	493.06	66,977.27	216.65	180.96
Additions	-	-	48.93	-	34.66	-	11.55	95.14	1.00	-
Disposals	(410.97)	(295.91)	(3,773.53)	(3.38)	(39.65)	(2.30)	(37.31)	(4,563.03)	-	(162.82)
Assets moved to held for sale	(82.10)	(44.80)	(3,920.38)	-	-	-	-	(4,047.29)	-	-
As at 31st Mar 2025	913.90	12,870.14	41,653.18	421.47	1,926.27	209.85	467.30	58,462.09	217.64	18.14
Depreciation/Amortisation								-		
As at 31st March 2023	3.34	3,280.40	25,458.49	212.58	1,172.99	62.29	283.24	30,473.33	144.09	40.65
Charge for the year 2023-24	1.59	443.56	3,054.60	36.24	112.50	29.26	73.30	3,751.03	11.74	3.57
Disposals/Adjustments			(345.86)	(1.60)	(0.50)	-	(32.27)	(380.23)	-	(15.02)
As at 31st Mar 2024	4.92	3,723.96	28,167.22	247.22	1,284.98	91.54	324.27	33,844.13	155.83	29.19
Charge for the year 2024-25	1.59	438.59	2,764.20	38.61	114.83	24.53	62.82	3,445.17	13.53	2.16
Disposals/Adjustments	-	(61.15)	(2,121.83)	(2.36)	(13.83)	(1.04)	(29.61)	(2,229.82)	-	(27.13)
Assets moved to held for sale	-	(23.06)	(1,990.97)	-	-	-	-	(2,014.03)	-	-
As at 31st Mar 2025	6.51	4,078.35	26,818.62	283.47	1,385.98	115.03	357.47	33,045.45	169.36	4.21
Net Block										
As at 31st March 2024	1,402.04	9,486.89	21,130.93	177.63	646.27	120.61	168.79	33,133.14	60.81	151.77
As at 31st March 2025	907.39	8,791.80	14,834.56	138.00	540.28	94.82	109.82	25,416.64	48.28	13.93

Notes on property, plant and equipment

** Includes Rs.153.63 lacs of Land on "right of use basis" which is depreciated over the useful life of lease term.

1. The title deeds of all immovable properties are held in the name of the Company. Where immovable properties are acquired by the Company consequent to acquisition / merger of companies, the title to the immovable properties of the transferee companies shall be deemed to have been mutated in the name of the company as per the scheme of amalgamation approved by National Company Law Tribunal / court.
2. Fair value disclosure of investment property as required under Ind AS 40: The fair value of the Investment property as on 31.03.2025 is Rs. 1,600 lacs which is estimated by the management based on the available market information and the same is not based on the registered valuer's report.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Note No. 3A. CAPITAL WORK IN PROGRESS AT COST

(Rs. in Lakhs)

Particulars	31 st March 2025	31 st March 2024
Balance at the beginning of the period	-	309.90
Additions during the year	101.63	3,859.02
Capitalisation during the year	96.14	4,168.92
Balance at the end of the period	5.49	-

Additional regulatory Information required under Schedule III of Companies Act, 2013

1. Capital Work in Progress (CWIP) ageing schedule

(Rs. in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 Years	
As at 31.03.2025	5.49	-	-	-	5.49
As at 31.03.2024	-	-	-	-	-

2. There is no Time overrun or cost overrun in the projects as compared to its budgeted plan and no projects which are temporarily suspended, on the above mentioned reporting dates.

3B. Assets Classified as held for Sale

Particulars	31 st March 2025	31 st March 2024
Sale of Windmills	2,032.19	-
Sale of Land - Periyampatti	1.07	-
Total	2,033.26	-

Notes:

During the year ended March 31, 2025, the Company has entered into the following sale agreements:

1. Sale of Windmills:

Business Transfer Agreement was executed during the year ended March 31, 2025, for the sale of 25 windmills. In accordance with the agreement, 7 windmills were sold during the year, and the remaining 18 windmills have been classified as 'Assets Held for Sale' as at March 31, 2025.

2. Sale of Land – Periyampatti:

An agreement has been entered into for the sale of 16 acres of land located at Periyampatti. Pursuant to the agreement, the land has been classified as 'Asset Held for Sale' as at March 31, 2025.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Note No. 4. NON-CURRENT INVESTMENTS

(Rs. in Lakhs)

S. No	Particulars	31 st March 2025	31 st March 2024
I Investments in Equity Instruments carried at cost as per Ind AS 27			
<u>Unquoted Investments</u>			
Joint Ventures			
1	Gruppo P&P Loyal spa (Joint Venture 47.5%) 3,325 Equity shares of Euro 85 each fully paid up.	3,544.75	3,200.66
		<u>3,544.75</u>	<u>3,200.66</u>
II Investments in Equity Instruments carried at FVTOCI			
<u>A) Quoted</u>			
1	Central Bank of India 1,469 Equity shares of Rs. 10/- each fully paid up.	0.63	0.88
2	Amrutanjan Health Care Ltd 1,000 Equity shares of Rs. 1/- each fully paid up.	6.45	6.19
3	Matrimony.com Ltd 2,120 Equity shares of Rs. 5/- each fully paid up.	10.86	11.12
<u>B) Unquoted</u>			
1	Dhanvantari Nano Ayushadi Private Limited 25,000 Equity shares of Rs. 10/- each fully paid up.	2.50	2.50
2	Cuddalore Sipcot Industries Common Utilities Limited 4,665 Equity shares of Rs. 100/- each fully paid up.	4.67	4.67
3	SIMA Textile Processing Centre Ltd 20,000 Equity shares of Rs. 10/- each fully paid up.	2.00	2.00
4	Dhanvantari Nano Ayushadi Private Limited 2,25,000 Compulsorily Convertible Debentures of Rs. 10/- each	22.50	22.50
		<u>49.60</u>	<u>49.85</u>
III Investments carried at Amortised Cost			
1	Investment in Government or trust securities	0.10	0.10
		<u>0.10</u>	<u>0.10</u>
	Total Non-Current Investments	<u>3,594.45</u>	<u>3,250.60</u>
Aggregate value of:			
	Quoted Investments	17.93	18.18
	Unquoted Investments	3,576.52	3,232.42
	Investments Net of Impairment	3,594.45	3,250.60

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No. 5. OTHER NON-CURRENT ASSET		
Capital Advances	511.65	545.55
EB Deposit	1,853.59	1,985.38
Total Other Non-Current Asset	2,365.24	2,530.93
Note No.6. Deferred Tax Assets (Net)		
Deferred Tax Net		
Deferred Tax Liabilities:		
- On account of Depreciation	(3,498.62)	(3,252.57)
Deferred Tax Assets:		
- on account of timing differences under Income tax	6,356.50	3,354.42
MAT credit Entitlement	281.79	281.79
Deferred Tax Assets (Net)	3,139.67	383.64
Note No. 7. INVENTORIES		
(a) Raw Materials	2,929.66	14,265.78
(b) Work-in-progress	8,994.60	10,156.60
(c) Finished Goods	7,380.39	15,390.72
(d) Stores, spares and Packing Materials	1,548.88	1,746.25
Total Inventories	20,853.52	41,559.35
Provision made during the year against carrying value of Inventories arising on account of lower of cost or NRV is ₹ 605.37 lacs (2023-24 - ₹ 817.24 lacs)		
Note No. 8. CURRENT INVESTMENTS		
<u>Investments in Equity Instruments carried at FVTOCI</u>		
Unquoted Investments		
Saheli Exports Private Limited	-	2.15
4300 Equity shares of Rs. 5/- each fully paid up.		
Total Current Investments	-	2.15
Note No.9. TRADE RECEIVABLES		
(i) Trade Receivables - Unsecured, Considered Good	13,529.85	15,848.67
(ii) Trade Receivables which have significant increase in credit risk	778.22	122.80
	14,308.07	15,971.47
Less: Allowance for Doubtful Trade Receivables	(778.22)	(122.80)
Total Trade Receivables	13,529.85	15,848.67

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Ageing of Receivables		
a) Undisputed Trade receivables – considered good		
Less than 6 months	12,091.83	12,625.52
6 months to 1 year	299.24	2,528.54
1 to 2 years	1,633.24	589.59
2 to 3 years	96.57	194.95
More than 3 years	-	32.85
(b) Undisputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	591.03	-
2 to 3 years	-	-
More than 3 years	65.76	1.37
(c) Disputed Trade Receivables – which have significant increase in credit risk		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	108.08
More than 3 years	121.43	13.35
Note No.10. CASH AND CASH EQUIVALENTS		
Balance with banks		
(i) In current accounts	20.96	111.06
(ii) In EEFC accounts	1.25	3.65
Cash on hand	1.01	5.58
Total Cash & Cash Equivalents	<u>23.21</u>	<u>120.30</u>
Note No.11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid Dividend Bank account	13.48	29.63
Bank balances held as margin money	392.95	1,543.65
Total Bank Balances	<u>406.43</u>	<u>1,573.28</u>
Note No. 12. OTHER FINANCIAL ASSETS		
a) Govt Grants and subsidies receivable from Govt.	4,898.87	4,454.93
b) Interest Accrued on Marginal Money Deposits	4.50	30.46
c) Security Deposits	26.75	55.32
d) Insurance Receivable	34.87	58.14
Total Other Financial Assets	<u>4,964.99</u>	<u>4,598.84</u>

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2024	31 st March 2023
Note No.13. Current Tax - Assets (Net)		
Advance tax (Net of provision)	277.07	366.41
Total Current Tax - Assets (Net)	277.07	366.41
Note No. 14. OTHER CURRENT ASSETS		
a) GST Refund / GST ITC Receivable	4,576.59	4,925.93
b) Advances to Suppliers	2,167.76	2,172.82
c) Prepaid Expenses	556.35	1,026.01
c) Other Receivable	192.26	98.87
Total Other Current Assets	7,492.94	8,223.63
Note No.15 (a) Authorised, Issued, Subscribed, Paid-up share capital and par value per share		
Authorised Share Capital		
90,00,000 Equity Shares of Rs.10/- each	900.00	900.00
6,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each (Previous year 6,00,000 preference shares of Rs.100 each)	600.00	600.00
Issued & Subscribed Share Capital		
48,16,446 Equity Shares of Rs.10/- each fully paid - up (Previous year 48,16,446 equity shares of Rs.10/- each)	481.64	481.64
Paid-up Share Capital		
48,16,446 Equity Shares of Rs.10/- each fully paid - up (Previous year 48,16,446 equity shares of Rs.10/- each)	481.64	481.64
	481.64	481.64
Note No. 15(b) Rights, preference and restriction attached to equity shares		
The Company has one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. The dividend if any proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Note No. 15 (c) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year		
Number of shares outstanding as at the beginning of the year	4,816,446	4,816,446
Issue of equity shares during the year	-	-
Number of shares outstanding as at the end of the year	4,816,446	4,816,446

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
-------------	-----------------------------	-----------------------------

Note No.15.(d) Shares in the company held by each shareholder holding more than 5% shares

S. No.	Promoter Name	Shareholding as on		Shareholding as on	
		31.03.2025		31.03.2024	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	Madurai Tara Traders Pvt Ltd	7,76,887	16.13	7,76,887	16.13
2	Felspar Credit and Investment Pvt Ltd	6,61,126	13.73	6,61,126	13.73
3	Dhanalakshmi Properties Pvt Ltd	6,29,343	13.07	6,29,343	13.07
4	Kurunji Properties Pvt Ltd	3,46,887	7.20	3,46,887	7.20
5	Chinthamani Cotton Trading Pvt Ltd	2,80,270	5.82	2,80,270	5.82

Note No.15 (e) Shareholding of Promoters

S. No.	Promoter Name	Shareholding as on			Shareholding as on		
		31.03.2025			31.03.2024		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
1	Mrs. Valli M Ramaswami	1,95,463	4.06	-	1,95,463	4.06	-
2	Ms. Vishala Ramaswami	550	0.01	-	550	0.01	-
3	Mr. M Ramakrishnan	2	0.00	-	2	0.00	-
4	Mr. P Manivannan	2	0.00	-	2	0.00	-
5	M/s. Madurai Tara Traders Private Ltd.	7,76,887	16.13	-	7,76,887	16.13	-
6	M/s. Felspar Credit and Investments Private Ltd.	6,61,126	13.73	-	6,61,126	13.73	-
7	M/s. Dhanalakshmi Properties Pvt Ltd	6,29,343	13.07	-	6,29,343	13.07	-
8	M/s. Kurunji Properties Pvt Ltd	3,46,887	7.20	-	3,46,887	7.20	-
9	M/s. Chinthamani Cotton Trading Pvt Ltd	2,80,270	5.82	-	2,80,270	5.82	-
10	M/s. Nemesis Cotton Trading Company Private Ltd.	1,36,086	2.83	-	1,36,086	2.83	-
11	M/s. Rhea Cotton Traders Private Ltd.	1,16,660	2.42	-	1,16,660	2.42	-
12	M/s. Nike Cotton Traders Private Ltd.	1,15,000	2.39	-	1,15,000	2.39	-
13	M/s.Hellen Cotton Trading Company Private Ltd.	71,950	1.49	-	71,950	1.49	-
14	M/s. Valli Agri Industries Private Ltd.	55,620	1.15	-	55,620	1.15	-
15	M/s. Valli Yarn Processors Private Ltd.	53,496	1.11	-	53,496	1.11	-
16	M/s. Vishala Apparels Private Ltd.	30,625	0.64	-	30,625	0.64	-
17	M/s. Vishala Knitwear Private Ltd.	29,375	0.61	-	29,375	0.61	-
18	M/s. Sri Manikavasagam Trades and Finance Private Ltd.	22,501	0.47	-	22,501	0.47	-
19	M/s. Emmar Trades and Finance Private Ltd.	18,002	0.37	-	18,002	0.37	-
	Total	35,39,845	73.49	-	35,39,845	73.49	-

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.16. OTHER EQUITY		
<u>(a) Capital Reserves</u>		
Opening Balance	24.19	24.19
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	24.19	24.19
<u>(b) Amalgamation Reserve</u>		
Opening Balance	242.52	242.52
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	242.52	242.52
<u>(c) General Reserve</u>		
Opening Balance	8,552.40	8,552.40
Transfer from Surplus	-	-
Deductions during the year	-	-
Closing Balance	8,552.40	8,552.40
<u>(d) Foreign Currency Translation Reserve</u>		
Opening Balance	(5.81)	(5.81)
Additions during the year	Nil	Nil
Deductions during the year	Nil	Nil
	(5.81)	(5.81)
<u>(e) Retained Earnings</u>		
Opening Balance	22,543.84	26,493.52
Add:		
Profit/(Loss) for the period as per statement of profit & loss account	(5,124.28)	(3,949.68)
Closing Balance	17,413.75	22,538.03
<u>(e) Other Comprehensive Income Reserve</u>		
Opening Balance		
Remeasurement of Defined benefit plans	251.27	219.60
Revaluation Surplus	19.60	18.83
Total Opening Balance	270.87	238.43
Other Comprehensive Income for the year		
Items that will not be reclassified to Profit and Loss		
-Actuarial Gain / (Loss) on Defined Benefit Plan	(91.53)	31.67
-Gain /(Loss) on Equity Instruments through OCI	(0.16)	0.77
Total of Items that will not be reclassified to Profit and Loss	(91.70)	32.44
Closing Balance		
Remeasurement of Defined benefit plans	159.74	251.27
Revaluation Surplus	19.43	19.60
Total Closing Balance	179.17	270.87
	179.17	270.87
Total Other Equity	26,412.04	31,628.01

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.17. NON - CURRENT PROVISION		
Employee Benefits		
Provision for Post Employment Benefits - Gratuity (refer note no.37)	116.19	159.00
Total Non-Current Provision	<u>116.19</u>	<u>159.00</u>
Note No.18 BORROWINGS		
Loans Repayable On Demand		
From Banks (secured) at amortised cost*		
- Packing Credit	11,302.27	15,467.73
- Cash Credit	14,395.56	14,978.95
- Working Capital Loan	7,406.11	9,728.51
- LC Discounted with Banks	5,619.69	19,597.65
- Bills Discounted with Banks	2,606.32	2,450.20
Total Current Borrowings	<u>41,329.94</u>	<u>62,223.03</u>
Refer Note No.41 for details of security created against Current borrowings		
Note No.19. TRADE PAYABLES		
- Outstanding dues to creditor - other than Micro and Small Enterprises	4,152.82	8,097.95
- Outstanding dues to creditor - Micro and Small Enterprises	3,791.88	3,098.34
Total Trade Payables	<u>7,944.69</u>	<u>11,196.28</u>
Ageing of Trade payables:		
(i) MSME:		
Less than 1 year	3,057.64	3,098.34
1-2 years	734.24	-
2-3 years	-	-
More than 3 years	-	-
	<u>3,791.88</u>	<u>3,098.34</u>
(ii) Others:		
Less than 1 year	3,026.44	6,851.49
1-2 years	1,126.37	1,246.46
2-3 years	-	-
More than 3 years	-	-
Total Trade Payables	<u>4,152.82</u>	<u>8,097.95</u>

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.20. OTHER FINANCIAL LIABILITIES		
Electricity Charges Payable	2,892.37	2,535.74
Employee Dues Payable	1,219.52	1,682.65
Expenses Payable	731.15	800.30
Interest accrued but not due	127.77	80.32
Interest payable to MSME vendors	359.80	181.00
Total Other Financial Liabilities	5,330.62	5,280.00
Note No.21. OTHER CURRENT LIABILITIES		
Statutory Dues Payable	153.88	182.95
Advances from customers	1,890.97	358.28
Security Deposit from Customer	72.19	72.19
Total Other Current Liabilities	2,117.04	613.42
Note No.22. SHORT-TERM PROVISIONS		
Employee benefits		
Provision for Post Employment Benefits - Gratuity (refer note no.37)	432.81	222.12
Total Short Term Provisions	432.81	222.12

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.23. REVENUE FROM OPERATIONS		
Sale of Products	63,274.14	88,198.02
Sale of Services	985.58	1,380.37
Other operating Revenues		
- Duty Drawback/RODTEP/ROSTCL	2,659.23	1,881.46
- Waste and Scrap Sales	1,296.18	2,458.87
Total Revenue from Operations	68,215.14	93,918.71
Note No.24. OTHER INCOME		
Interest Income	181.53	308.49
Dividend Income	-	0.16
Other Non operating income		
a) Insurance Claim Received	-	1,830.51
b) Net Foreign Exchange Gain/(Losses)	532.14	525.01
c) Rental Income	36.33	34.90
d) Profit on Sale of Assets	-	150.83
e) Miscellaneous Income*	79.83	4,358.48
Total Other Income	829.83	7,208.36
Note on Other Income		
* Miscellenous Income for FY 2023-2024 includes AP Industrial Investment Promotion Policy subsidy sanction Rs. 28.60 cr.		
Note No.25. COST OF MATERIALS CONSUMED		
i) Cotton, Staple Fibre and Cotton waste	22,590.04	37,376.32
ii) Yarn	6,461.07	11,486.48
iii) Fabric	2,262.88	2,768.77
iv) Dyes	437.75	492.17
v) Reflective band	494.53	323.83
Total Cost of Materials Consumed	32,246.27	52,447.58
Note No.26. PURCHASE OF STOCK-IN-TRADE		
Cotton	2,854.75	2,931.85
Yarn	-	0.00
Fabric	-	1.54
Total Purchase of Stock-in-Trade	2,854.75	2,933.40

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.27. CHANGES IN INVENTORIES		
Opening Stock		
Process Stock	10,156.60	10,808.31
Finished goods	15,390.72	18,401.09
Total (A)	25,547.32	29,209.40
LESS: Closing Stock		
Process Stock	8,994.60	10,156.60
Finished goods	7,380.39	15,390.72
Total (B)	16,374.99	25,547.32
Changes In Inventories Net (Increase) / Decrease (A-B)		
Process Stock	1,161.99	651.71
Finished goods	8,010.33	3,010.37
Total Changes in Inventories	9,172.33	3,662.08
Note No.28. Employee Benefits / Expenses		
Salaries, Wages and Bonus	9,380.21	12,484.45
Unavailed Leave	141.00	200.68
Contribution to Provident Fund and other funds	970.93	1,160.53
Other Welfare Expenses	1,443.78	1,851.96
Total Employee Benefits/Expenses	11,935.91	15,697.62
Note No.29. FINANCE COSTS		
Interest Expenses		
- For Working capital Loan	4,675.07	4,707.49
- For Bills Discounting	232.26	314.77
Other Borrowing Cost	189.14	266.21
Total Finance Costs	5,096.47	5,288.47

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.30. OTHER EXPENSES		
Power and Fuel	5,523.75	9,296.59
Stores Consumed	4,601.44	6,117.38
Freight and forwarding charges	1,910.65	1,282.08
Selling Expenses	918.38	832.68
Conversion Charges	1,203.68	692.82
Processing Charges	1,108.24	754.01
Repairs & Maintenance		
(a) Repairs to Machinery	1,062.26	1,270.19
(b) Repairs to Building	304.91	239.76
(c) Repairs & Maintenance for Vehicles	175.24	294.15
Insurance	446.35	486.82
Bad Debts	8.79	4.65
Rates and Taxes	159.44	151.82
Provision for Doubtful Debts	655.42	-
Expenditure on CSR Activities	45.62	108.38
Payment to the Auditors		
As Auditors	15.00	15.00
For Certification work	1.00	1.00
Rent	115.87	198.93
Bank Charges	621.35	603.68
Travelling Expenses	208.48	290.99
Professional Expenses	344.59	284.18
Communication Expenses	190.01	223.26
Other Miscellaneous Expenses	176.67	284.16
Total Other Expenses	19,797.13	23,432.52
Note No.31. Exceptional Items		
Impairment of Imported Cotton	(748.00)	-
Andhra Pradesh power trueup charges relating to prior years	(602.30)	-
Profit on Sale of Assets	8,136.31	-
Total	6,786.01	-

* Impairment of Imported Cotton – The Company has recognised an impairment charge on imported cotton inventory amounting to Rs.748 Lakhs considering decline in net realisable value as compared to cost, resulting in a write-down during the year.

** Andhra Pradesh Power True-up Charges (relating to prior years) – The Company has recognised additional power charges amounting to Rs.602.30 Lakhs pursuant to true-up orders issued by the Andhra Pradesh Electricity Regulatory Commission pertaining to earlier periods, which have been accounted as an exceptional charge in the current year.

*** Profit on Sale of Assets – The Company has recognised profit arising from disposal of certain fixed assets during the year, which has been presented as an exceptional item.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Note No.32 (a). Income Tax Recognised In Profit And Loss Account		
Current Tax		
In respect of current year	-	-
Deferred Tax	-	-
In respect of current year	(2,831.50)	(1,641.20)
Total Tax Expenses	<u>(2,831.50)</u>	<u>(1,641.20)</u>

Note No.32 (b). Income Tax Recognised In Other Comprehensive Income

Arising on income and expenses recognised in other comprehensive income

Remeasurement of defined benefit obligation	(75.56)	(19.86)
Net fair value gain/(loss) on investment in equity shares at FVTOCI	0.09	(0.41)
Total income tax recognised in other comprehensive income	<u>(75.47)</u>	<u>(20.27)</u>

Note No.33. Other Comprehensive Income

Remeasurement of defined benefit obligation	(15.98)	51.53
Net fair value gain/(loss) on investment in equity shares at FVTOCI	(0.25)	1.18
Total Other Comprehensive Income	<u>(16.23)</u>	<u>52.71</u>

34) 34.1 Other money for which the Company is contingently liable

The details of dues of Income Tax, Goods and Service tax, Sales Tax, Value Added Tax, cess and other material statutory dues applicable to the Company which have not been deposited as on March 31, 2025 on account of disputes are given below:

Nature of Dues	Forum before which the dispute is pending	Period to which it relates	31 st March 2025	31 st March 2024
Sales Tax	Appeal with STAT, Kakinada Court for AP CST dispute (13-14)	2018-2019	795.54	795.54
GST	Pending with Appellate Authority	2017-2023	1,652.94	-

Nature of Dues	Forum before which the dispute is pending	Assessment Year	31 st March 2025	31 st March 2024
Income Tax	Pending with IT Department	2015-16	2.10	0.78
	Pending with CIT (APPEALS)	2017-18 to 2022-23	2,102.42	2,496.13

34.2 Commitments

Exports obligations under Export Promotion Capital Goods (EPCG) scheme	702.23	1,119.20
--	--------	----------

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

35) Disclosure with respect to Micro, Small and Medium Enterprises Development act, 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006") is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company.

Particulars	31 st March 2025	31 st March 2024
(a) The principal amount remaining unpaid to supplier at the end of each accounting year	3,791.88	3,098.34
(b) The interest payable thereon on (a)	250.05	108.19
(c) The amount of interest paid by the buyer along with the amount of the payment made to the supplier beyond the due date during each accounting year	-	118.80
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	109.75	72.81
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	359.80	181.00
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	359.80	181.00

* includes amount payable to capital creditors (Micro and Small enterprises)

36) Financial Instruments and Risk Management

36.1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt setoff by cash and bank balances and total equity of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, internal accruals and short-term borrowings.

The Company's capital and net debt were made up as follows

Particulars	31 st March 2025	31 st March 2024
Debt	41,457.72	62,303.35
Less: Cash and bank balances	23.21	120.30
Net debt	41,434.51	62,183.06
Total equity	26,893.68	32,109.66
Net debt to equity ratio	1.54	1.94

36.2 Financial Instruments by category

Categories of Financial Instruments

Financial assets at FVTOCI

Investments*	49.60	52.00
--------------	-------	-------

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
Financial assets at Amortised Cost #		
Investment in Government or trust securities	0.10	0.10
Trade receivables	13,529.85	15,848.67
Cash and cash equivalents	23.21	120.30
Bank balances other than above	406.43	1,573.28
Other financial assets	4,964.99	4,598.84
Financial liabilities at Amortised Cost #		
Borrowings (short term)	41,330	62,223
Trade payables	7,945	11,196
Other financial liabilities	5,331	5,280

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

* Investment value excludes investment in subsidiaries/Associates which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements"

Fair value measurements (Ind AS 113)

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

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Sensitivity of Level 3 financial instruments are insignificant.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Management Estimates that cost approximates the Fair Value.

Particulars	31 st March 2025	31 st March 2024
Financial assets at Fair Value Through Other Comprehensive Income		
Investments in Listed Equity Shares - Level - 1	17.93	18.18
Investments in Unlisted Equity Shares - Level - 3	31.67	33.82

36.3 Financial Risk Management

Company's principal financial liabilities comprise borrowings, trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, Trade receivables, loans, cash and bank balances and other financial assets.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Risk Exposures and Responses

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below:

36.3.1 Market Risk

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

(i) Foreign Currency Risk

The company operates internationally and business is transacted in several currencies. The current year export sales of company comprise around 60% of the total sales of the company. Further the company also imports certain assets and material. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risks and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions.

Exchange rate exposures are managed through derivative forward foreign exchange contracts.

Company's Total Foreign currency exposure

Particulars	Currency	31 st March 2025		
		Exchange Rate	Amount in Foreign Currency	Amount ((Rs. lacs)
Trade Receivables	EUR	92.32	23.30	2,150.80
	GBP	110.74	1.49	164.62
	USD	85.58	62.50	5,349.16
Trade Payable	CHF	96.84	-0.13	-12.74
	EUR	92.32	1.33	122.72
	GBP	110.74	0.00	0.50
	USD	85.58	6.73	576.22
Import LC Outstanding	USD	85.58	7.17	613.23
31 st March 2024				
Trade Receivables	EUR	90.22	8.39	757.35
	GBP	105.29	0.70	73.98
	USD	83.37	78.95	6,582.34
Trade Payable	CHF	92.04	0.06	5.44
	EUR	90.22	1.50	135.08
	GBP	105.29	0.09	9.63
	USD	83.37	3.47	289.62
Import LC Outstanding	USD	83.37	4.78	398.69

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Company's Unhedged Foreign currency exposure

Particulars	Currency	31 st March 2025		
		Exchange Rate	Amount in Foreign Currency	Amount (Rs.)
Trade Receivables	EUR	92.32	-	-
	GBP	110.74	1.49	164.62
	USD	85.58	37.29	3,191.66
Trade Payable	CHF	96.84	-0.13	-12.74
	EUR	92.32	1.33	122.72
	GBP	110.74	0.00	0.50
	USD	85.58	6.73	576.22
Import LC Outstanding	USD	85.58	7.17	613.23

Particulars	Currency	31 st March 2024		
		Exchange Rate	Amount in Foreign Currency	Amount (Rs.)
Trade Receivables	EUR	90.22	-	-
	GBP	105.29	0.70	73.98
	USD	83.37	46.73	3,896.14
Trade Payable	CHF	92.04	0.06	5.44
	EUR	90.22	1.50	135.08
	GBP	105.29	0.09	9.63
	USD	83.37	3.47	289.62
Import LC Outstanding	USD	83.37	4.78	398.69

Sensitivity

If foreign currency rates had moved as illustrated in the table below, with all other variables held constant, currency fluctuations on unhedged foreign currency denominated financial instruments, post tax profit would have been affected as follows:

Particulars	31 st March 2025	31 st March 2024
USD Sensitivity		
INR/USD - increases by 5%	100.11	160.39
INR/USD - decreases by 5%	(100.11)	(160.39)
EURO Sensitivity		
INR/EURO - increases by 5%	(6.14)	(6.75)
INR/EURO - decreases by 5%	6.14	6.75

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate exposure

Particulars	31 st March 2025	31 st March 2024
Current Borrowings	41,329.94	62,223.03

Sensitivity analysis:

Sensitivity analysis is carried out for floating rate borrowings as at March 31, 2025. For every 1% increase in average interest rates, profit before tax would be impacted by loss of approximately Rs. 413 lakhs (Pr.Yr: Rs. 622 Lakhs). Similarly, for every 1% decrease in average interest rates there would be an equal and opposite impact on the profit before tax. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

36.3.2 Liquidity Risk

Liquidity Risk is the risk that the company may not be able to meet on its financial obligations as they become due. The objective of the liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

The finance management policy of the company includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast, future cash flows, and by matching the maturity profiles of financial assets and liabilities.

Particulars	As at '31 st March 2025			
	Upto 1 year	1 to 2 years	More than 2 years	Total
Borrowings (short term)	41,329.94	-	-	41,329.94
Trade payables	7,944.69	-	-	7,944.69
Other financial liabilities	5,330.62	-	-	5,330.62
Total	54,605.26	-	-	54,605.26

Particulars	As at '31 st March 2024			
	Upto 1 year	1 to 2 years	More than 2 years	Total
Borrowings (short term)	62,223.03	-	-	62,223.03
Trade payables	11,196.28	-	-	11,196.28
Other financial liabilities	5,280.00	-	-	5,280.00
Total	78,699.32	-	-	78,699.32

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

36.3.3 Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advance for suppliers) and from its financing/ investing activities, including deposits with banks and foreign exchange transactions.

(i) Trade receivables

Trade receivables of the company are typically unsecured and derived from sale made to a large number of independent customers. Customer credit risk is managed by each business unit subject to established policies, procedures and control relating to customer credit risk management. Before accepting any new customer, the company has appropriate level of control procedures to assess the potential customer credit quality. The credit worthiness of its customers are reviewed based on their financial position, past experience and other facts. The credit period provided by the company to its customers generally ranges from 0-90 days. Outstanding customer receivables are reviewed periodically.

The credit related to the trade receivables is mitigated by taking security deposits/ bank guarantee/letter of credit- as and where considered necessary, setting appropriate credit terms and by setting and monitoring internal limits on exposure to individual customers.

There is no substantial concentration of the credit risk as the revenue / trade receivables pertaining to any of the single customer do not exceed 10% of company revenue.

(ii) Cash and Cash Equivalents and Bank Deposits

Credit risk on cash and cash equivalents and balances with Banks is considered to be minimal as the counterparties are all substantial banks and Corporates with high credit ratings. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31st March 2025.

37) Disclosure of Employee Benefits

(a) Defined Contribution Plans :

Amounts recognized in the statement of profit and loss are as under:

Particulars	2024-25	2023-24
Provident Fund	552.36	697.29

The expenses incurred on account of the above defined contribution plans have been included in Note 28 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(b) Defined Benefit Plans - Gratuity

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's plan, whichever is more beneficial.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

The principal assumption used for the purpose of the actuarial valuation were as follows:

Particulars	31 st March 2025	31 st March 2024
Discount Rate	6.64%	7.23%
Salary Escalation Rate	4.00%	7.00%
Attrition Rate	14.00%	8.00%
Expected rate of return on plan assets	7.23%	7.52%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(i) The total expenses recognised in the Statement of Total Comprehensive Income is as follows:

Particulars	31 st March 2025	31 st March 2024
Expense recognised in Statement of Profit or Loss		
Current Service Cost	347.45	90.72
Interest Cost	84.46	96.06
Expected return on plan assets	(66.15)	(77.93)
Subtotal	365.76	108.85
Recognised in Other Comprehensive Income		
Actuarial loss/(gain) on Present value of Obligation	(34.43)	(44.95)
Actuarial gain/(loss) on change in fair value Plan Assets	0.58	6.58
Subtotal	(35.01)	(51.53)
Net Benefit Expenses	330.75	57.31

The current service cost, past service cost and the net interest expenses for the year are included in Note 28 "Employee Benefits Expenses" under the head "Salaries and Wages".

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

	Particulars	31 st March 2025	31 st March 2024
(ii)	Net defined benefit plan Asset/Liability recognised in Balance Sheet as follows:		
	Benefit asset / liability		
	Present value of defined benefit obligation	1,395.47	1,336.03
	Fair value of plan assets	846.47	1,047.79
	Net defined benefit plan Asset/Liability recognised in Balance Sheet	(549.00)	(288.25)
iii)	Changes in the present value of the obligation - reconciliation of opening and closing balances:		
		Gratuity	Gratuity
		(Funded Plan)	(Funded Plan)
	Opening balance of Present Value of the Obligation	1,336.03	1,356.64
	Interest Cost	84.46	96.06
	Current Service Cost	347.45	90.72
	Benefits Paid	(338.04)	(162.43)
	Actuarial loss/(gain)	(34.43)	(44.95)
	Closing balance of Present Value of the Obligation	1,395.47	1,336.03
(iv)	Reconciliation of changes in the fair value of plan Assets:		
	Opening balance Fair Value of Plan Assets	1,047.79	1,105.70
	Expected return on Plan Assets	66.15	77.93
	Contribution by the Company	70.00	20.00
	Benefits Paid	(338.04)	(162.43)
	Actuarial gain/(loss)	0.58	6.58
	Closing balance of Fair Value of Plan Assets	846.47	1,047.79
(v)	Reconciliation of Fair value of Assets & Obligation		
	Present value of the obligation	1,395.47	1,336.03
	Fair value of the Plan Assets	846.47	1,047.79
	Surplus/(Deficit)	(549.00)	(288.25)
	Experience adjustments on Plan Liabilities (loss)/ gain	34.43	44.95
	Experience adjustments on Plan Assets (loss)/ gain	0.58	6.58
(vi)	Percentage of each category of plan assets to total fair value of plan assets:		
	a) Government Securities	30.95%	36.96%
	b) Bank deposits (Special deposit scheme)	2.62%	2.08%
	c) Others / approved securities	66.43%	60.96%
vii)	The estimates of future salary increases, considered in actuarial valuation, taken into account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The expected rate of return on assets are estimated as per the return on Government of India bonds.		

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
38) Earnings per share (Rs.)		
The following reflects the profit and shares related data used in the Basic EPS/Diluted EPS computations:		
Opening / Closing number of shares	48,16,446	48,16,446
Profit / Loss after Tax Expense (Rs. Lakhs)	(5,124)	(3,950)
Earnings per share (Rs.)	(106.39)	(82.00)
Face value of shares (Rs.)	10.00	10.00
39) Expenditure towards Corporate Social Responsibility (CSR) activities		
As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profits of the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.		
The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to Rs. 45.62 Lakhs (Pr.Yr. Rs. 108.38 Lakhs). Amount spent during the year on CSR activities as under:		
a) Gross amount required to be spent by the Company during the year	45.62	108.38
b) Amount available for set-off	-	-
c) Amount required to be spent by the company in cash during the year	45.62	108.38
d) Amount of expenditure incurred	45.62	108.38
e) Shortfall at the end of the year	-	-
f) Total of previous year shortfall	Nil	Nil
g) Reason for shortfall	NA	NA
h) Nature of CSR activities	Promotion of Education	Promotion of Health/Promotion of Education
i) Details of related party transaction	45.62	51.73
j) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Nil	Nil

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

Particulars	31 st March 2025	31 st March 2024
40) Assets pledged as security		
Current assets		
Financial assets		
Trade receivables	13,529.85	15,848.67
Non-financial assets		
Inventory	20,853.52	41,559.35
Total current assets pledged as security	34,383.37	57,408.01
Non-current assets		
Property, Plant & Equipment	25,416.64	33,133.13
Capital Work-in-progress	5.49	-
Investment property	13.93	151.77
Other Intangible assets	48.28	60.81
Total non-current assets pledged as security	25,484.34	33,345.72
Total assets pledged as security	59,867.71	90,753.73

Details of security for Current borrowings

Current borrowings from banks are secured as follows:

Primary Security

Pari passu charge on the current assets of company viz., Hypothecation of Inventory and receivables and other current assets along with other working capital bankers.

Collateral Security

Charge on the block assets of the company on pari passu basis among the working capital bankers.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

41) Deferred Tax Liabilities (Net) movement for FY 2024-2025

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Deferred Tax Assets				
Expenses deductible in future years	908.30	216.00	-	1,124.30
Provision for doubtful debts	45.10	229.10		274.20
Unabsorbed Losses - Carry Forward	2,398.90	3,047.62		5,446.52
Others	2.12	(2.12)		-
MAT Credit recoverable	281.79	-		281.79
Total DTA	3,636.20	3,490.60	-	7,126.81
Deferred Tax Liabilities				
PPE and Intangible Assets	(3,232.30)	-659.10		(3,891.40)
Others	(20.27)	-	75.47	55.20
Total DTL	(3,252.57)	(659.10)	75.47	(3,836.20)
Net DTL	383.64	2,831.50	75.47	3,290.61

Deferred Tax Liabilities (Net) movement for FY 2023-2024

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Deferred Tax Assets				
Expenses deductible in future years	661.40	246.90	-	908.30
Provision for doubtful debts	45.10	-	-	45.10
Unabsorbed Losses - Carry Forward	527.40	1,871.5	-	2,398.90
Others	2.12	-	-	2.12
MAT Credit Recoverable	281.79	-	-	281.79
Total DTA	1,517.80	2,118.40	-	3,636.20
Deferred Tax Liabilities				
PPE and Intangible Assets	(2,755.10)	(477.20)	-	(3,232.30)
Others	-	-	(20.27)	(20.27)
Total DTL	(2,755.10)	(477.20)	(20.27)	(3,252.57)
Net DTL	(1,237.30)	1,641.20	(20.27)	383.64

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

42) Related Party Disclosures for the year ended 31.03.2025

(i) List of Related Parties

No.	Name of the Related Parties and Nature Of Relationship	Companies
1	Joint Venture	Gruppo P&P Loyal Spa, Italy
2	Key Management Personnel (KMP)	<p>Smt Valli M Ramaswami (Chairperson and Whole Time Director)</p> <p>Sri M.E.Manivannan (Whole Time Director)</p> <p>Ms. Vishala M Ramaswami (Executive Director till 27.12.2024, Appointed as Non Independent Non Executive Director w.e.f 17.01.2025)</p> <p>Mr.B.Vaidyanathan (Non-Independent Director)</p> <p>Mr. R. Kannan (Independent Director)</p> <p>Mr. Lakshmi Narayanan (Independent Director)</p> <p>Mr. Madhavan Nambiar (Director retired w.e.f 23.09.2024)</p> <p>Mrs. Vijayalakshmi Rao (Independent Director)</p> <p>Mr. Gokul Dixit (Independent Director)</p> <p>Mr. Kumaran (Independent Director)</p> <p>Mr. A Velliangiri (CEO retired w.e.f 31.03.2025)</p> <p>Mr. K. Ganapathi (CFO resigned w.e.f 29.06.2024)</p> <p>Mr. N. Srinivasan (CFSO w.e.f 09.08.2024 to 12.11.2024 and appointed as (COSO w.e.f 12.11.2024 to 31.03.2025)</p> <p>Mr. N. Srinivasan (CEO w.e.f 01.04.2025)</p> <p>Mr. U. Thenappan (CFO w.e.f 12.11.2024)</p> <p>Mr. P.Mahadevan (Company Secretary, resigned w.e.f 30.09.2024)</p> <p>Mr. S.Muthukrishnan (Company Secretary, w.e.f 12.11.2024)</p>
3	Where control Exists through KMP	<p>P.Orr & Sons Private Limited</p> <p>Valli Agri Industries</p> <p>Kurunji Properties P Ltd</p> <p>Manickavasagam Charitable Foundation</p> <p>Valli Yarn Processors P Ltd</p> <p>Thiagesar Trust</p>

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(ii) Transaction with Related Party - KMP

Remuneration paid to key managerial personnel:	Mrs. Valli M Ramaswami (Chairperson and Whole Time Director)		Ms. Vishala M Ramswami (Director)		Mr. M.E.Manivannan (Whole Time Director)	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Salary, Perquisites and Other allowances	60.00	60.00	11.00	12.00	29.42	29.42
Contribution to provident fund - defined contribution plan	7.20	7.20	1.32	1.44	2.71	2.71
Total	67.20	67.20	12.32	13.44	32.12	32.13

Remuneration paid to key managerial personnel:	Mr. N Srinivasan (Chief Financial Officer/Chief Strategy Officer)		Mr. U Thenappan, (Chief Financial Officer)		Mr.S Muthukrishnan (Company Secretary & Compliance Officer)	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Salary, Perquisites and Other allowances	76.88	-	15.16	-	10.30	-
Contribution to provident fund - defined contribution plan	4.46	-	0.93	-	0.62	-
Total	81.34	-	16.10	-	10.92	-

Remuneration paid to key managerial personnel:	Mr. A Velliangiri (Chief Executive Officer)		Mr. K Ganapathi, (Chief Financial Officer)		Mr. P Mahadevan (Company Secretary & Compliance Officer)	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Salary, Perquisites and Other allowances	54.08	55.23	24.18	41.18	8.76	13.69
Contribution to provident fund - defined contribution plan	2.83	2.83	0.15	1.69	0.27	0.62
Total	56.91	58.06	24.33	42.87	9.03	14.31

Sitting Fees to Directors			31 st March 2025	31 st March 2024
Independent Director				
Mrs. Vijayalakshmi Rao			-	4.90
Mr.Gokul Dixit			-	4.90
Mr.Lakshminarayanan			-	1.60
Non Independent Director			-	
Mr. B Vaidyanathan			-	4.70

(iii) Outstanding balances as on 31.03.2025 - Related Party (KMP)

Particulars	Mrs. Valli M Ramaswami (Chairperson and Whole Time Director)		Ms. Vishala M Ramswami (Director)		Mr. M.E.Manivannan (Whole Time Director)	
	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024	31 st March 2025	31 st March 2024
Commission Payable	2.20	59.29	-	-	-	-

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(iv) Transactions with Related Parties other than KMP

S. No.	Name	Relationship of the related party with the reporting entity	Type of Related Party Transaction	Value of Transaction during the reporting period	
				2024-25	2023-24
1	Gruppo P&P	Joint Venture	Sale of Goods	9,334.22	4,434.55
			Purchase of Goods & Services	3.39	3.30
			Dividend Income received	439.53	185.58
2	Loyal International Sourcing P.Ltd	Wholly Owned Subsidiary	Investments write off	-	2.00
3	Loyal Dimco Group A.E.B.E.(Joint venture 50%)	Joint Venture	Investments write off	-	18.39
4	Loyal Textiles (UK) Ltd (49%)	Joint Venture	Investments write off	-	0.00
5	Loyal IRV Textile LDA, Portugal (Joint Venture 51%)	Joint Venture	Investments write off	-	1.99
6	Manickavasagam Charitable Foundation	Enterprises over which KMP have significant influence	CSR	45.62	51.73
			Sale of Assets	425.50	
			Sale of Goods	1.28	
7	Valli Agri Industries	Enterprises over which KMP have significant influence	Purchase of Goods.	183.90	97.75
8	Kurunji Properties P Ltd	Enterprises over which KMP have significant influence	Rent Paid	18.00	18.00
9	P.Orr & Sons Private Limited	Enterprises over which KMP have significant influence	Purchase of Asset	5.49	-

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(v) Outstanding balances with Related Parties other than KMP

S.No.	Name	Relationship of the related party with the reporting entity	Outstanding Balance as on 31.03.2025	Outstanding Balance as on 31.03.2024
Outstanding Receivable				
1	Gruppo P&P	Joint Venture	1,892.83	686.99
2	Valli Agri Industries	Enterprises over which KMP have significant influence	36.74	368.63
3	Valli Yarn Processors P Ltd	Enterprises over which KMP have significant influence	151.06	151.06
4	Thiagesar Trust	Enterprises over which KMP have significant influence	10.43	10.43
5	Manickavasagam Charitable Foundation	Enterprises over which KMP have significant influence	3.50	-
Outstanding Payable				
6	P.Orr & Sons Private Limited	Enterprises over which KMP have significant influence	(5.49)	-
7	Kurunji Properties P Ltd	Enterprises over which KMP have significant influence	(14.85)	(4.05)

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

43) The following subsidiary /Joint Venture are considered in the Consolidated Financial Statements

Name	Country of Incorporation	FY 2024-25 % of ownership interest	FY 2023-24 % of ownership interest	Nature of Business
<u>JOINT VENTURE</u>				
Gruppo P&P Loyal Spa	Italy	47.50	47.50	Sale of garment and fabrics. Purchase of reflective band and trims.

Additional Information as required under Schedule III to the Companies Act, 2013 of enterprises Consolidated as subsidiary/Joint Venture.

Name of the enterprise	Net Asset i.e. Total assets minus total liabilities		Share in Total Comprehensive Income	
	As a % of consolidated Net Assets	Amount in Lakhs (Rs)	As % of Consolidated Total Comprehensive Income	Amount in Lakhs (Rs)
<u>Parent</u>				
Loyal Textile Mills Limited.	86.8%	23,348.93	(115.02%)	(5,999.60)
<u>Joint Venture</u>				
<u>Foreign</u>				
Gruppo P&P Loyal SPA Italy	13.2%	3,544.75	15.02%	783.63

44) Disclosure of Interest in Joint Ventures under Equity Method (Gruppo P&P Loyal SPA Italy)

Particulars	As at 31.03.2025	As at 31.03.2024
Carrying value of Investments	3,544.75	3,200.66
Share of Profit (Loss) in Joint Venture	783.63	519.86

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

45) Additional regulatory Information required under Schedule III of Companies Act 2013

(i) Details of Benami property held

No proceedings have been initiated on or are pending against the Holding Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Holding Company has borrowings from banks and financial institutions on the basis of security of current assets. The returns or statements filed by the Holding Company are in agreement with the books of accounts and there are no material discrepancies.

(iii) Wilful defaulter:

The Holding Company has not been declared as Wilful defaulter by any bank or financial institution or government or any government authority

(iv) Registration of charges:

The Holding Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(v) Compliance with number of layers of companies

The Holding Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilization of borrowed funds and share premium

The Holding Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Holding Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall 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.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous financial year in the tax assessments under the Income Tax Act, 1961, and hence requirement to record in the books of accounts does not arise.

(ix) Details of crypto currency or virtual currency

The Holding Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Holding Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous financial year.

(xi) Relationship with struck off companies

The Holding Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during FY 2023-24.

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

(x)	Ratios					
S. No	Ratios		FY 2024-25	FY 2023-24	Change in %	Reason for variance
a)	Current Ratio	Times	0.83	0.91	(8.47%)	
	Current Assets	Rs. Lacs	47,548	72,293		
	Current Liabilities	Rs. Lacs	57,155	79,535		
b)	Debt Equity Ratio	Times	1.54	1.94	(20.55%)	
	Short term debt+Long term debt+Interest payable on Borrowings	Rs. Lacs	41,458	62,303		
	Shareholder's Equity	Rs. Lacs	26,894	32,110		
c)	Debt Service Coverage Ratio	Times	(0.79)	0.94	(184.14%)	Impacted by current year losses and higher interest costs.
	(EBITDA-current tax+Non operating income and losses).	Rs. Lacs	(4,029)	4,969		
	Interest + principal repayments	Rs. Lacs	5,096	5,288		
d)	Return on Equity	%	(17.37%)	(12.07%)	43.87%	Increased Loss due to sluggish markets
	Profit After Tax	Rs. Lacs	(5,124)	(3,950)		
	Average Shareholder's Equity	Rs. Lacs	29,502	32,715		
e)	Trade Receivables Turnover Ratio	Times	4.64	5.16	-9.96%	
	Revenue from Operation	Rs. Lacs	68,215	93,919		
	Average Trade Receivable	Rs. Lacs	14,689	18,209		
f)	Trade Payables Turnover Ratio	Times	4.75	4.60	3.25%	
	Purchases	Rs. Lacs	43,332	74,986		
	Average Trade Payable	Rs. Lacs	9,122	16,299		
g)	Net Capital Turnover Ratio	Times	(7.10)	(12.97)	(45.25%)	Due to decline in revenue from operations.
	Revenue from Operation	Rs. Lacs	68,215	93,919		
	Working Capital	Rs. Lacs	(9,607)	(7,242)		
h)	Net profit ratio	%	(7.51%)	(4.21%)	78.62%	Net profit ratio negative due to lower operating margins and on account of sluggish global market.
	Profit After Tax	Rs. Lacs	(5,124)	(3,950)		
	Revenue from Operation	Rs. Lacs	68,215	93,919		
i)	Return on Capital Employed	%	(5.33%)	(0.87%)	511.96%	ROCE negative due to lower operating margins on the back of slump in Global textile market.
	Profit before Tax	Rs. Lacs	(8,739)	(6,111)		
	Add: Finance Cost	Rs. Lacs	5,096	5,288		
	EBIT	Rs. Lacs	(3,643)	(822)		
	Capital Employed	Rs. Lacs	68,351	94,413		
j)	Return on investment	%	0.00%	0.00%	(100.00%)	Due to higher dividend received in current year.
	Income from Investment	Rs. Lacs	-	0.16		
	Cost of the Investment	Rs. Lacs	3,594.45	3,252.75		

Notes Consolidated Financial Statements for the year ended 31st March, 2025

(All amounts in lakhs, unless otherwise stated)

46) Segmental Information

The Holding Company is primarily engaged in the business of manufacturing, purchase and sale of textiles. The performance evaluation and allocation of resources is based on the analysis of the various performance indicator of the Holding Company as a single unit. Therefore, there is only one reportable segment for the Holding Company.

47) Operational Note

The Holding Company has been incurring losses due to a prolonged global demand slowdown, leading to suboptimal utilization of capacities, which has adversely affected its overall liquidity. In response, the management has undertaken several strategic measures, including the restructuring and consolidation of operations with a focused shift toward high-value technical textile garments, where demand remains resilient and margins are stronger. Cost control efforts and productivity enhancement initiatives have been implemented to reduce costs, streamline operations, and improve efficiency and capacity utilization. Additionally, the Holding Company is planning to monetize non-core assets to generate liquidity and support operational cash flows. Management is confident that these ongoing actions will enable the Holding Company to achieve operational profitability in the coming year.

48) Regrouping

Previous year's figures have regrouped wherever necessary to correspond with the current year's disclosure.

49) Approval of Financial Statements

The financial statements of Loyal Textile Mills Limited were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on May 27, 2025.

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthukrishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

Form AOC - 1

(All amounts in lakhs, unless otherwise stated)

[Pursuant to first provision to Sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / Associate Companies / Joint Ventures**Part "B": Associates and Joint Ventures**

Name of associates / Joint Ventures		Gruppo P&P Loyal spa Italy
1	Latest audited Balance Sheet Date	31/12/2024
2	Shares of Associate / Joint Ventures held by the company of the year	3325 Shares
	Amount of Investment in Associates / Joint Venture	1,49,30,077
	Extend of Holding %	47.50%
3	Description of how there is significant influence	% of Share holding
4	Reason why the associate / joint Venture is not consolidated	Consolidated
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs.)	32,00,65,656
6.	Profit / Loss for the year (Rs.)	
	• Considered in Consolidation (Rs.)	5,19,85,860
	• Not Considered in Consolidation (Rs.)	5,36,29,196

1. Names of associates or joint ventures which are yet to commence operations.

Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Nil**Note:**

This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Valli M Ramaswami
Chairperson & Whole Time Director
(DIN: 00036508)

M E Manivannan
Whole Time Director
(DIN: 02229808)

As per our report of even date
For **Brahmayya & Co.,**
Chartered Accountants
(ICAI Firm Reg. No: 000511S)

N Srinivasan
Chief Executive Officer

U Thenappan
Chief Financial Officer

S Muthukrishnan
Company Secretary & Compliance Officer

N.Sri Krishna
Partner
M. No: 026575

Place : Chennai
Date : 27th May 2025

