

K G DENIM LIMITED

CIN : L17115TZ1992PLC003798

THEN THIRUMALAI
METTUPALAYAM - 641 302.
COIMBATORE DISTRICT
TAMILNADU, INDIA.

kg
Denim

Phone : 0091-4254-235240
Fax : 0091-4254-235400
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GST : 33AAACK7940C1ZW



NABL
Certificate No: T1806/T1607



2nd September 2023

To

BSE Limited,
25th Floor, PhirozeJeejeebhoy Towers,
Dalal Street, Fort,
Mumbai -400 001.

Dear Sir/Madam,

Sub:Submission of 31stAnnual Report for the year 2022-23 of the Company under Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ref : Scrip Code 500239

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,we hereby submit the 31stAnnual Report of the Company for the Financial Year 2022-23 and the same is available on the website of the Company www.kgdenim.com.

Kindly take the same on record.

Thanking You,

Yours truly
For K G Denim Limited

P.Krishnaveni
Company Secretary & Compliance Officer

Encl: As above



ANNUAL REPORT
2022-2023

K G DENIM LIMITED

K G Denim Limited



**31st Annual Report
2022 - 23**

K G DENIM LIMITED

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K G DENIM LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Shri KG Baalakrishnan
Executive Chairman

Shri B Sriramulu
Managing Director

Shri B Srihari
Managing Director

Shri A Velusamy

Shri A P Seturaaman

Shri N Govindarajan

Shri Jaganmohan Ramachandran

Smt Lakshmi Pattabi Raman

Shri D Kumaravel w.e.f. 01.04.2023

Shri R Selvakumar w.e.f. 07.08.2023

Shri M B N Rao upto 31.03.2023

Smt T Anandhi upto 04.08.2023

CHIEF FINANCIAL OFFICER:

Shri S Manickam

COMPANY SECRETARY:

Smt P Krishnaveni

CORPORATE IDENTITY NUMBER:

L17115TZ1992PLC003798

REGISTERED OFFICE:

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

STATUTORY AUDITORS:

M/s. Gopalaiyar and Subramanian
Chartered Accountants
Coimbatore

INTERNAL AUDITORS:

Senthil Balaji & Associates
Chartered Accountants
Coimbatore

SECRETARIAL AUDITOR :

MDS & Associates LLP
Company Secretaries
Coimbatore

COST AUDITOR:

Shri M Nagarajan
Cost Accountant
Coimbatore

BANKERS:

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

K G DENIM LIMITED

NOTICE OF 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Members of K G Denim Limited will be held at 3.00 P.M. Indian Standard Time (IST) on Friday, 29th September, 2023 at the Registered Office of the Company at Then Thirumalai, Coimbatore – 641302, to transact the following business(es):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated Audited Financial Statements including Balance Sheet as on 31st March, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date together with the Board's Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri B Sriramulu (DIN: 00002560), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri B Srihari (DIN: 00002556), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To ratify the payment of remuneration to Shri M Nagarajan (ICAI Membership No: 102133), Cost Accountant, Coimbatore, Cost Auditor of the Company for the financial year ending 31st March 2024 and, in this regard, to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri M Nagarajan (ICAI Membership No: 102133), Cost Accountant, Coimbatore, who has been appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024 on a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes and re-imburement of travelling and out of pocket expenses incurred by him for the purpose of audit be and are hereby ratified."

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

5. To re-appoint Shri KG Baalakrishnan (DIN: 00002174) as Executive Chairman of the Company for a period of three (3) years with effect from 3rd November 2023 and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary and pursuant to the provisions of the Articles of Association and Nomination and Remuneration Policy of the Company, the consent of the members be and are hereby accorded for the re-appointment of Shri KG Baalakrishnan (DIN: 00002174) who has attained the age of 83 years, as the Executive Chairman of the Company and payment of remuneration for a further period of three (3) years commencing from 3rd November 2023, on the following terms and conditions as recommended by the Nomination and Remuneration Committee at its meeting held on 31st July 2023 and as approved by the Audit Committee and Board of Directors at their respective meetings held on 7th August 2023, and notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to Shri B Sriramulu and Shri B Srihari, Managing Directors of the Company, may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the aforesaid Act or Regulations for the time being in force:

- i. Salary: Rs. 5,00,000/- per month
- ii. Contribution to superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.
- iv. Encashment of leave at the end of tenure.
- v. Car with driver, telephone at residence, club fees and medical reimbursement.
- vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Sections 197 and 198 of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the remuneration as mentioned above shall be paid as minimum remuneration in compliance with Schedule V of the Act, to Shri KG Baalakrishnan."

"RESOLVED FURTHER THAT Shri KG Baalakrishnan shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof."

"RESOLVED FURTHER THAT Shri KG Baalakrishnan shall be liable to retire by rotation and the same shall not be treated as break in his service."

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"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Shri KG Baalakrishnan, Executive Chairman as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders."

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper and expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

6. To re-appoint Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company for a period of three (3) years with effect from 3rd November 2023 and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary and pursuant to the provisions of the Articles of Association and Nomination and Remuneration Policy of the Company, the consent of the members be and are hereby accorded for the re-appointment of Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company and payment of remuneration for a further period of three (3) years commencing from 3rd November 2023, on the following terms and conditions as recommended by the Nomination and Remuneration Committee at its meeting held on 31st July 2023 and as approved by the Audit Committee and Board of Directors at their respective meetings held on 7th August 2023, and notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to Shri KG Baalakrishnan, Executive Chairman and Shri B Srihari, Managing Director of the Company may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the aforesaid Act or Regulations for the time being in force:

- i. Salary: Rs. 5,00,000/- per month
- ii. Contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.
- iv. Encashment of leave at the end of tenure.
- v. Car with driver, telephone at residence, club fees and medical reimbursement.
- vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Section 197 and 198 of the Companies Act, 2013."

"**RESOLVED FURTHER THAT** Shri B Sriramulu (DIN: 00002560), Managing Director shall draw remuneration from one or both companies, provided that the total remuneration drawn, shall not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person pursuant to Schedule V of the Companies Act, 2013."

"**RESOLVED FURTHER THAT** the remuneration paid to Shri B Sriramulu during the previous years, in excess of limits prescribed under Regulation 17(6)(e) of Listing Regulations be and is hereby ratified."

"**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the remuneration as mentioned above shall be paid as minimum remuneration in compliance with Schedule V of the Act, to Shri B Sriramulu."

"**RESOLVED FURTHER THAT** Shri B Sriramulu shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof."

"**RESOLVED FURTHER THAT** Shri B Sriramulu shall be liable to retire by rotation and the same shall not be treated as break in his service."

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Shri B Sriramulu as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders."

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper and expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

7. To re-appoint Shri B Srihari (DIN: 00002556) as Managing Director of the Company for a period of three (3) years with effect from 3rd November 2023 and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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(Listing Regulations) (including statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary and pursuant to the provisions of the Articles of Association and Nomination and Remuneration Policy of the Company, the consent of the members be and are hereby accorded for the re-appointment of Shri B Srihari (DIN: 00002556) as Managing Director of the Company and payment of remuneration for a further period of three (3) years commencing from 3rd November 2023, on the following terms and conditions as recommended by the Nomination and Remuneration Committee at its meeting held on 31st July 2023 and as approved by the Audit Committee and Board of Directors at their respective meetings held on 7th August 2023, and notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to Shri KG Baalakrishnan, Executive Chairman and Shri B Sriramulu, Managing Director of the Company may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the aforesaid Act or Regulations for the time being in force:

i. Salary: Rs. 5,00,000/- per month

ii. Contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.

iv. Encashment of leave at the end of tenure.

v. Car with driver, telephone at residence, club fees and medical reimbursement.

vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Section 197 and 198 of the Companies Act, 2013. "

"RESOLVED FURTHER THAT Shri B Srihari (DIN: 00002556), Managing Director shall draw remuneration from one or both companies, provided that the total remuneration drawn, shall not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person pursuant to Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the remuneration paid to Shri B Srihari during the previous years, in excess of limits prescribed under Regulation 17(6)(e) of Listing Regulations be and is hereby ratified."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the remuneration as mentioned above shall be paid as minimum remuneration in compliance with Schedule V of the Act, to Shri B Srihari."

"RESOLVED FURTHER THAT Shri B Srihari shall be liable to retire by rotation and the same shall not be treated as break in his service."

"RESOLVED FURTHER THAT Shri B Srihari shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Shri B Srihari as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper and expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

8. To appoint Shri R Selvakumar (DIN: 00051608) as a Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Articles of Association of the Company, Shri R Selvakumar (DIN: 00051608), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 7th August 2023 and who holds office up to the date of this Annual General Meeting in accordance with the provisions of Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Shri R Selvakumar as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

9. To appoint Shri R Selvakumar (DIN: 00051608) as a Whole-time Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the "Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), and Articles of Association and Nomination and Remuneration Policy of the Company, the consent of the members be and is hereby accorded for the appointment of Shri R Selvakumar (DIN: 00051608) as Whole-time Director of the Company and payment of remuneration for a period of 3 (Three)

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years with effect from 7th August 2023, on the following terms and conditions, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their respective meetings held on 7th August 2023, notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to other Executive Directors may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the aforesaid Act or Regulations for the time being in force:

- i. Salary: Rs. 1,42,000/- per month with bonus as applicable.
- ii. Contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.
- iv. Encashment of leave at the end of tenure.
- v. Car with driver, telephone at residence, club fees and medical reimbursement.”

“**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the remuneration as mentioned above shall be paid as minimum remuneration in compliance with Schedule V of the Act, to Shri R Selvakumar.”

“**RESOLVED FURTHER THAT** Shri R Selvakumar shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.”

“**RESOLVED FURTHER THAT** Shri R Selvakumar shall be liable to retire by rotation and the same shall not be treated as break in his service.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Shri R Selvakumar as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper and expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

ITEM NO. 4

The Board of Directors of the Company based on the recommendations of the Audit Committee of the Company, has appointed Shri M Nagarajan (ICAI Membership No: 102133), Cost Accountant, Coimbatore, as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2023-24 and has also the remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) along with applicable taxes and reimbursement of travelling and out-of-pocket expenses incurred by him during the course of the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors of the Company shall be recommended by the Audit Committee and approved by the Board of Directors and has to be ratified by the Members at the Annual General Meeting of the Company. Accordingly, the consent of the members is being sought for the ratification of the said remuneration payable to the Cost Auditors of the Company for the financial year 2023-24.

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

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

ITEM NO. 5

Shri KG Baal Krishnan (DIN: 00002174) was re-appointed as the Executive Chairman of the Company for a period of 5 years commencing from 3rd November 2018 till 2nd November 2023, on the terms and conditions as approved by the Shareholders at the 26th Annual General Meeting held on 27th September 2018. Accordingly, the present tenure of his office is valid up to 2nd November 2023.

Pursuant to Section 178 & 177 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Nomination and Remuneration Committee at its meeting held on 31st July 2023 & Audit Committee at its meeting held on 7th August 2023 had recommended/ approved the reappointment of Shri KG Baal Krishnan as Executive Chairman of the Company and payment of remuneration for a further period of three (3) years with effect from 3rd November 2023 on the terms and conditions as set out in the Notice, and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013.

Pursuant to the provisions of the Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the re-appointment of Executive Chairman and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting.

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Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors of the Company ("Board") at its meeting held on 7th August 2023 has re-appointed Shri KG Baalakrishnan (DIN: 00002174) as Executive Chairman of the Company, for a further period of three (3) years, subject to the approval of the shareholders of the Company.

Shri KG Baalakrishnan has been tirelessly working towards improving the prospects of the Company and therefore the Board of Directors are of the view that the re-appointment of Shri KG Baalakrishnan as the Executive Chairman for a further period of 3 years would be in the interest of the Company. His re-appointment is expected to be greatly beneficial to the future growth plans of the Company.

Section 196 of the Companies Act, 2013 inter-alia provides that no Company shall appoint any person as Managing Director or Whole-time Director or Manager, who has attained the age of 70 years, unless his appointment is approved by the members by a Special Resolution.

Considering the above facts, the Board of Directors have recommended the Resolution as set out in Item No. 5 of the Notice for approval of the Members as a Special Resolution.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Shri KG Baalakrishnan and other disclosures as per Secretarial Standard 2 are furnished and form a part of this notice.

Except Shri KG Baalakrishnan, being the appointee director and Shri B Sriramulu and Shri B Srihari, Managing Directors of the Company, being his relatives, other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 5.

ITEM NO. 6

Shri B Sriramulu (DIN: 00002560) was re-appointed as the Managing Director of the Company for a period of 5 years commencing from 3rd November 2018 till 2nd November 2023, on the terms and conditions as approved by the shareholders at the 26th Annual General Meeting held on 27th September 2018. Accordingly, the present tenure of his office is valid up to 2nd November 2023.

Pursuant to Section 178 & 177 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Nomination and Remuneration Committee at its meeting held on 31st July 2023 & Audit Committee at its meeting held on 7th August 2023 had recommended/ approved the re-appointment of Shri B Sriramulu as Managing Director of the Company and payment of remuneration for a further period of three (3) years with effect from 3rd November 2023 on the terms and conditions as set out in the Notice, and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013.

Pursuant to the provisions of the Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the re-appointment of Shri B Sriramulu and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors of the Company ("Board") at its meeting held on 7th August 2023 has re-appointed Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company, for a further period of three (3) years, subject to the approval of the shareholders of the Company.

Shri B Sriramulu has been a Director in the Company since 2003. He has a rich and varied experience profile and has led the Company with his leadership and vision. Considering his professional commitment to the Company, the results which have been achieved by him as a Managing Director and based on the inputs received from the performance evaluation exercise as carried out by the Independent Directors of the Company, it has been proposed to reappoint him as the Managing Director of the Company. His re-appointment is expected to be greatly beneficial to the future growth plans of the Company.

Considering the above facts, the Board of Directors have recommended the Resolution as set out in Item No. 6 of the Notice for approval of the Members as a Special Resolution.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Shri B Sriramulu and other disclosures as per Secretarial Standard 2 are furnished and form a part of this notice.

Except Shri B Sriramulu, being the appointee director and Shri KG Baalakrishnan, Executive Chairman and Shri B Srihari, Managing Director of the Company, being his relative, other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 6.

ITEM NO. 7

Shri B Srihari (DIN: 00002556) was re-appointed as the Managing Director of the Company for a period of 5 years commencing from 3rd November 2018 till 2nd November 2023, on the terms and conditions as approved by the shareholders at the 26th Annual General Meeting held on 27th September 2018. Accordingly, the present tenure of his office is valid up to 2nd November 2023.

Pursuant to Section 178 & 177 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Nomination and Remuneration Committee at its meeting held on 31st July 2023 & Audit Committee at its meeting held on 7th August 2023 had recommended/ approved the reappointment of Shri B Srihari

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as Managing Director of the Company and payment of remuneration for a further period of three (3) years with effect from 3rd November 2023 on the terms and conditions as set out in the Notice, and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013.

Pursuant to the provisions of the Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the re-appointment of Shri B Srihari and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors of the Company ("Board") at its meeting held on 7th August 2023 has re-appointed Shri B Srihari (DIN: 00002556) as Managing Director of the Company, for a further period of three (3) years, subject to the approval of the shareholders of the Company

Shri B Srihari has been a Director in the Company since 2003. He has a rich and varied experience profile and has led the Company with his leadership and vision. Considering his professional commitment to the Company, the results which have been achieved by him as a Managing Director and based on the inputs received from the performance evaluation exercise as carried out by the Independent Directors of the Company, it has been proposed to reappoint him as the Managing Director of the Company. His re-appointment is expected to be greatly beneficial to the future growth plans of the Company.

Considering the above facts, the Board of Directors have recommended the Resolution as set out in Item No. 7 of the Notice for approval of the Members as a Special Resolution.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Shri B Srihari and other disclosures as per Secretarial Standard 2 are furnished and form a part of this notice.

Except Shri B Srihari, being the appointee director and Shri KG Baalakrishnan, Executive Chairman and, Shri B Sriramulu, Managing Director of the Company, being his relative, other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 7.

ITEM NO. 8 & 9

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 7th August 2023 has appointed Shri R Selvakumar (DIN: 00051608) as an Additional Director of the Company with effect from 7th August 2023 to hold office upto the date this Annual General Meeting in compliance with Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri R Selvakumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Further, he is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India ("SEBI") or any other authority.

The Company has received a notice from a member signifying his intention to propose the candidature of Shri R Selvakumar for the office of Director of the Company under Section 160 of the Act.

Pursuant to Section 161 of the Act and Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of shareholders is being sought for the appointment of Shri R Selvakumar as a Director of the Company. Hence, the necessary resolution has been set out in Item No. 8 of the Notice for the approval of the members.

Further, as per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee at their meeting held on 7th August 2023 had taking into consideration the contribution made by Shri R Selvakumar (DIN: 00051608) in various roles as Vice President (Commercial) of the Company, recommended his appointment as Whole-time Director of the Company for a period of 3 years with effect from 7th August 2023 and determined his remuneration and recommended the same to the Board. The proposed remuneration is well within the limits prescribed in the Companies Act, 2013, the Schedule and Rules made thereunder.

Shri R Selvakumar's expertise and skills are imminently needed for achieving the global business plans of the Company and his appointment as Whole-time Director would be helpful for the future growth of the Company.

Pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the appointment of the Whole-time Director and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting. Based on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, the Board of Directors of the Company at its meeting held on 7th August 2023, has appointed Shri R Selvakumar as Whole-time Director of the Company with effect from 7th August 2023 subject to the approval of the shareholders by way of passing Special Resolution, on such terms and conditions as set out in the Notice.

Accordingly, the Board recommends the necessary resolution(s) set out in Item Nos. 8 & 9 of the Notice of Annual General Meeting for the approval of the members.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Shri R Selvakumar and other disclosures as per Secretarial Standard 2 are furnished and forms a part of this notice.

Except Shri R Selvakumar, being the appointee director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out in Item Nos. 8 & 9 of this Notice.

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General information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) relating to the Special Resolution under Item Nos. 5 to 7 & 9:

A. General information			
Nature of industry	Textiles – Weaving and processing of Denim Fabrics, Apparel Fabrics and Home Textiles		
Date or expected date of commencement of commercial production	The Company was incorporated on 25 th June 1992 and commenced commercial production subsequently in the same year.		
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
Financial performance based on given indicators	Rs in lakhs		
	Particulars		
	2022-2023		
	2021-2022		
	Sales & other income	51563.20	59226.53
	Profit/ (Loss) before tax	(3676.16)	(781.85)
	Profit/ (Loss) after tax	(2739.46)	(705.38)
Paid-up equity capital	2564.90	2564.90	
Reserves and Surplus	3295.36	5932.15	
Basic Earnings Per Share	(10.69)	(2.75)	
Foreign investments or collaborations, if any	Nil		

B. Information about the appointee:				
Background details	Shri KG Baalakrishnan aged 83 years is B.Com., B.L., and has been in the textile industry for nearly five decades spanning over trading, spinning, weaving, processing, garmenting and retailing operations. He has been closely associated with planning, implementation and follow up on new, expansion and diversification projects with detailed exposure to various functional areas viz., production, human resource, administration, commercial, legal, banking, financial and liaison with trade and governmental agencies.	Shri B Sriramulu aged 56 years is the elder son of Shri KG Baalakrishnan, Executive Chairman. He is a Graduate Engineer in Textile Technology from Bharathiar University, Tamil Nadu and Master of Science (Textile Technology) from the University of Manchester, UK. and has been in the textile industry for nearly three decades spanning over trading, spinning, weaving, processing, garmenting and retailing operations. He has been closely associated with planning, implementation and follow up on new, expansion	Shri B Srihari aged 54 years is the younger son of Shri KG Baalakrishnan, Executive Chairman. He is a Bachelor of Technology in Chemical Engineering from Bharathidasan University, Tamil Nadu and Master of Engineering (Chemical) from Cornell University, USA. and has been in the textile industry for nearly three decades spanning over trading, spinning, weaving, processing, garmenting and retailing operations. He has been closely associated with planning, implementation and follow up on new, expansion and	Shri R Selvakumar aged 53 years is a BE Mechanical Engineering and MBA graduate, having extensive knowledge in the sourcing of raw materials, chemicals, and human resources administration in KG Denim Limited.

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		and diversification projects with detailed exposure to various functional areas viz., production, human resource, administration, commercial, legal, banking, financial and liaison with trade and governmental agencies.	diversification projects with detailed exposure to various functional areas viz., production, human resource, administration, commercial, legal, banking, financial and liaison with trade and governmental agencies.	
Past remuneration	Rs.60 lakhs per annum	Rs.60 lakhs per annum	Rs.60 lakhs per annum	Not Applicable
Recognition or awards	Nil	Nil	Nil	Nil
Job profile and his suitability	Shri KG Baalakrishnan, Executive Chairman shall have all the powers and duties as the Board may determine from time to time. He has nearly 5 decades of practical experience in the setting up and management of textile units.	Shri B Sriramulu is a B.Tech, MS (Textiles) shall have all the powers and duties as the Board may determine from time to time. He has nearly 3 decades of practical experience in the setting up and management of textile units.	Shri B Srihari is a B.Tech, MS (Chemical Technology) shall have all the powers and duties as the Board may determine from time to time. He has nearly 3 decades of practical experience in the setting up and management of textile units.	Shri R Selvakumar is a BE Mechanical Engineering and MBA graduate. He shall be responsible for sourcing rawmaterials, chemicals, coal and also human resources management of the Company.
Remuneration proposed	Details of proposed remuneration have been disclosed in Item No. 5.	Details of proposed remuneration have been disclosed in Item No. 6.	Details of proposed remuneration have been disclosed in Item No. 7.	Details of proposed remuneration have been disclosed in Item No. 9.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Managerial Personnel in a similar role in other companies	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Managerial Personnel in a similar role in other companies	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Managerial Personnel in a similar role in other companies	Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Managerial Personnel in a similar role in other companies

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Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration being received, the Executive Chairman does not have any pecuniary relationship with the Company. Shri KG Baalakrishnan, Executive Chairman is a Promoter of the Company. He is related to Shri B Sriramulu and Shri B Srihari, Managing Directors of the Company.	Besides the remuneration being received, the Managing Director does not have any pecuniary relationship with the Company. Shri B Sriramulu, Managing Director is a Promoter of the Company. He is related to Shri KG Baalakrishnan, Executive Chairman, Shri B Srihari, Managing Director of the Company.	Besides the remuneration being received, the Managing Director does not have any pecuniary relationship with the Company. Shri B Srihari, Managing Director is a Promoter of the Company. He is related to Shri KG Baalakrishnan, Executive Chairman, Shri B Sriramulu, Managing Director of the Company.	The Whole-time director does not have any pecuniary relationship with the Company. He is not related to any of the directors of the Company
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C. Other information

Reasons of loss or inadequate profits	Due to recession and financial hardships, the profits are inadequate.
Steps taken or proposed to be taken for improvement	Product mix is being reoriented in the backdrop of higher cotton prices with productivity improvement and higher export sales and cost reduction measures.
Expected increase in productivity and profits in measurable terms	The aforesaid steps being taken by the Company are expected to improve the Company's performance and profitability in the future.

D. Disclosures

<p>The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:</p> <ol style="list-style-type: none"> a. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors b. Details of fixed component and performance linked incentives along with the performance criteria c. Service contracts, notice period, severance fees d. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable 	The same is mentioned in the Corporate Governance report which forms a part of the Annual Report.
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In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Secretarial Standards on General Meetings, brief profile of the Directors, who are proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, other directorships and committee memberships, their shareholding and relationship with other Directors of the Company are given below:

Name of the Director	Shri KG Baalakrishnan	Shri B Sriramulu	Shri B Srihari	Shri R Selvakumar
DIN	00002174	00002560	00002556	00051608
Date of Birth/Age	06-03-1940/ 83 years	27-04-1967/ 56 years	06-09-1968/ 54 years	30-05-1970/ 53 years
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	03-11-2003	03-11-2003	03-11-2003	07-08-2023
Qualification	B.Com, B.L.	B.Tech, MS (Textiles)	B.Tech, MS (Chemical Technology)	B.E (Mech), MBA
Experience / Area of Expertise	More than 5 decades of practical experience in the setting up and management of textile units	More than 3 decades of practical experience in the setting up and management of textile units	More than 3 decades of practical experience in the setting up and management of textile units	More than 3 decades of experience in sourcing of raw materials, chemicals, and human resources administration in KG Denim Limited
No. of Shares held in the Company	25,78,560 equity shares of Rs.10/- each	22,08,659 equity shares of Rs.10/- each	22,31,859 equity shares of Rs.10/- each	Nil
Inter-se Relationship with other directors	Shri KG Baalakrishnan is the father of Shri B Sriramulu, Shri B Srihari, Managing Directors of the Company	Shri B Sriramulu is the son of Shri K G Baalakrishnan, Executive Chairman and Brother of Shri B Srihari, Managing Director of the Company	Shri B Srihari is the son of Shri KG Baalakrishnan, Executive Chairman, and Brother of Shri B Sriramulu, Managing Director of the Company	Shri R Selvakumar is not related to any of the directors of the Company
Board position held	Executive Chairman	Managing Director	Managing Director	Additional Director/ Whole-time Director
Terms of Appointment/ Re-appointment	As set out in Item No. 5 of the Notice	As set out in Item No. 6 of the Notice	As set out in Item No. 7 of the Notice	As set out in Item Nos. 8 & 9 of the Notice
Remuneration sought to be paid	As set out in Item No. 5 of the Notice	As set out in Item No. 6 of the Notice	As set out in Item No. 7 of the Notice	As set out in Item No. 9 of the Notice
Remuneration last drawn	60 lakhs per annum	60 lakhs per annum	60 lakhs per annum	Not Applicable
No. of Board Meetings attended during the year	4	4	4	Not Applicable

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List of Directorships held in other Companies	<ul style="list-style-type: none"> • Sri Kannapiran Mills Limited • Sri Balamurugan Textile Processing Limited • Trigger Apparels Limited • Crocodile India Private Limited • Anandhi Power Limited • K G B Securities and Investments Private Limited • KGB Education Foundation 	<ul style="list-style-type: none"> • Sri Kannapiran Mills Limited • Danalakshmi Paper Mills Private Limited • Enterprise Telesys Limited • Ganapathykumaran Investments Private Limited • K G B Securities and Investments Private Limited • Kumaranganapathy Investments Private Limited • KGB Education Foundation 	<ul style="list-style-type: none"> • Sri Kannapiran Mills Limited • Kannapiran Polymers Limited • Anandhi Power Limited • Enterprise Telesys Limited • Ganapathykumaran Investments Private Limited • K G B Securities and Investments Private Limited • Kumaranganapathy Investments Private Limited • KGB Education Foundation • Productive Playhouse India Private Limited 	Nil
Details of Membership in Committees of Other Companies	Nil	Nil	Nil	Nil
Names of listed entities in which the person has resigned in the past three years	Nil	Nil	Nil	Nil

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

Place: Coimbatore
Date: 7th August 2023

KG Baalakrishnan
Executive Chairman
DIN: 00002174

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NOTES

- 1. A member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.**
- 2. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.**
- 3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
4. Members may note that M/s. Gopalaiyer and Subramanian, (Firm Registration No. 000960S) Chartered Accountants, Coimbatore were appointed as the Statutory Auditors of the Company by the shareholders at their Annual General Meeting (AGM) held on 28th September 2022, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2027. Hence, no resolution is being proposed for the appointment of statutory auditors at this 31st Annual General Meeting.
5. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mds@mdsassociates.in with a copy marked to the Company at cskgdl@kgdenim.in and to its RTA at investor@cameoindia.com.
7. Members / Proxies should bring the attendance slips duly filled and signed, along with PAN/ DP ID & Client ID/ Folio No. for attending the meeting.
8. Members may note that the Notice of the 31st Annual General Meeting and the Annual Report for the financial year 2022-23 have been made available on the Company’s website www.kgdenim.com and also the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of Central Depository Services (India) Limited at www.evotingindia.com. The physical copies of the aforesaid documents will also be available at the Company’s Registered Office for inspection during normal business hours on working days.
9. Members attending the AGM in person shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) in respect of the Director seeking re-appointment/ appointment at the 31st Annual General Meeting are furnished as annexure and forms part of the Notice.
11. The Company has paid the annual listing fees for the period 2023-24 to the Stock Exchange, BSE Limited, Mumbai.
12. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and share transfer books of the Company will remain closed during the period from Saturday, 23rd September, 2023 to Friday, 29th September, 2023 (both days inclusive) for ascertaining the list of members entitled to attend the AGM and vote on the resolutions.
13. Members whose shareholding is in the electronic mode are requested to update bank account details (Bank Account Number, Name of the Bank, Branch, IFSC, MICR code and place with PIN Code) to their respective Depository Participant(s) and not with the Company. Members whose shareholding is in the physical mode are requested to direct the above details to the Company or to the RTA. Regular updation of bank particulars is intended to prevent fraudulent encashment of dividend warrants.
14. a. Members are requested to notify any change in their address immediately :
 - i. to their Depository Participant(s) (“DPs”) in respect of the shares held in electronic form, and
 - ii. to the Company or its RTA, in respect of the shares held in physical form together with proof of address viz, Aadhar Card/ Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc.

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b. In case the registered mailing address is without the Postal Identification Number Code ("PIN CODE"), Members are requested to kindly inform their PIN CODE immediately to the Company/ RTA/ DPs.

15. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination forms in respect of their physical shareholdings. Any member wishing to avail of this facility may submit to the company's Registrar & Share Transfer Agent the prescribed Form SH-13 (hosted on the website of the Company and RTA). Should any assistance be desired, members shall get in touch with the company's Registrar & Share Transfer Agent. Members holding shares in electronic form must approach their Depository Participant(s) for completing the nomination formalities.

16. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agents ("RTA"), the details of such folios together with the share certificates for consolidating their holdings into one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

17. Soft copies of the Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be made available electronically for inspection by the Members on the website of the Company at www.kgdenim.com during the time of the AGM.

18. Non-Resident Indian ("NRI") Members are requested to inform the Company or RTA or the concerned Depository Participants, as the case may be, immediately:

- a) the change in the residential status on return to India for permanent settlement or
- b) the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.

19. Those members who have not encashed dividend warrants of earlier years may return the time barred dividend warrants to the Company or its Registrar and Share transfer Agents for revalidation of such instruments.

20. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary / RTA of the Company.

Members are requested to note that pursuant to Section 124 of the Companies Act, 2013 dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government under Section 125 of the Companies Act, 2013. The details of unpaid dividend can be viewed on the Company's website. As per the provisions of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company will be transferring the share(s) on which the beneficial owner has not encashed any dividend during the last seven years to the IEPF demat account as identified by the IEPF Authority. Details of Shareholders whose shares are liable to be transferred to IEPF are available on the Company's website. The Shareholders whose unclaimed dividend /share has been transferred to the 'Investor Education and Protection Fund', may claim the same from the IEPF authority by filing Form IEPF-5 along with the requisite documents.

21. Shareholders holding shares in demat form and who have not yet registered their e-mail address are requested to register their email address with their respective Depository Participant (DP) immediately. Shareholders holding shares in physical form are requested to dematerialize their shares and register their email address with our Registrar & Share Transfer Agents, Cameo Corporate Services Limited, 'Subramanian Building' No.1, Club House Road, Chennai – 600002; email id: investor@cameoindia.com.

22. A. Securities and Exchange Board of India ("SEBI") had earlier mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrar and Share Transfer Agents with effect from 1st April 2019.

B. Further, SEBI had mandated the listed entities to issue shares only in dematerialised mode, with effect from 25th January 2022 to Shareholder(s)/claimant(s) holding shares in physical mode, as against their service requests including for transmission or transposition of shares.

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

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

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

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

23. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, advised to submit the PAN to their Depository Participant(s) in the prescribed form with whom they are maintaining their demat account(s) in the prescribed format. Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agents.

24. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

25. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company Secretary at least seven working days prior to the date of the 31st Annual General Meeting, the same will be replied by the company suitably.

26. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of the concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holding to electronic mode.

27. Members are requested to forward their shareholding related queries and communications directly to the Registrar and Share Transfer Agents of the Company – Cameo Corporate Services Limited, 'Subramanian Building' No.1, Club House Road, Chennai - 600002, India, email id: investor@cameoindia.com or the Company Secretary of the Company; email id: cskgdl@kgdenim.in.

28. As per the green initiative taken by the Ministry of Corporate Affairs, members are advised to register their email address with the Company in respect of shares held in physical form and with the concerned depository participant in respect of shares held in demat form to enable the Company to serve documents in electronic form.

29. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company Secretary of the Company or its Registrar and Share Transfer Agents, Cameo Corporate Services Limited, 'Subramanian Building' No.1, Club House Road, Chennai – 600002; email id: investor@cameoindia.com., by quoting the Folio number or the Client ID number with DP ID number.

30. Members are requested to note that the 31st Annual General Meeting will be held at Then Thirumalai, Coimbatore – 641302, the Registered Office of the Company. The route map containing the complete particulars of the venue is printed to this Notice.

VOTING THROUGH ELECTRONIC MEANS

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

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

I Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Annual General Meeting Notice and holding shares as on Friday, 22nd September, 2023, may refer to this Notice of the Annual General Meeting, posted on Company's website www.kgdenim.com for the detailed procedure with regard to remote e-voting. Any person who ceases to be a member of the Company as on the cutoff date and is in receipt of this Notice, shall treat this Notice for information purposes only.

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ii) The facility for voting, either through the electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their vote through the electronic voting system or polling paper at the Annual General Meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by the member, the Member shall not be allowed to change it subsequently.

iii) The remote e-voting period begins on Tuesday, 26th September, 2023 at 9.00 AM (IST) and ends on Thursday, 28th September, 2023 at 5.00 PM (IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 22nd September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

iv) In view of the SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and e-mail ID in their demat accounts in order to access the e-voting facility.

Instructions for Shareholders voting electronically:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting will be provided by CDSL.

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

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

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

i) The voting period begins on Tuesday, 26th September, 2023 at 9.00 AM (IST) and ends on Thursday, 28th September, 2023 at 5.00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 22nd September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

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

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Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/Secure Web/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of eVoting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or eVoting service provider name and you will be redirected to eVoting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for eVoting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020990 and 1800 22 44 30

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

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

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

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

vi) After entering these details appropriately, click on "SUBMIT" tab.

vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii) For shareholders holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.

ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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- xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. cskgdl@kgdenim.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

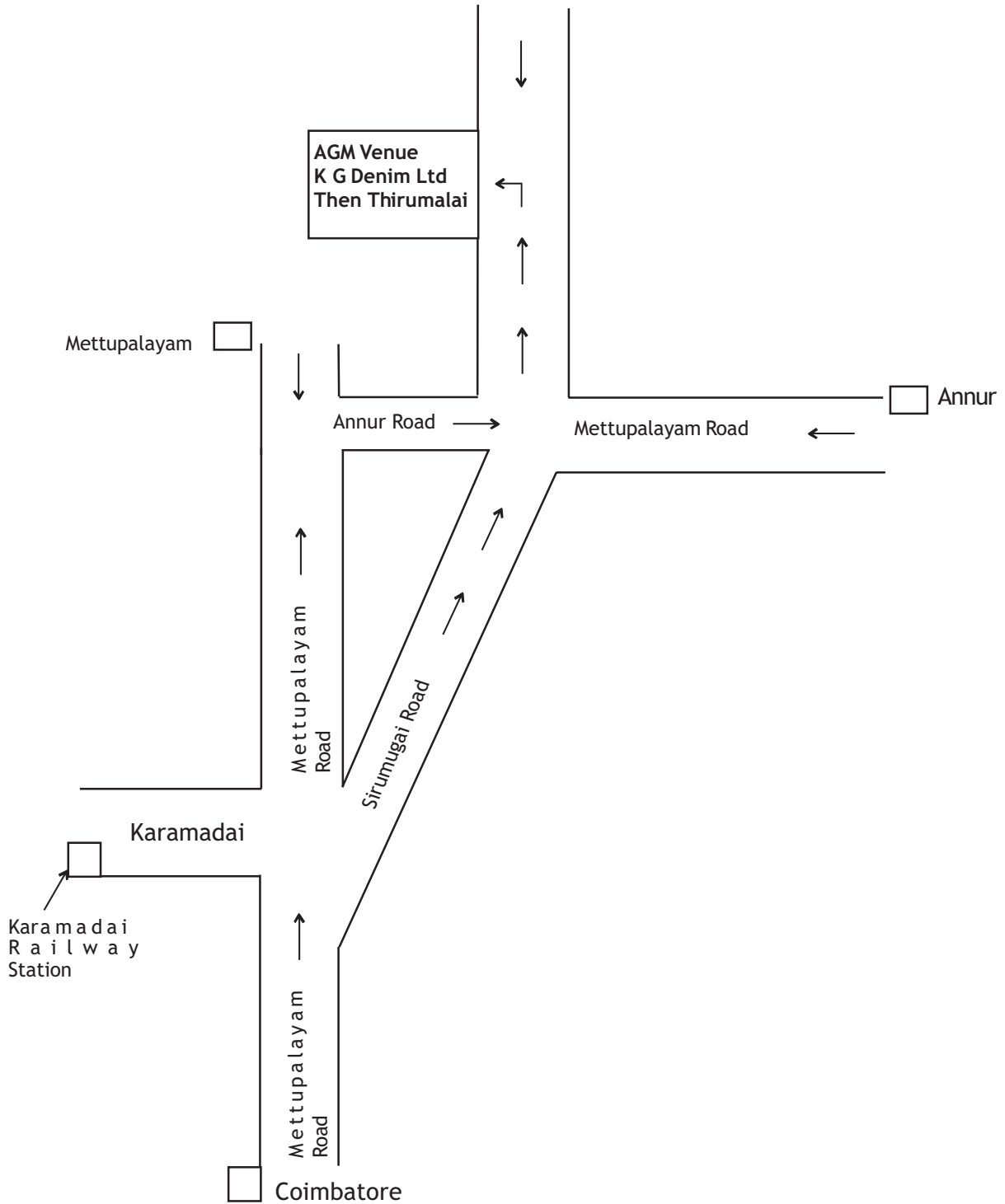
GENERAL INSTRUCTIONS

- i) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date (record date) of Friday, 22nd September, 2023.
- ii) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote evoting shall not vote by e-voting conducted during the Meeting.
- iii) The Company has appointed Shri M D Selvaraj, Managing Partner of MDS & Associates LLP, Company Secretaries, Coimbatore as the Scrutinizer to scrutinize the remote evoting and e-voting process at the meeting in a fair and transparent manner and for the purpose of ascertaining the majority.
- iv) The Chairman shall, at the 31st Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting by way of electronic voting system or polling paper for all those members who are present at the 31st Annual General Meeting but who have not cast their votes by availing remote e-voting facility.
- v) The Scrutinizer shall after the conclusion of the e-voting at the Annual General Meeting, will first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

ROUTE MAP OF VENUE OF 31ST ANNUAL GENERAL MEETING



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BOARD'S REPORT

Dear Shareholders,
Your Directors have pleasure in presenting the 31st Annual Report and Audited Accounts of the Company for the year ended 31st March, 2023.

FINANCIAL RESULTS

The highlights of the standalone and consolidated performance of your Company during the financial year 2022-23 are given hereunder;

(Rs.in Lakhs)

Particulars	Standalone		Consolidated	
	Current Year 2022-23	Previous Year 2021-22	Current Year 2022-23	Previous Year 2021-22
Total Revenue	51,563.20	59,226.53	53,713.61	61,784.49
Total Expenditure before interest, depreciation, exceptional, extraordinary items and income tax	51,436.69	56,014.09	53,539.45	58,455.29
Gross Profit before interest, depreciation, exceptional, extraordinary items and income tax	126.51	3,212.44	174.16	3,329.20
Finance Cost	2,230.46	2,430.15	2,320.18	2,503.47
Depreciation	1,572.21	1,564.14	1,582.58	1,572.58
Profit/(Loss) before Exceptional & Extra-ordinary items	(3,676.16)	(781.85)	(3,728.60)	(746.85)
Exceptional Items (Income)	-	-	-	-
Profit / (Loss) before tax	(3,676.16)	(781.85)	(3,728.60)	(746.85)
Provision for Income tax	-	-	-	-
for Deferred tax	(936.70)	(76.47)	(931.67)	92.21
Profit / (Loss) for the period	(2,739.46)	(705.38)	(2,796.93)	(839.06)

OPERATIONS

The Total Revenue of the Company has dropped by 14.86% from Rs.59,226.53 Lakhs in the previous year to Rs.51,563.20 Lakhs in the current year. After charging depreciation, interest and other overheads, the Company recorded a loss of Rs.3676.16 Lakhs as compared to the loss of Rs.781.85 Lakhs in the previous year. The details of division-wise performance and other operational details are discussed at length in the Management Discussion and Analysis section.

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

ENVIRONMENT, SOCIAL AND GOVERNANCE

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

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

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

HEALTH AND SAFETY

The Company has obtained certification under Occupational Health and Safety Management System-ISO-45001 which is an Integrated Management System focusing on an organization's occupational health and safety management system. This standard guides us to identify and control the conditions and factors that affect the well-being of employees, contractors, visitors and any other person in the work place.

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

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

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

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

DIVIDEND

Since the Company has incurred loss during the year under review, the Board of Directors are not in a position to recommend any dividend for the year 2022-23.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve during the year under review. However, the amount of loss of Rs. 2636.79 Lakhs for the current year has been adjusted against the surplus under the head "other equity" of the Company.

SHARE CAPITAL

The paid-up capital of the Company as at 31.03.2023 stood at Rs.2563.78 Lakhs divided into 2,56,37,825 equity shares of Rs.10/- each. During the year under review, the Company has not made any fresh issue of shares.

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

In terms of Sections 124 and 125 of the Companies Act, 2013, ("Act") unclaimed or unpaid dividend relating to the financial year 2015-16 is due for remittance on 3rd November, 2023 to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Further, pursuant to Section 124(6) of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 42,099 equity shares of Rs. 10/- each on which dividend had remained unclaimed for a period of 7 years have been transferred to the credit of demat account identified by the IEPF Authority during the year under review.

WEB LINK OF ANNUAL RETURN

The Annual Return of the Company for the financial year 2022-23 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company and can be accessed on the Company's website at the link <https://www.kgdenim.com/annual-return/>.

BOARD AND ITS COMMITTEE MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW

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

STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Companies Act 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that –

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

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

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

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DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [‘SEBI (LODR) / Listing Regulations’] so as to qualify themselves as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [‘SEBI (LODR) / Listing Regulations’]. Further, they have also declared that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

Shri Jaganmohan Ramachandran, Smt Lakshmi Pattabi Raman, Shri AP Seturaaman, Shri N Govindarajan and Shri D Kumaravel.

Pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the independent directors have submitted a necessary declaration of compliance with Rule 6(1) and Rule 6(2) of the said Rules. They have confirmed that their names have been included in the data bank of the Indian Institute of Corporate Affairs.

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

The Board of Directors have evaluated the Independent Directors appointed/ re-appointed during the year 2022-23 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors are satisfactory.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial year ended 31st March, 2023 relate and the date of the report.

COMPANY’S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013

The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, framed a policy on nomination, appointment and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company including criteria for determining qualifications, positive attributes, independence of a director and other matters pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations. The detailed Remuneration Policy can be accessed on the Company’s website at the link <https://www.kgdenim.com/wp-content/uploads/2022/06/nominationandremunerationcommitteepolicy.pdf>

COMMENTS ON AUDITORS’ REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Gopalaiyer and Subramanian, Statutory Auditors in their report. However, MDS & Associates LLP, Secretarial Auditors of the Company have qualified in their Secretarial Audit Report, that the Company has paid remuneration to executive directors in excess of 5% of the net profits of the Company but within the limits approved by members at the Annual General Meeting held on 27th September 2021 by passing an ordinary resolution which was not in compliance with Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In reply, your Director wish to state that the Company is taking necessary steps to comply with Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the company during the year under review pursuant to Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) during the financial year 2022-23 were in the ordinary course of business and on an arm’s length basis and not material in nature and thus disclosure in Form AOC-2 is not required.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the Company’s website at the link <https://www.kgdenim.com/wp-content/uploads/2022/06/rpt.pdf>.

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

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure-1** and is attached to this report.

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

The Committee has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. The Risk Management Policy of the Company outlines different kinds of risks and risk mitigating

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measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure is reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

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

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

The Company has incurred a loss during the immediately preceding financial year and hence no amount has been prescribed/allocated for the CSR expenditure. Thus, no amount has been spent on the CSR activities of the Company for the financial year 2022-23.

The Annual Report on Company's CSR activities and initiatives of the Company is furnished in the prescribed format as **Annexure-2** to this Report. The policy relating to CSR has been displayed on the Company's website and can be accessed at the link <https://www.kgdenim.com/wp-content/uploads/2016/04/corporate-social-responsibility-policy.pdf>.

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

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors evaluated the annual performance of the members of the Board and its Committees vis a vis the nature of business of the Company, its performance during the year and the contribution of each of the Directors based on the criteria laid down by the Nomination and Remuneration Committee.

The Independent Directors held a meeting during the year and inter-alia, reviewed the performance of the Non-Independent Directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company and the Board.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, Shri M B N Rao (DIN: 00287260) was retired from the Company with effect from 31st March 2023. The Board wishes to place on record its appreciation for the invaluable services rendered by Shri M B N Rao (DIN: 00287260) as Independent Director of the Company.

The Board of Directors at their meeting held on 1st April 2023 has appointed Shri D Kumaravel (DIN: 00004827) as an Additional Director of the Company and subsequently, the Company has obtained necessary approval of the members through special resolution for appointment of Shri D Kumaravel as Independent Director of the Company with effect from 1st April 2023 for a term of five consecutive years through postal ballot on 12th May 2023.

Shri B Sriramulu and Shri B Srihari, Managing Directors of the Company retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment. Your directors recommend their re-appointment.

The Board of Directors at their meeting held on 7th August 2023 have recommended the re-appointment of Shri KG Baalakrishnan (DIN: 00002174) as Executive Chairman, Shri B Sriramulu (DIN: 00002560) and Shri B Srihari (DIN: 00002556) as Managing Directors of the Company for a further period of 3 (three) years with effect from 3rd November 2023, on the terms and conditions as set out in the Notice convening the ensuing Annual General Meeting. Necessary resolutions in this regard has been proposed for the approval of the members at this Annual General Meeting.

Smt T Anandhi (DIN : 00050786) was resigned from the Company with effect from 4th August, 2023. The Board wishes to place on record its appreciation for the invaluable services rendered by Smt T Anandhi as Director of the Company. Shri R Selvakumar (DIN: 00051608) was appointed as Additional Director of the Company in the capacity of Whole-time Director, by the Board of Directors with effect from 7th August 2023 and holds office up to the date of this Annual General Meeting. Accordingly, necessary resolutions proposing the appointment of Shri R Selvakumar as Director / Whole-time Director of the Company has been included in the Agenda of the Notice convening the Annual General Meeting for the approval of the members.

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

Shri KG Baalakrishnan	- Executive Chairman,
Shri B Sriramulu	- Managing Director,
Shri B Srihari	- Managing Director,
Shri R Selvakumar	- Whole-time Director,
Shri S Manickam	- Chief Financial Officer and
Smt P Krishnaveni	- Company Secretary.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

K G DENIM LIMITED

I. Trigger Apparels Limited

Trigger Apparels Limited is engaged in the marketing of readymade garments. The turnover of the Company during the year under review was Rs.4663.45 Lakhs as against Rs.6096.83 Lakhs during the previous year. During the year the Company has earned a net profit of Rs.5.85 Lakhs as against a net loss of Rs.139.30 Lakhs during the previous year.

II. KG Denim (USA) Inc.

The turnover of the Company during the year under review was Rs. 84.98 Lakhs (INR) as against Rs.3.29 Lakhs (INR) during the previous year. During the year the Company has incurred a net loss of Rs. 63.32 Lakhs as against a net loss of Rs. 7.86 Lakhs during the previous year. The operations of the Company are expected to improve in the forthcoming reporting period.

The Consolidated Financial Statements incorporating the Financial Statements of the subsidiary companies are attached to the Annual Report as required under the applicable Accounting Standard(s) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The standalone Annual Financial Statements of Trigger Apparels Limited and KG Denim (USA) Inc., subsidiary companies are posted on the Company's website at the link <https://www.kgdenim.com/investors-page/annual-reports/>.

However, the Company does not have any Joint Venture or Associate Companies. The Statement containing salient features of the Financial Statement of the subsidiaries pursuant to the provision of Section 129 of the Companies Act, 2013 is attached herewith in Form AOC-1 and is attached as **Annexure-3** to this report.

FIXED DEPOSITS

Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, there was no deposits remaining unclaimed or unpaid as on 31st March, 2023 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year did not arise.

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit Committee of the Board periodically reviews the Internal Financial Control Systems and their adequacy and recommends corrective action as and when necessary to ensure that an effective internal control mechanism is in place.

The Directors confirm that the Internal Financial Control (IFC) systems are adequate with respect to the operations of the Company. The report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Control is annexed with the Auditor's Report.

AUDITORS STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Gopalaiyer and Subramanian (Firm Registration No. 000960S), Chartered Accountants, Coimbatore, were appointed as the Statutory Auditors of the Company at the 30th Annual General Meeting held on 28th September, 2022 for a period of 5 (five) consecutive years from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2027.

The Company has obtained the necessary consent and certificate from M/s. Gopalaiyer and Subramanian, Chartered Accountants, to the effect that their appointment, if made, would be in conformity with the provisions of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed MDS & Associates LLP, Company Secretaries, Coimbatore as the Secretarial Auditors of the Company for the year 2023-24 to carry out the Secretarial Audit, pursuant to the provisions of Section 204 of the Companies Act, 2013.

The report of the Auditors for the financial year 2022-23 is annexed as **Annexure-4** to this Report.

COST AUDITORS

The Board of Directors on the recommendation of the Audit Committee, has appointed Shri M Nagarajan, Cost Accountant as the Cost Auditor of the Company for the financial year 2023- 24. Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable for the year 2023-24 to the Cost Auditor of the Company is subject to ratification by the Shareholders at the ensuing Annual General Meeting. The Board recommends his remuneration.

DISCLOSURE ON MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

The maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is applicable to the Company and accordingly, the cost accounts and records are made and maintained.

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

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

K G DENIM LIMITED

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

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

INDUSTRIAL RELATIONS

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

The following is a summary of sexual harassment complaints received and disposed of during the year 2022-23:

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

PARTICULARS OF EMPLOYEES

The statement pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975 and Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure-5** is attached to this report.

CORPORATE GOVERNANCE

A report on Corporate Governance is annexed and forms part of this report. The Company has complied with the conditions relating to Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors has been duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013. The details relating to the composition, meetings and functions of the Committee are set out in the Corporate Governance Report forming part of this Annual Report. The Board has accepted the Audit Committee recommendations during the year whenever required and hence no disclosure is required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of the Audit Committee by the Board.

CEO/CFO CERTIFICATION

As required under Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and the Chief Financial Officer of the Company have furnished necessary certificates to the Board on the Financial Statements presented.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

CAUTIONARY STATEMENT

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

ACKNOWLEDGEMENT

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

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

By Order of the Board
For K G DENIM LIMITED

KG Baal Krishnan
Executive Chairman
DIN: 00002174

Place: Coimbatore
Date : 7th August 2023

K G DENIM LIMITED

Annexure-1

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

A. Conservation of Energy:

(i) Steps Taken for Conservation of Energy:

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

The major efforts are mentioned below:

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

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

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

(iii) Capital Investment on energy conservation equipment: Nil

B. Technology absorption & Research & Development

- 1) Efforts made towards technology absorption, adaptation and innovation: Nil
- 2) The Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- 3) Information on Imported Technology (imported during the last 5 years from the beginning of the Financial Year)

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

4) Expenditure incurred on Research & Development:

(Rs. In Lakhs)

Expenditure on R&D	2022-23	2021-22
Capital	-	149.85
Revenue	67.30	200.53
Total	67.30	50.00
R&D Expenditure as a Percentage of Turnover	0.13%	0.59%

Foreign Exchange earnings & outgo:

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

(Rs. In Lakhs)

Particulars	2022-23	2021-22
Foreign Exchange Earnings	16,650.77	18746.36
Foreign Exchange Outgo	537.24	309.50

By Order of the Board
For K G DENIM LIMITED

KG Baalakrishnan
Executive Chairman
DIN: 00002174

Place: Coimbatore
Date : 7th August 2023

K G DENIM LIMITED

Annexure-2

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company

As required under the Companies Act, 2013, the Company has formulated a CSR Policy which is in line with the activities mentioned in Schedule VII of the Companies Act, 2013. The CSR Policy is available on the Company's Website <https://www.kgdenim.com/wp-content/uploads/2016/04/corporate-social-responsibility-policy.pdf> The CSR policy of the Company is primarily directed towards promoting education, eradicating hunger, poverty and malnutrition, promoting healthcare, including preventive healthcare and sanitation and making available safe drinking water, ensuring environmental sustainability and rural development projects.

2. Composition of CSR Committee

The CSR Committee of the Board of Directors is optimally balanced between Independent and Non-Independent Directors. The current Committee comprises the following members:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of the CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri KG Baalakrishnan	Executive Chairman (Chairperson of the Committee)	4	4
2	Shri A P Seturaaman	Non-Executive Independent Director (Member)	4	4
3	Shri A Velusamy	Non-Executive Non-Independent Director (Member)	4	4

3. Provide the weblink(s) where the Composition of the CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of company:

The web-link where the Composition of the CSR Committee is disclosed on the website of the Company is <https://www.kgdenim.com/wp-content/uploads/2022/04/kgdl-committeemembers-01042022-final.pdf>

The web-link where the CSR policy is disclosed on the website of the Company is <https://www.kgdenim.com/wp-content/uploads/2016/04/corporate-social-responsibilitypolicy.pdf>

The web-link where the CSR projects approved by the board are disclosed on the website of the Company is <https://www.kgdenim.com/wp-content/uploads/2016/04/corporate-social-responsibilitypolicy.pdf>

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

The Company has not carried out an Impact assessment of CSR projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as the same is not applicable to the Company.

05.	(a) Average net profit of the company as per Section 135(5)	Not applicable as there was net loss in the immediately preceding financial year
	(b) Two percent of the average net profit of the company as per Section 135(5)	Not Applicable
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Not Applicable
	(d) Amount required to be set off for the financial year, if any	Not Applicable
	(e) Total CSR obligation for the financial year (b + c – d).	Not Applicable
06	(a) Amount spent on CSR Projects:	Not Applicable
	(i) Ongoing project	
	(ii) Other than ongoing project	
	(b) Amount spent in Administrative Overheads.	
	(c) Amount spent on Impact Assessment, if applicable.	
(d) Total amount spent for the Financial Year [(a)+(b)+(c)].		

K G DENIM LIMITED

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Not Applicable	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(f) Excess amount for set off, if any:

S.No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Not Applicable
(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))	

07. Details of Unspent CSR amount for the preceding three financial years:

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6) (in')	Balance amount in unspent CSR amount under Section 135(6) (in')	Amount spent in the Financial Year (in')	Amount transferred to a fund as specified under Schedule VII as per Section 135(5), if any		Amount remaining to be spent in succeeding financial years (in')	Deficiency, if any
					Amount (in')	Date of transfer		
1	2021-22	-	-	-	-	-	-	-
2	2020-21	-	-	-	-	-	-	-
3	2019-20	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

08. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

The Company has not created or acquired any capital asset through CSR spending in the financial year and hence reporting under this clause does not arise.

09. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5).

The Company was not required to spend on Corporate Social Responsibility activities as the net profit of immediately preceding financial year of the Company is negative.

Place: Coimbatore
Date : 7th August 2023

A Velusamy
Member of CSR Committee
DIN: 00002204

KG Baalakrishnan
Chairman of CSR Committee
DIN: 00002174

K G DENIM LIMITED

Annexure-3

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No	Particulars	Details	Details
1.	Name of the subsidiary	Trigger Apparels Limited	KG Denim (USA) Inc.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees (in Lakhs)	USD \$
4.	Share capital	600 .00	700
5.	Reserves & surplus	(2,157.19)	(2,01,155.75)
6.	Total assets	3,866.39	2,20,432.30
7.	Total Liabilities	5,423.58	4,20,888.03
8.	Investments	Nil	Nil
9.	Turnover	4,663.45	1,03,365.35
10.	Profit / (loss) before taxation	10.88	(77,031.89)
11.	Provision for taxation	5.03	Nil
12.	Profit / (loss) after taxation	5.85	(77,031.89)
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	75	100

Notes:

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

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

Part "B": Associates and Joint Ventures - NIL

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

KG Baalakrishnan
Executive Chairman
DIN: 00002174

Place: Coimbatore
Date :7th August 2023

K G DENIM LIMITED

Annexure-4

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

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

To
The Members,
K G Denim Limited,
(CIN: L17115TZ1992PLC003798)
Then Thirumalai
Coimbatore – 641 302.

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

Based on our verification of **K G Denim Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

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

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

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

The Company has paid remuneration to executive directors in excess of 5% of the net profits of the Company but within the limits approved by members at the Annual General Meeting held on 27th September 2021 by passing ordinary resolution which is not in compliance with Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We report that the Company has invested in its overseas subsidiary Company, for which we are unable to verify the compliance of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under, since such overseas investment related records were not made available to us.

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

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

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

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

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

We further report that

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

K G DENIM LIMITED

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

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

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

We further report that during the audit period, the company has obtained necessary approval of the members through a special resolution for appointment of Shri. Jaganmohan Ramachandran (DIN: 09125603) Smt. Lakshmi Pattabi Raman (DIN: 09488828) as an Independent Directors of the company with effect from 14th February, 2022 for a term of five consecutive years through postal ballot on 1st April 2022.

We also report that during the audit period, the members of the Company at the Annual General Meeting held on 28th September 2022, has approved the adoption of new set of Articles of Association in place of, in substitution for, and to the entire exclusion of the existing Articles of Association of the Company.

Other than the above, there were no instances of

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

Place : Coimbatore
Date : 24.06.2023

For MDS & Associates LLP
Company Secretaries

M.D.SELVARAJ
Managing Partner
Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023 dt: 20.03.2023
UDIN: F000960E000493903

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

'Annexure A'

ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE

To
The Members,
K G Denim Limited,
(CIN: L17115TZ1992PLC003798)
Then Thirumalai
Coimbatore – 641 302.

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

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

Place : Coimbatore
Date : 24.06.2023

For MDS & Associates LLP
Company Secretaries

M.D.SELVARAJ
Managing Partner
Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023 dt: 20.03.2023
UDIN: F000960E000493903

K G DENIM LIMITED

Annexure-5

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

1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and percentage increase of each Director, MD, ED, CFO and Company Secretary in the financial year:	Name of KMP	Designation	Ratio to median
		Shri KG Baalakrishnan	Executive Chairman	35.15
		Shri B Sriramulu	Managing Director	28.12
		Shri B Srihari	Managing Director	28.12
		Shri S Manickam	CFO	12.69
		Smt P Krishnaveni	CS	4.76
		Not paid any remuneration to other Non - Executive Directors		
2.	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name of Director	Designation	Percentage increase
		Sri KG Baalakrishnan	Executive Chairman	-
		Shri B Sriramulu	Managing Director	-
		Shri B Srihari	Managing Director	-
		Shri S Manickam	CFO	-
		Smt P Krishnaveni	CS	-
		Not paid any remuneration to other Non-Executive Directors		
3.	The median remuneration for the year 2022-23 is	Rs. 1,70,650/-		
4.	The percentage decrease in the median remuneration of employees in the financial year	8.22 %		
5.	The number of permanent employees on the rolls of Company	1131		
6.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration	There has been an decrease of 8.22 % in the remuneration of employees. There was no increase in the remuneration of the Executive Chairman and Managing Directors.		
7.	Affirmation that the remuneration is as per the remuneration policy of the Company	Your Directors affirm that the remuneration is as per the remuneration policy of the Company.		

K G DENIM LIMITED

Disclosure under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars of Top Ten Employees of the Company in terms of remuneration drawn:

Name, Designation & Age of the Employee	Gross Remuneration paid (in Lakhs.)	Date of Commencement of Employment (Experience in years)	Qualification & Previous Employment	Percentage of equity shares held	Previous Employment
KG Baalakrishnan Executive Chairman & 83	60.00	03.11.2003	B.Com, BL 20 Years	10.06	NA
B Sriramulu Managing Director & 56	48.00	03.11.2003	B Tech, MS 20 Years	8.61	NA
B Srihari Managing Director & 54	48.00	03.11.2003	B Tech, ME 20 Years	8.71	NA
S Manickam, Chief Financial Officer & 63	21.65	01.03.2018	CA, ICWA 38 Years	Nil	1.NLC India Limited, Neyveli -13 Years, 2.Private Practice as Chartered Accountant, Coimbatore- 5Years, 3.Pioneer Poultry Group, Palladam- 5 Years. 4.Bannari Amman Spinning Mills Limited Coimbatore –10 Years.
S. Gopinath, Head of Sales & 52	20.49	01.04.1994	B.Sc Computer Science, 30 Years	Nil	Bharath Information Technology, Coimbatore –1 Year 8 Months
Srinivasan R, General Manager & 60	20.50	01.07.2021	MA, MBA (Marketing), 35 Years	Nil	Anglo French Textiles, Puducherry – 8 Years
Selvakumar R, Vice President – Commercial & 53	18.54	01.01.1993	B.E Demt, 30 Years	Nil	NA
Pranav Sriraman, Vice President – Home Textiles & 29	14.49	17.11.2017	B.E, 5 Years	0.26	NA
Srihari S DGM - Marketing & 41	12.54	29.05.1982	MBA, 19 Years	NIL	1. KPR Knits, Tirupur - 2 years, 2. Texport Syndicate, Bangalore - 2 years,3. Integra Apparels , Bangladesh - 2 years, 4. Jvs Export, Madurai- 9 years
Kalyanasundaram S Vice President - Sales	12.55	24.07.1966	MBA, 26 Years	NIL	1. Arvind Mills Limited, Ahamadbad- 5 Years

K G DENIM LIMITED

During the financial year 2022-23, there were no employees in the Company who was in receipt of remuneration exceeding in aggregate Rs. 1.02 Crores, if employed for the whole year and Rs.8.50 Lakhs per month, if employed for any part of the year.

Note:

1. All employees are on the permanent rolls of the Company.
2. Except Shri B Sriramulu, Shri B Srihari and Shri Pranav Sriraman who is a relative of Shri KG Baalakrishnan, no other employee is relative (in terms of the Companies Act, 2013) of any Director of the Company. Further, no employee of the Company is covered by Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, that is employee, holding by himself or with his family, shares of 2% or more in the Company and drawing remuneration in excess of a Managing Director.
3. The remuneration details are for the year 2022-23 and all other particulars are as on 31st March, 2023

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

KG Baalakrishnan
Executive Chairman
DIN: 00002174

Place: Coimbatore
Date :7th August 2023

K G DENIM LIMITED

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. A brief statement on the Company's philosophy on the code of governance

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

2. Board of Directors

The Company's Board of Directors presently comprises of Ten (10) Directors including four (4) Executive and Six (6) Non-Executive Directors (out of which five (5) are Independent Directors including a woman director and one (1) is Non-Executive Non-Independent Director). Shri KG Baalakrishnan is the Executive Chairman and Shri Balakrishnan Srihari & Shri Balakrishnan Sriramulu are the Managing Directors, Shri. R Selvakumar, Whole time Director of the Company, and all others are Non-Executive Directors of the Company. The Directors are professionals who have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

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

The Board met four times during the Financial Year 27th May, 2022, 13th August, 2022, 14th November, 2022 and 7th February, 2023. The details of composition of Board, number of other directorships in other public companies, chairmanship and membership in Committees of other public companies as held by the directors of the Company, attendance of directors at board meetings and last annual general meetings are given below:

Name of the Director	Category	Attendance Particulars		No. of Directorships in other Public Companies#	No. of Committee positions held in all Companies (Member / Chairman) \$
		Board Meeting	Last AGM		
Shri KG Baalakrishnan (DIN: 00002174)	Executive Chairman /Promoter	4	Yes	5	-
Shri B Sriramulu (DIN: 00002560)	Managing Director/Promoter	4	Yes	3	-
Shri B Srihari (DIN: 00002556)	Managing Director/Promoter	4	Yes	5	-
Shri A Velusamy (DIN: 00002204)	Non-Executive/ Non-Independent	4	Yes	3	1
Shri N Govindarajan (DIN: 00366402)	Non-Executive/ Independent	4	Yes	-	3
Shri A P Seturaaman (DIN: 07331898)	Non-Executive/ Independent	4	Yes	-	3
Shri Jaganmohan Ramachandran (DIN: 09125603)	Non-Executive/ Independent	4	Yes	-	1
Smt. Lakshmi Pattabi Raman (DIN: 09488828)	Non-Executive/ Independent	2	No	-	-
Shri M B N Rao (DIN: 00287260) Upto 31.03.2023	Non-Executive/ Independent	2	No	6	9
Shri. Duraipandian Kumaravel (DIN: 00004827) w.e.f. 01.04.2023	Non-Executive/ Independent	NA	NA	-	-
Smt T Anandhi (DIN: 00050786) Upto 04.08.2023	Non-Executive/ Non-Independent	4	Yes	1	-
Shri. R. Selvakumar (DIN: 00051608) w.e.f. 07.08.2023	Whole-Time Director	NA	NA	-	-

K G DENIM LIMITED

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

\$ Only Audit Committee and Stakeholders Relationship Committee are considered.

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

None of the Directors holds directorship in more than 20 Companies (including a limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the disclosures received from the directors, none of the directors serve as members of more than 10 committees nor they are the Chairman / Chairperson of more than 5 committees, as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other Directorships :

Directors	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Shri KG Baal Krishnan (DIN: 00002174)	Nil	NA
Shri B Sriramulu (DIN: 00002560)	Nil	NA
Shri B Srihari (DIN: 00002556)	Nil	NA
Shri A Velusamy (DIN: 00002204)	Nil	NA
Shri N Govindarajan (DIN:00366402)	Nil	NA
Shri A P Seturaaman (DIN:07331898)	Nil	NA
Shri Jaganmohan Ramachandran (DIN: 09125603)	Nil	NA
Smt Lakshmi Pattabi Raman (DIN:09488828)	Nil	NA
Shri M B N Rao (DIN: 00287260) Upto 31.03.2023	The Ramco Cements Limited	Non-Executive - Independent Director
	Taj GVK Hotels and Resorts Limited	Non-Executive - Independent Director
	Apollo Hospitals Enterprise Limited	Non-Executive - Independent Director
Shri. D Kumaravel (DIN: 00004827) w.e.f. 01.04.2023	Nil	NA
Smt T Anandhi (DIN: 00050786) (upto 04.08.2023)	Nil	NA
Shri. R. Selvakumar (DIN: 00051608) w.e.f. 07.08.2023	Nil	NA

Statement showing number of Equity Shares held by the Non- Executive Directors as on 31st March, 2023:

Name of the Directors	No. of Shares held (as on 31.03.2023)
Shri A Velusamy	500
Smt T Anandhi upto 04.08.2023	20,31,000
Shri M B N Rao upto 31.03.2023	-
Shri N Govindarajan	-
Shri A P Seturaaman	-
Shri Jaganmohan Ramachandran	-
Smt Lakshmi Pattabi Raman	-

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

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

INDEPENDENT DIRECTORS

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

Independent Director Databank Registration:

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

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

During the year under review, none of the Independent Directors resigned before the expiry of the tenure.

Familiarization Program for Independent Directors:

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

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

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

Key Board Qualifications, skills, expertise and attributes:

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

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

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

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

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

Board Qualifications - Area of Expertise							
Name of the Director	Leadership	Board Service, Legal and Governance	Business Strategy	Technology & Innovation	Financial	Sales and Marketing	Human Resources
Shri KG Baal Krishnan (DIN: 00002174)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri B Sriramulu (DIN: 00002560)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri B Srihari (DIN: 00002556)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri A Velusamy (DIN: 00002204)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri N Govindarajan (DIN: 00366402)	Yes	Yes	Yes	Yes	Yes	-	-
Shri A P Seturaaman (DIN: 07331898)	Yes	Yes	Yes	Yes	Yes	-	-
Shri Jagannathan Ramachandran (DIN: 09125603)	Yes	Yes	Yes	Yes	Yes	-	-
Smt Lakshmi Pattabi Raman (DIN: 09488828)	Yes	Yes	Yes	Yes	Yes	-	-
Shri M B N Rao (DIN: 00287260) upto 31.03.2023	Yes	Yes	Yes	Yes	Yes	-	Yes
Shri. D Kumaravel (DIN: 00004827) w.e.f. 01.04.2023	Yes	Yes	Yes	Yes	-	-	-
Smt T Anandhi (DIN: 00050786) (upto 04.08.2023)	Yes	-	Yes	Yes	Yes	Yes	-
Shri. R. Selvakumar (DIN: 00051608) w.e.f. 07.08.2023	Yes	Yes	Yes	Yes	Yes	-	Yes

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Confirmation on the fulfillment of the conditions of independence:

Based on the declarations received from the Independent Directors, the Board of Directors is of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

Resignation of Independent Directors before the expiry of tenure

During the year under review, there was no instance of the resignation of any Independent Director. However Shri M B N Rao, Independent Director retired from the Board consequent to the expiry of his terms of office.

Separate Meeting of the Independent Directors:

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on 6th March, 2023 without the presence of Non-Independent Directors and Members of the Management. The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Board considering the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

COMMITTEES OF THE BOARD

3. Audit Committee

Brief description of terms of reference;

The Board has constituted the Audit Committee in compliance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Audit Committee have knowledge of finance and accounts. The quorum for an audit committee meeting is a minimum of two Directors.

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Besides having access to all the required information within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions, and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors. The Committee meets once every quarter to carry out its business.

During the year under review, the Committee met four times on 27th May, 2022; 13th August, 2022; 14th November, 2022 and 7th February, 2023. The Composition of the Audit Committee and the attendance of each member of the Committee is given below;

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

Name of the Member	Category	No. of Meetings held during the year	No. of Meetings attended
Shri Jaganmohan Ramachandran (Chairman)	Non-Executive/ Independent	4	4
Shri A P Seturaaman (Member)	Non-Executive/ Independent	4	4
Shri N Govindarajan (Member)	Non-Executive/ Independent	4	3

The Company Secretary acts as the Secretary to the Audit Committee. The minutes of the Audit Committee meetings were circulated to the Board, where it was perused and taken note of. The Audit Committee considered and reviewed the accounts for the Financial Year 2022-23, before it was placed before the Board.

The Chairman of the Audit Committee attended the Annual General Meeting held on 28th September 2022.

4. Nomination and Remuneration Committee

Brief description of terms of reference:

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act 2013.

K G DENIM LIMITED

The terms of reference of this committee have been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also with the requirement of Section 178 of the Companies Act, 2013.

During the year under review, the Committee met one time on 25th May, 2022.

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

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Shri Jaganmohan Ramachandran (Chairman)	Non-Executive/ Independent	1	1
Shri A Velusamy (Member)	Non-Executive/ Non-Independent	1	1
Shri A P Seturaaman (Member)	Non-Executive/ Independent	1	1
Shri N Govindarajan (Member)	Non-Executive/ Independent	1	-

The Chairman of the Nomination and Remuneration Committee attended the Annual General Meeting held on 28th September 2022.

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

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

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for an appointment and fixing/revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company including criteria for determining qualifications, positive attributes, independence of a director and other matters. The salient features of the Remuneration policy of the Company is annexed to the Board's Report and the detailed policy can also be accessed on the Company's website at the link https://www.kgdenim.com/wp-content/uploads/2022/06/nomination_and_remuneration_committee_policy.pdf

Performance Evaluation of Non-Executive Directors and Independent Directors:

The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD/ CIR/P/2017/004 dated January 5, 2017 had issued a guidance note on Board Evaluation specifying the criteria for evaluation of performance of (i) Board as a whole (ii) individual Directors (including Independent Directors & Chairperson) and (iii) various Committees of the Board.

Based on the parameters suggested, the Nomination and Remuneration Committee has adopted suitable criteria to evaluate the performance of Non-Executive Directors and Independent Directors of the Company.

Accordingly, pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance.

Further, the performance of Independent Directors' is evaluated based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the Company and the ability to articulate independent views and judgement. Accordingly, a performance evaluation of Independent Directors has been conducted and the results have been communicated to the Chairman of the Board.

The board has also considered the following as a part of its disclosures on board evaluation:

- a) Observations of board evaluation carried out for the year
- b) Previous year's observations and actions taken
- c) Proposed actions based on current year observations.

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DETAILS OF REMUNERATION TO DIRECTORS:

Remuneration and sitting fees paid to Executive and Non-Executive Directors during the year ended 31st March 2023 are as follows:

(Rs.in Lakhs)

Name	Salary	Perquisites	Sitting Fees	Commission	Total
Shri KG Baalakrishnan, Executive Chairman	60.00	-	-	-	60.00
Shri B Sriramulu, Managing Director	48.00	-	-	-	48.00
Shri B Srihari, Managing Director	48.00	-	-	-	48.00
Shri A Velusamy, Non-Executive Director	-	-	-	-	-
Shri N Govindarajan, Independent Director	-	-	-	-	-
Shri A P Seturaaman, Independent Director	-	-	1.50	-	1.50
Shri Jaganmohan Ramachandran, Independent Director	-	-	1.50	-	1.50
Smt Lakshmi Pattabi Raman, Independent Director	-	-	0.30	-	0.30
Shri M B N Rao, Independent Director (upto 31.03.2023)	-	-	-	-	-
Smt T Anandhi, Non Executive Director (upto 04.08.2023)	-	-	-	-	-

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

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

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

The Company currently does not have any Stock Option Scheme.

5. Stakeholders Relationship Committee:

The Board has constituted a Stakeholders Relationship Committee (SRC) pursuant to the applicable provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including the status of dematerialization / re-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. The role of the Stakeholders' Relationship Committee covers all the areas specified in Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of the Schedule II of the Listing Regulations.

The Stakeholders Relationship Committee comprises three Directors. The Committee is chaired by Shri A P Seturaaman, Non-Executive Independent Director. During the year under review, the Committee met eleven times on 02nd May,2022; 18th May,2022; 11th July, 2022; 24th August,2022; 03rd October, 2022; 10th October, 2022; 21st December 2022; 09th January 2023, 23rd January, 2023, 13th February, 2023 and 7th March, 2023.

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

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Shri A P Seturaaman (Chairman)	Non-Executive/ Independent	11	11
Shri A Velusamy (Member)	Non-Executive/ Non-Independent	11	11
Shri N Govindarajan (Member)	Non-Executive/ Independent	11	6

The Chairman of the Stakeholders Relationship Committee attended the Annual General Meeting held on 28th September 2022.

Smt P Krishnaveni, Company Secretary of the Company serves as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March, 2023 was Nil. There were no pending/ outstanding complaints as on 31st March 2023.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on a yearly basis confirming due compliance of share transfer formalities by the Company as duly issued by a Practising Company Secretary, has been submitted to the Stock Exchange.

6. Senior management shall include all functional heads and all members of the management who are one level below MD/ED along with CS (please refer definition in LODR)

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

Name of Senior Management Personnel	Designation	Date of Appointment	Date of Cessation, if any
S Gopinath	Vice President Marketing	01.04.1994	NA
S Manickam	Chief Financial Officer	01.03.2018	NA
R Saravanan	Factory Manager	04.01.2000	NA
P Krishnaveni	Company Secretary	29.10.2021	NA

Unclaimed Suspense Account:

Since there are no unclaimed shares, the Company has not opened an unclaimed suspense account.

In Compliance with SEBI circular No.SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the Company has opened a Suspense Escrow Demat Account.

K G DENIM LIMITED

Unclaimed Shares Transferred to Investor Education and Protection Fund Authority:

Pursuant to Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred 42,099 shares to IEPF Authority Account during the financial year.

6. Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

The terms of reference of this Committee, assigned by their Board encompass :

- a. To formulate and recommend to the Board, a CSR policy that shall indicate the activities to be undertaken by the Company as specified in Schedule VII:
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause A:
- c. To monitor the CSR policy of the Company from time to time:
- d. Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India:

During the year under review, the Committee met four times on 25th May, 2022; 11th August, 2022; 09th November, 2022 and 28th January, 2023.

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

Name of the Member	Category	No. of Meetings held	No. of Meetings attended
Shri KG Baalakrishnan (Chairman)	Executive/Non-Independent	4	4
Shri A Velusamy (Member)	Non-Executive/Non-Independent	4	4
Shri A P Seturaaman (Member)	Non-Executive/Independent	4	4

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of this Annual Report

1. General Body Meetings

The Location and time for the last three AGMs held and the special resolutions, if any, passed thereat, are as given below:

Year	Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions Passed, if any
2021-22	28.09.2022	3.30 pm	Video Conference Mode Deemed Venue: Registered Office of the Company	Adoption of a new set of Articles of Association
2020-21	27.09.2021	3.30 pm	Video Conference Mode Deemed Venue: Registered Office of the Company	Fixing of remuneration to Shri KG Baalakrishnan (DIN: 00002174) Executive Chairman of the Company with effect from 01.04.2021 to 02.11.2023.
2019-20	30.11.2020	3.00 pm	Video Conference Mode Deemed Venue: Registered Office of the Company	NIL

K G DENIM LIMITED

2. Extra Ordinary General Meeting:

During the year under review no Extra Ordinary General Meeting was held.

3. Postal Ballots:

During the year, the Company has not passed any resolutions through Postal Ballot. However, the Company conducted Postal Ballot vide Notice dated 1st April 2023 for obtaining the approval of the members for the resolutions as detailed below.

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

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

Postal Ballot proposed to be conducted:

As on date of this report, the Company does not foresee the need for the postal ballot to pass any resolution in the financial year 2023-24.

Procedure for Postal Ballot:

Pursuant to the provisions of Sections 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the resolutions as specified in the Notice of the Postal Ballot dated 1st April, 2023 was transacted through Postal Ballot / e-voting. The Company had engaged the services of Central Depository Services (India) Limited (CDSL) for providing an e-voting facility to the members.

In respect of the Postal Ballot Notice dated 1st April, 2023, the members holding shares as on the cut-off date of Friday, 7th April, 2023 were provided the option of exercising their right to vote on the said resolution(s) through postal ballot / e-voting during the period commencing from 9.00 AM on Wednesday, 12th April, 2023 and ends at 5.00 PM on Thursday, 11th May, 2023 (both days inclusive). Upon completion of the voting period, the scrutinizer completed the scrutiny of the votes cast and submitted his report to the Executive Chairman. The results of the voting were declared on Friday, May 12th, 2023, and displayed on the website of the Stock Exchange, Company and CDSL.

10. Means of Communication

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

K G DENIM LIMITED

11. General shareholder information:

i.	AGM date, time and venue	29 th September, 2023 at 3.00 P.M. Venue: Then Thirumalai, Coimbatore – 641302, (Registered Office of the Company)
ii.	Financial calendar	1 st April, 2022 to 31 st March, 2023
iii.	Dividend payment date	Not Applicable
iv.	Date of Book Closure	23 rd September, 2023 to 29 th September, 2023 (Both days inclusive)
v.	Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. The Company has paid the Listing Fees for the financial year 2022-2023 to the above Stock Exchange.
vi.	Scrip Code Scrip Name ISIN No.	500239 KGDENIM INE104A01012
vii.	Registrars and Share Transfer Agents for both Dematerialised and physical shares	Cameo Corporate Services Limited "Subramanian Building", No.1 Club House Road, Chennai – 600 002
viii.	Details of Compliance Officer	Smt P Krishnaveni Company Secretary Then Thirumalai, Coimbatore – 641 302 Ph: 04254 – 235568 Fax: +91 4254 235400 Email: krishnaveni@kgdenim.in
ix.	Share Transfer System	The Company's shares being in the compulsory dematerialized (demat) list are transferable through the depository system and there is no physical transfers are allowed as per SEBI's Instructions. Shares in physical form for transmission/ transposition are being processed by the Registrar and Share Transfer Agents, Cameo Corporate Services Limited and approved by the Share Transfer Committee of the Company . The Share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by Cameo Corporate Services Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets quarterly and acknowledges the Share Transfer Committee's activities.

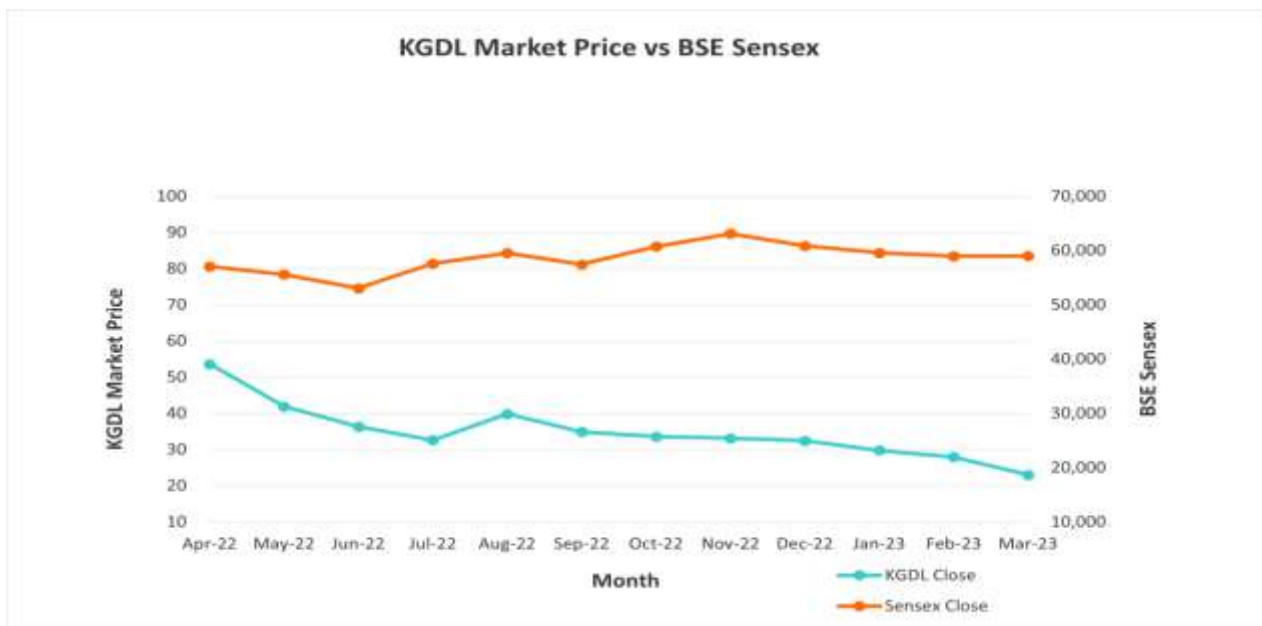
K G DENIM LIMITED

i. The Stock Price Data during the year at BSE Limited, Mumbai is furnished below (in Rupees):

Month	High	Low
Apr-2022	59.60	44.05
May-2022	56.00	39.35
Jun-2022	43.90	29.75
Jul-2022	37.95	32.00
Aug-2022	44.00	32.50
Sep-2022	44.00	31.10
Oct-2022	36.90	31.50
Nov-2022	35.65	30.05
Dec-2022	37.45	27.15
Jan-2023	33.55	27.05
Feb-2023	30.75	25.50
Mar-2023	29.00	22.10

ii. Share Price Performance in comparison with BSE Sensex:

Month	KG Denim Limited	S&PBSE Sensex
	Share price-Close (Rs.)	Sensex-Close
Apr-22	53.60	57,060.87
May-22	41.90	55,566.41
Jun-22	36.30	53,018.94
Jul-22	32.60	57,570.25
Aug-22	39.85	59,537.07
Sep-22	34.90	57,426.92
Oct-22	33.60	60,746.59
Nov-22	33.10	63,099.65
Dec-22	32.45	60,840.74
Jan-23	29.75	59,549.90
Feb-23	27.95	58,962.12
Mar-23	22.98	58,991.52



K G DENIM LIMITED

iii. Shareholding pattern as on 31.03.2023

Category	No of shares held	% of Share Holding
Indian Promoters	1,50,58,956	58.74
Private Corporate bodies	3,74,011	1.46
Directors and their relatives	5,00	0
Key Managerial Personnel	2	0
Indian Public	88,67,351	34.59
HUF	3,32,916	1.30
NRIs	2,23,894	0.87
IEPF Authority	7,76,295	3.03
Trusts	200	0.00
Mutual Funds	3,200	0.01
Banks/ Financial Institutions	500	0.00
Grand Total	2,56,37,825	100.00

iv. Distribution of shareholding as on 31st March, 2023

Shareholding (Range)	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 5000	9797	97.80	33,33,912	13.00
5001 - 10000	94	0.94	7,02,019	2.74
10001 - 20000	57	0.57	8,25,981	3.22
20001 - 30000	24	0.24	5,95,100	2.32
30001 - 40000	4	0.04	1,37,330	0.54
40001 - 50000	8	0.08	3,65,941	1.43
50001 - 100000	12	0.12	8,10,396	3.16
100001 and above	21	0.21	1,88,67,146	73.59
Total	10017	100.00	2,56,37,825	100.00

vi.	Dematerialisation of shareholding and liquidity	Number of shares dematerialized : 2,48,05,161 Percentage : 96.75 % (Promoters have completely dematerialized their shareholdings) with effect from 1 st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agents, except in case of transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.									
vii.	Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	Not Applicable									
viii.	Commodity price risk or foreign exchange risk and hedging activities	Nil									
ix.	Plant location	Then Thirumalai, Coimbatore – 641 302									
x.	Address for Correspondence and Registered office	Then Thirumalai, Coimbatore – 641 302									
xi.	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	<p>The Company has obtained rating from CARE Ratings Limited during the year ended 31st March, 2023.</p> <table border="1"> <thead> <tr> <th>Facilities</th> <th>Rating</th> <th>Rating Action</th> </tr> </thead> <tbody> <tr> <td>Long Term Bank Facilities</td> <td>CARE BB+; Stable</td> <td>Reaffirmed</td> </tr> <tr> <td>Short Term Bank Facilities</td> <td>CARE A4+</td> <td>Reaffirmed</td> </tr> </tbody> </table>	Facilities	Rating	Rating Action	Long Term Bank Facilities	CARE BB+; Stable	Reaffirmed	Short Term Bank Facilities	CARE A4+	Reaffirmed
Facilities	Rating	Rating Action									
Long Term Bank Facilities	CARE BB+; Stable	Reaffirmed									
Short Term Bank Facilities	CARE A4+	Reaffirmed									

11. Disclosures

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

All the Related Party Transactions are entered on an arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

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

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

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

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

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

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behaviour or any violation of the Company's code of conduct. The Audit Committee has been authorized to review the cases received under the Whistle Blower Policy of the Company and address the grievances of all the personnel in the Company.

The Whistle Blower policy can be accessed on the Company's Website at the link kgdenim.com/wp-content/uploads/2015/10/whistle-blower-policy.pdf.

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

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company has framed a Material Subsidiaries Policy and the same is placed on the Company's website at the link kgdenim.com/wp-content/uploads/2016/04/material-subsiary.pdf

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

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

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

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

h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The certificate on non-disqualification of directors that none of the directors of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been issued by Shri MD Selvaraj, Managing Partner of MDS & Associates LLP, Practising Company Secretaries and as annexed to this report.

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

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

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

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

K G DENIM LIMITED

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

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

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

n. Details on the compliance of non-mandatory requirements:

The Company has adopted the non-mandatory requirement relating to Reporting of Internal Auditors to the Audit Committee as recommended in terms of Regulation 27(1) read with Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

o. Disclosure on accounting treatment:

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

p. Disclosure on risk management:

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

q. Credit Rating:

The Company has obtained a rating from CARE Ratings Limited during the year ended 31st March, 2023.

Facilities	Rating	Rating Action
Long -Term Bank Facilities	Care BB+; Stable	Reaffirmed
Short -Term Bank Facilities	CARE A4 +	Reaffirmed

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

s. Other disclosures

Further, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in respect of matters specified below

The Company has paid remuneration to executive director in excess of 5% of the net profits of the Company but within the limits approved by members at the Annual General Meeting held on 27th September 2021 by passing ordinary resolution which is not in compliance with Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

12. Certificate from CEO and CFO:

The Managing Director and CFO certification of the Financial Statements for the year has been submitted to the Board of Directors, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Code of Conduct:

As provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company laid down the Code of Conduct for the Directors and the Senior Management Personnel. A declaration has been received from the Managing Director to the effect that the Directors and Senior Management Personnel have confirmed compliance with the said Code of Conduct.

14. Code for Prevention of Insider Trading:

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

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

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

Declaration for code of conduct

I, KG Baalakrishnan, Executive Chairman of KG Denim Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2023 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board
For K G DENIM LIMITED

Place: Coimbatore
Date: 7th August 2023

KG Baalakrishnan
Executive Chairman
DIN: 00002174

K G DENIM LIMITED

Certificate on Corporate Governance for the year ended 31/03/2023

To

The Members of M/s.K G Denim Limited.

Dear Sir,

We have examined the compliance of the conditions of Corporate Governance by M/s. K G Denim Limited ("the Company") for the financial year ended March 31, 2023 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2023.

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

For MDS & Associates LLP
Company Secretaries

M.D.Selvaraj
Managing Partner

Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023 dt: 20.03.2023
UDIN: F000960E000775371

Place : Coimbatore
Date : 10.08.2023

K G DENIM LIMITED

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

To

The Board of Directors
K G Denim Limited
Coimbatore - 641302

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

I. We have reviewed the Financial Statements and the Cash Flow Statement for the Quarter and Year Ended 31st March 2023, and to the best of our knowledge and belief, we state that :

a) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.

b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws, and regulations.

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

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

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

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

Place : Coimbatore
Date : 25.05.2023

B Sriramulu
Managing Director
DIN : 00002560

S Manickam
Chief Financial Officer

K G DENIM LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
M/s. K G DENIM LIMITED
(CIN: L17115TZ1992PLC003798)
Then Thirumalai,
Coimbatore – 641 302

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. K G DENIM LIMITED having CIN: L17115TZ1992PLC003798 and having registered office at Then Thirumalai, Coimbatore – 641 302 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, 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 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Shri Govindaswamynaidu Balakrishnan (Executive Chairman)	00002174	03/11/2003
2	Shri Balakrishnan Srihari (Managing Director)	00002556	03/11/2003
3	Shri Balakrishnan Sriramulu (Managing Director)	00002560	03/11/2003
4	Smt Thulasidharan Anandhi	00050786	03/11/2003
5	Shri Ayyalusamy Velusamy	00002204	01/04/2010
6	Shri Annamaili Ponnusamy Seturaaman	07331898	05/11/2015
7	Shri N Govindarajan	00366402	29/07/2020
8	Shri Jaganmohan Ramachandran	09125603	14/02/2022
9	Smt Lakshmi Pattabi Raman	09488828	14/02/2022
10	Shri Bhaskara Mandavilli Nageswara Rao*	00287260	27/09/2018

* Retired on 31.03.2023

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

For MDS & Associates LLP
Company Secretaries

M.D.SELVARAJ
Managing Partner
Membership No.: FCS 960 C P No.: 411
Peer Review No. 3030/2023 dt: 20.03.2023
UDIN: F000960E000494068

Place : Coimbatore
Date : 24.06.2023

K G DENIM LIMITED

Management Discussion and Analysis Report

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

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

Due to geopolitical issues, US and Western markets were impacted significantly in the financial 2022-23, which leads to lower demand for our products. Further abnormal increases in yarn and fuel prices affected our sales and profit margin significantly during the year. Ultimately the net worth of the company is also come down significantly and unable to achieve the expected cash margin. In the current year 2023-24, both yarn and fuel prices are in decreasing trend and demand for our products are increasing in both domestic and export market. We anticipate strong business volume and good cash margins for the Financial Year 2023-24.

Opportunities and Threats:

The textile industry is one of the largest industries in India and contributes a huge sum to the national economy. In India, it is the largest employment provider.

Opportunities:

After Covid 19 pandemic growth rate of the Domestic Textile Industry increased to 6-8% per annum.

It has a large potential for domestic and international markets continuous product development to cater to global needs by conducting research and development programs will increase the export market.

The Market is gradually shifting towards branded readymade garments. Our company is having separate readymade garments manufactured unit.

Emerging retail industries and malls provide huge opportunities for textile businesses. India has availability of skilled labour at a lower cost which in turn reduces the cost of production.

India also has large varieties of cotton fibers which make it distinct from other countries.

Indian textile industry is a self-reliant industry. It has a complete value chain from the procurement of raw materials to the production of finished goods.

Threads:

The textile industry lacks technology oriented machinery and production systems.

Lack of forecasting is the main cause of production setbacks.

Lack of technological development affects productivity and other activities in the whole value chain.

Infrastructural bottlenecks and efficiency such as transaction time at ports and transportation time.

Competition from other developing countries, especially China. Expenses like indirect taxes, power and interests are comparatively high in India. India is the geographical distance from the major global markets of the US, Europe and Japan. Big geographical distance results in high shipping expenses and lengthy lead time.

Product-wise performance:

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

Fabric Divisions:

The business of manufacturing and selling Denim and Apparel fabric comes under the fabric division. During the financial year, we anticipated good profits from the fabric divisions. But unfortunately, demand for our products is very low in the export market due to geopolitical issues. Though we have a demand for our products in the domestic market, still we are unable to achieve an estimated margin in the fabric business due to abnormal increases in yarn prices and also coal prices. Due to the increase in the above raw material and input cost, our capacity utilization is low which ultimately affected our profit margin. During the financial year 2023-24, the prices of yarn and coal prices are coming down very sharply and demand for our products both export and domestic is in increasing trend and we are able to achieve more than 80% of capacity and also prices of our products are stable and we foresee a productive financial year 2023-24 with a commendable profit margin.

Home Textiles and Readymade Garments:

Home Textile division is manufacturer and seller of Home textiles products in the export market only and most of the products are exported to the US and Europe. Due to the recession in the above countries, we are unable to achieve the estimated sales and profit during the year. Further increases in fabric prices are also affecting our profit margin.

K G DENIM LIMITED

We have identified plenty of opportunities for our home textiles products in export markets namely Africa , Australia , Russia, Singapore and Malaysia apart from US and Europe. Now the prices of grey fabric are coming down in proportion to yarn prices and export orders are coming up regularly. Hence we hope during the financial year 2023-24, we will achieve good business volume along with good margins.

Power Plant:

We are utilizing the required power and steam from our own power plant. During the year, we expected a good reduction in the coal prices. But unfortunately, the prices were not reduced much. However, in financial year 2023-24, coal prices fell dramatically, which in turn decreased the cost of power and fuel for our products. This will help us to increase our profit margin.

Outlook

The Market is coming back to normal after the last 12 months of demand drop due to the geopolitical situation. Our company has orders currently to sell at close to 80% capacity. It is a current reporting period our margins have been affected due to high raw material and fuel prices. Now the decreasing trend of yarn prices, fuel prices and other input costs and high demand for our products will foresee healthy margins in the financial year 2023-24.

Risks and concerns

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

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

Internal control systems and their adequacy:

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

The internal control system of the Company is supplemented by an extensive program of internal audits conducted by Internal auditors. The audit observations and corrective actions taken thereon are periodically reviewed by the management to ensure the effectiveness of the internal control system, which provides reasonable assurance of effectiveness and efficiency of operations, adequacy of safeguards for assets, prevention and detection of frauds and errors and accuracy and completeness of the accounting records

Financial performance with respect to operational performance

The financial performance of the company during the financial year 2022-23 has been discussed in the Directors Report and the audited financial statements, which have been prepared in accordance with the requirement of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, discloses a true and fair view of the performance of the company during the said period.

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

Number of people employed - 1131

Industrial relations in your plant and organization remained harmonious throughout the year. Your company emphasizes the safety of people working on its premises. Structured safety meetings were frequently held, and safety programs were organized from time to time.

The management continues to lay emphasis on identifying and developing talent in organizations with a view to retaining them and imparting further training to those capable of handling additional responsibilities. This works to increase employee satisfaction within the organization, by providing employees with fresh challenges and opportunities. Developing people and harnessing their ideas are high priorities for the company.

Financial Ratios: -

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

Sl.No.	Financial Ratios	FY 2022-23	FY 2021-22	% of change	Reason for change
1	Current Ratio	0.84	1.02	-	-
2	Debt Equity Ratio	2.86	2.59	-	-
3	Trade Receivable Turnover Ratio	5.41	6.27	-	-
4	Inventory Turnover Ratio	3.85	4.17	-	-
5	Interest Coverage Ratio	0.06	1.32	(95.45)%	Increase in loss due to abnormal price increase in Rawmaterial and fuel
6	Operating profit Ratio %	(2.80)%	2.81%	(200)%	
7	Net profit margin Ratio %	(7.20)%	(1.33)%	(440)%	
8	Return on Net Worth %	(39.1)%	(9.20)%	(324)%	

CAUTIONARY STATEMENT

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

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

KG Baalakrishnan
Executive Chairman,
DIN : 00002174

Place: Coimbatore
Date: 7th August 2023

K G DENIM LIMITED

Independent Auditors' Report To the Members of K G Denim Limited

Report on the Audit of the Standalone IND AS Financial Statements

Opinion

1. We have audited the accompanying standalone Ind As financial statements of K G Denim Limited ('the Company'), which comprise the standalone Balance sheet as at 31st March 2023, the standalone statement of profit and loss (including Other Comprehensive Income), the standalone Statement of Cash Flow and the Standalone Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements ("the financial statements") give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS'), specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No	Key Audit Matter	Auditor's Response
1.	<p>Litigations - Contingencies</p> <p>The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p> <p>Claims against the Company not acknowledged as debts are disclosed in the Financial Statements by the Company after a careful evaluation of the facts and legal aspects of the matters involved. The outcome of such litigation is uncertain and the position taken by management involves significant judgement and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings.</p> <p>Refer Note 40 to the Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <p>Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal counsel and/or legal team and minutes of Board to confirm the operating effectiveness of these controls.</p> <p>Involving our direct and indirect tax specialists to assess relevant historical and recent judgements passed by the appropriate authorities in order to challenge the basis used for the accounting treatment and resulting disclosures.</p>

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

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Corporate Governance Report, Management Discussion and Analysis, but does not include the standalone financial statements and our auditor's report thereon.

6. The Management Discussion and Analysis are expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Board's report, Corporate Governance Report, Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IndAS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

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

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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.

12. 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.

13. 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.

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

Report on Other Legal and Regulatory Requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

16. As required by Section 143 (3) of the Act, based on our audit, we report, the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying standalone financial statements.

(b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Company as on 31st March 2023 and the operating effectiveness of such controls, refer to our report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of and limits laid down under section 197 of the Act.

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the details of the pending litigations and its impact on the financial position in its Separate Financial Statements have been disclosed in Note No.40 of the Disclosures forming part of the Separate Financial Statements for the year ended March 31, 2023;

ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or

K G DENIM LIMITED

d (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("the Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("the Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("the Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Gopalaiyer and Subramanian
Chartered Accountants
FRN. 000960S

R. Mahadevan
Partner
Membership No.027497
UDIN: 23027497BGXPBC4478

Place: Coimbatore
Date: 25th May 2023

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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date of K G Denim Limited on the standalone financial statements for the year ended March 31, 2023.

i. (a)(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right to use assets.

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

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which the fixed assets are verified in a phased manner and in our opinion the same is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Based on our examination of the records, title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d), The Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2023.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed at the time of verification.

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

(Rs. In Lakhs)

Quarter Ended As on	Particulars	Amount as reported in the quarterly return/ statement	Amount as per books of account	Amount of difference
30-06-2022	Inventory	13,661.18	14,738.39	(1,077.21)
	Trade Receivables	11,359.60	9,243.31	2,116.29
30-09-2022	Inventory	11,388.94	12,048.18	(659.24)
	Trade Receivables	9,187.50	8,866.12	321.38
31-12-2022	Inventory	9,886.22	11,006.62	(1,120.40)
	Trade Receivables	7,175.49	8,980.33	(1,804.84)
31-03-2023	Inventory	9,182.48	9,262.85	(80.37)
	Trade Receivables	8,635.35	9,950.29	1,314.94

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

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

(c) The company has not granted any loans and advance in the nature of loans and hence reporting under clause iii (c) to (f) of the order does not arise.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments made and the guarantees and securities provided, as applicable.

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

vi. We have broadly reviewed the books of the accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of the cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete. vii. According to information and explanation given to us, in respect of statutory dues

(a) the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act	Custom Duty	112.61	FY 2013-14	Customs Excise and Service tax Appellate Tribunal, Chennai. Rs. 112.61 Lakhs was stayed by CESTAT, Chennai.
Customs Act	Custom –Duty Draw back and Advance license scheme	222.74	1 st April 2005 to 30 th September 2006	High court of Madras (Madurai bench)
Income tax act	Income tax	855.86	FY 2016-17	CIT Appeals

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

ix (a) According to the information and explanation given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon taken from banks and financial institutions. The Company has not taken loans from Government.

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

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans for the purposes for which they were obtained.

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

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

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

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

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

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

(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

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

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

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

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

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

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

xvi (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of Clause 3 (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) According to the information and explanations provided to us during the course of our audit, the Group does not have any CICs.

xvii. The Company has incurred cash losses of Rs. 2077.30 Lacs in the current financial year and had not incurred cash losses 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 financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due

xx. In the absence of average net profits in the immediately three preceding years, there is no requirement for the company to spend any amount under section 135 of the Act. The Company has fully spent the required amount up to preceding financial years towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with provision of sub- section (6) of section 135 of said Act. Accordingly, reporting under clause (xx) of the order is not applicable for the year.

For Gopalaiyer and Subramanian
Chartered Accountants
FRN. 000960S

R. Mahadevan
Partner
Membership No.027497
UDIN: 23027497BGXPBC4478

Place: Coimbatore
Date: 25th May 2023

K G DENIM LIMITED

Annexure - B to the Independent Auditors' Report

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

1. In conjunction with our audit of the standalone financial statements of KG Denim Limited ("the Company") as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date. Responsibilities of Management and Those charged with Governance for Internal Financial Controls

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Gopalaiyer and Subramanian
Chartered Accountants
FRN. 000960S

R. Mahadevan Partner
Membership No.027497
UDIN: 23027497BGXPBC4478

Place: Coimbatore
Date: 25th May 2023

K G DENIM LIMITED

STANDALONE BALANCE SHEET AS AT 31st MARCH 2023

(Rs. in Lakhs)

	Particulars	Note No.	31.03.2023	31.03.2022
I.	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	1	15,055.66	16,303.59
	(b) Capital work-in-progress	1	-	-
	(c) Right of Use Asset	2	51.74	90.18
	(d) Non current financial asset			
	Non-current investments	3	329.46	328.64
	(e) Other non current assets	4	233.73	249.06
	(f) Deferred tax Assets	5	281.12	-
			15,951.71	16,971.47
2	Current assets			
	(a) Inventories	6	9,262.85	15,405.32
	(b) Current financial asset			
	(i) Trade receivables, current	7	9,950.29	8,958.60
	(ii) Cash and cash equivalents	8	14.23	48.16
	(iii) Bank balance other than (ii) above	9	317.35	367.08
	(c) Current tax assets (net)	10	254.35	247.28
	(d) Other current financial asset	11	4,653.50	5,101.18
			24,452.57	30,127.62
			40,404.28	47,099.09
II.	EQUITY AND LIABILITIES			
1	EQUITY			
	(a) Equity share capital	12	2,564.90	2,564.90
	(b) Other equity	13	3,295.36	5,932.15
	Total Equity		5,860.26	8,497.05
2	LIABILITIES			
	Non-current liabilities			
	(a) Non current financial liabilities			
	(i) Borrowings	14	4,494.37	7,059.20
	(ii) Lease Liabilities	15	9.68	53.38
	(b) Long-term provisions	16	692.79	692.32
	(c) Deferred tax liabilities (Net)	17	-	655.59
	(d) Government grants	18	301.50	472.13
	Current liabilities		5,498.34	8,932.62
	(a) Current financial liabilities			
	(i) Borrowings	19	14,792.35	14,838.22
	(ii) Lease Liabilities	20	45.18	38.26
	(ii) Trade payable - Micro and Small Enterprises		11.27	95.20
	(iii) Trade payable - Others	21	13,512.85	14,257.66
	(b) Other current financial liabilities	22	448.91	211.58
	(c) Short-term provisions	23	64.49	57.87
	(d) Government grants	24	170.63	170.63
			29,045.68	29,669.42
	Significant Accounting Policies	34	40,404.28	47,099.09
	The notes form an integral part of these financial statements	35-61		

As per our report of even date
For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN
Partner

Place : Coimbatore Membership No.027497
Date : 25.05.2023

For and on behalf of the Board of Directors
KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P KRISHNAVENI
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

K G DENIM LIMITED

Standalone Statement of Profit and Loss for the Year Ended 31st March 2023

(Rs. in Lakhs) Except EPS

	Particulars	Note No.	31.03.2023	31.03.2022
I	INCOME			
	Revenue from operations	25	51,105.71	58,618.68
	Other Income	26	457.49	607.85
	Total Income		51,563.20	59,226.53
II	EXPENSES			
	Cost of materials consumed	27	27,283.80	38,254.56
	Purchases of Stock-in-Trade	28	276.70	343.19
	Changes in inventories of finished goods , work-in-progress and Stock-in-Trade	29	4,981.92	(2,909.34)
	Other Manufacturing Expense	30	11,083.41	11,730.69
	Employee benefits expense	31	5,165.42	5,589.97
	Finance cost	32	2,230.46	2,430.15
	Depreciation and amortization expense		1,572.21	1,564.14
	Other expenses	33	2,645.44	3,005.02
	Total expenses		55,239.36	60,008.38
III	Profit before exceptional items and tax		(3,676.16)	(781.85)
IV	Exceptional items		-	-
V	Profit before tax (III- IV)		(3,676.16)	(781.85)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(936.70)	(76.47)
	(3) Prior Year Tax		-	-
			(936.70)	(76.47)
VII	Profit/(loss) (after tax) (V-VI)		(2,739.46)	(705.38)
VIII	Other Comprehensive Income (Net of Tax)			
	Items that will not reclassified to Profit or Loss			
	Fair value of Equity Instruments		0.81	0.23
	Gratuity valuations through OCI		101.86	(11.42)
			102.67	(11.19)
IX	Total Comprehensive Income for the year (VII + VIII)		(2,636.79)	(716.57)
X	Earnings per equity share: (Face value of Rs.10/- each)			
	(1) Basic (Rs.)		(10.69)	(2.75)
	(2) Diluted (Rs.)		(10.69)	(2.75)
	Weighted Number of Equity Shares		2,56,37,825	2,56,37,825
	Significant Accounting Policies	34		
	The notes form an integral part of these financial statements	35-61		

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN
Partner

Place : Coimbatore
Date : 25.05.2023

Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P KRISHNAVENI
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

K G DENIM LIMITED

Standalone Statement of Cash Flow for the Year Ended 31.03.2023

(Rs. in Lakhs)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary Items	(3,676.16)	(781.85)
Adjustments for:		
Fair Valuation of Instruments	0.81	0.23
Depreciation and Amortization expenses	1,572.21	1,564.14
Finance Cost	2,230.46	2,430.15
Profit/Loss on sale of Fixed Assets	(8.93)	0.67
Apportioned on Government Grants	(170.63)	(254.38)
Provision for Doubtful Debts	-.00	180.16
Impairment Loss on Investment	-	-
Operating Profit before working capital changes	(52.24)	3,139.12
Adjustments for:		
(Increase)/Decrease in Trade and other receivables	(908.99)	504.22
(Increase)/Decrease in Inventories	6,142.47	(2,684.58)
(Increase)/Decrease in Other Non current assets	15.34	62.59
(Increase)/Decrease in Other Current assets	447.68	(359.08)
Increase/(Decrease) in Trade and other payables	(628.22)	1,409.06
Increase/(Decrease) in Provisions and Others	(17.19)	98.45
Increase/(Decrease) in Gratuity Valuations through oci	101.86	(11.42)
Cash generated from operations	5,100.71	2,158.36
Cash flow before extraordinary items	5,100.71	2,158.36
Cash flow after extraordinary items	5,100.71	2,158.36
Income Tax	-.00	-.00
Net cash (used in)/generated from operating activities	5,100.71	2,158.36
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Non Current Investments	(0.81)	(0.23)
Sale of property, plant and equipment	12.84	1.72
Capital Subsidy Received	-.00	314.28
Purchase of property, plant and equipment	(265.45)	(589.55)
Margin money deposit with bank	(40.05)	2.43
Net cash (used in)/generated from investing activities	(293.47)	(271.35)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds / Repayment from Long term borrowings	(3,270.05)	(640.84)
Proceeds / Repayment from short term borrowings	659.35	922.41
Payment for Equity Dividend	-	-.00
Distribution Tax on Equity Dividend	-	-.00
Interest paid	(2,230.46)	(2,430.15)
Repayment towards lease liabilities	-.00	(26.02)
Net cash (used in)/generated from financing activities	(4,841.16)	(2,174.60)
Net Increase in cash and cash equivalents	(33.92)	(287.60)
Cash and cash equivalents as at 1 st April, 2022 / 2021 (Opening Balance)	48.16	335.76
Cash and cash equivalents as at 31 st Mar, 2023 / 2022 (Closing Balance)	14.23	48.16
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	14.23	48.16
Balance as per Statement of Cash Flows	14.23	48.16

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

As per our report of even date For GOPALAIYER AND SUBRAMANIAN Chartered Accountants	For and on behalf of the Board of Directors KG BAALAKRISHNAN Executive Chairman DIN : 00002174	B SRIRAMULU Managing Director DIN : 00002560	B SRIHARI Managing Director DIN : 00002556
R MAHADEVAN Partner	P KRISHNAVENI Company Secretary	S MANICKAM Chief Financial Officer	
Place : Coimbatore Date : 25.05.2023	Membership No.027497		

K G DENIM LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023

A. EQUITY SHARE CAPITAL

(1) Current Reporting Period

(Rs. in Lakhs)

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

(2) Previous Reporting Period

(Rs. in Lakhs)

Balance as at 01.04.2021	Changes in equity share capital due to prior period errors	Restated balance as at 01.04.2022	Changes in equity share capital during the current year	Balance as at 31.03.2022
2,564.90		2,564.90		2,564.90

B. OTHER EQUITY

(Rs. in Lakhs)

	Capital	Securities	General	Surplus	Total
	Redemption	Premium	Reserves		
	Reserve	Reserve			
Balance as at 1st April, 2021	1.61	444.44	1,549.28	4,653.39	6,648.72
Profit (loss) for the year				(705.38)	(705.38)
Other Comprehensive Income for the year				(11.19)	(11.19)
Total Comprehensive Income for the year				(716.57)	(716.57)
Balance as at 31st March, 2022	1.61	444.44	1,549.28	3,936.82	5,932.15
Profit (loss) for the year				(2,739.46)	(2,739.46)
Other Comprehensive Income for the year				102.67	102.67
Total Comprehensive Income for the year				(2,636.79)	(2,636.79)
Balance as at 31st March, 2023	1.61	444.44	1,549.28	1,300.03	3,295.36

As per our report of even date
For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN
Partner

Place : Coimbatore
Date : 25.05.2023

Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P KRISHNAVENI
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

K G DENIM LIMITED

Note 1: Property, Plant & Equipment

(Rs. in Lakhs)

Fixed Assets	Land	Buildings	Plant & Equipment	Electrical Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Other (Specify nature)	Total
Gross Carrying Value Deemed Cost as at April 1, 2022	1,097.98	6,169.28	16,385.43	720.41	202.05	706.51	208.30	10.37	25,500.33
Additions brought in to use	-	40.69	123.77	22.97	5.76	63.84	8.42	-	265.45
(-) Disposals	-	-	-	-	-	31.03	-	-	31.03
As at March 31, 2023	1,097.98	6,209.97	16,509.20	743.38	207.81	739.32	216.72	10.37	25,734.75
Depreciation									
As at April 1, 2022	-	1,283.80	6,886.87	348.07	101.13	448.54	119.98	8.36	9,196.74
Depreciation for the year	-	212.60	1,124.52	62.31	17.38	72.17	19.01	1.49	1,509.48
(-) On Disposals	-	-	-	-	-	27.13	-	-	27.13
As at March 31, 2023	-	1,496.40	8,011.39	410.38	118.51	493.58	138.99	9.85	10,679.09
Net Carrying Value									
As at March 31, 2023	1,097.98	4,713.67	8,497.77	332.96	89.21	245.76	77.77	0.53	15,055.66
As at March 31, 2022	1,097.98	4,885.48	9,498.56	372.34	100.92	257.97	88.32	2.01	16,303.59

Note:

- Building includes Prayer Hall and Gold plating thereon of Rs.109.14 Lakhs in Gross Carrying value, Rs.20.28 Lakhs in Depreciation Block and Rs. 88.86 Lakhs in Net Block (Previous year Rs. 109.14 in Gross Carrying value, Rs.18.17 Lakhs in Depreciation Block and Rs. 90.97 Lakhs in Net Block)
- Furniture & Fittings includes Prayer Hall of Rs. 4.47 Lakhs in Gross Carrying value, Rs.3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block. (Previous year Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block).
- Title deeds of all the immovable properties are held in the name of the Company only.
- The Company has not done any revaluation of property, plant & equipment (including right of use assets) during the year.
- There is no Capital-work-in progress as on the date of the balance sheet as at 31st March 2023. There is no project which is temporarily suspended.
- There are no intangible assets under development as on the date of the balance sheet as at 31st March 2023.

K G DENIM LIMITED

NOTE 2 RIGHT OF USE ASSETS

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Gross Carrying Value		
Deemed Cost as at 1 st April, 2022/2021	115.66	49.05
Additions	-	89.11
Disposals	(38.44)	(22.50)
Balance as at 31 st March, 2023/2022	77.22	115.66
Depreciation		
As at 1 st April, 2022/2021	25.48	23.85
Additions	-	24.13
Disposal	-	(22.50)
Balance as at 31 st March, 2023/2022	25.48	25.48
Net Block as at 31 st March, 2023/2022	51.74	90.18

NOTE 3 INVESTMENTS-NON CURRENT

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
A NON-TRADE INVESTMENTS		
Equity (Quoted)		
i Indian Bank - 605 Equity Shares of Rs.10/- each	1.75	0.93
TOTAL - A	1.75	0.93
B EQUITY INVESTMENTS		
I Trade Investments (Subsidiary Companies)		
i Trigger Apparels Limited - Subsidiary		
45,00,000 Equity Shares of Rs.10/- each-Un quoted	450.00	450.00
Less : Provision for impairment (*)	(450.00)	(450.00)
	-	-
ii KG Denim (USA) Inc - Wholly owned Subsidiary-Un quoted	0.46	0.46
Less : Provision for impairment	(0.46)	(0.46)
	-	-
SUB TOTAL	-	-
II TRADE INVESTMENTS		
i Sri Kannapiran Mills Limited	327.46	327.46
3,31,588 Equity Shares of Rs.10/-each-Quoted (P.Y. 3,31,588 Equity Shares)	-	-
ii Cotton Sourcing Company Ltd	1.00	1.00
10,000 Equity Shares of Rs.10/-each-Un quoted	(0.75)	(0.75)
Less : Provision for impairment	(0.75)	(0.75)
	0.25	0.25
SUB TOTAL	327.71	327.71
TOTAL (B = I+ II)	327.71	327.71
GRAND TOTAL (A + B)	329.46	328.64
Particulars	31.03.2023	31.03.2022
Aggregate amount of quoted investments	4.32	4.32
Market value of quoted investments	1.75	0.93
Aggregate amount of unquoted investments at Cost	778.92	778.92
Aggregate Value of impaired Investments	(451.21)	(451.21)

(*) A provision of impairment losses for Rs. 450.46 Lakhs was recognized during 2019-20 on account of erosion in net worth of its subsidiary Trigger Apparels Limited, and wholly owned subsidiary K G Denim (USA) Inc.

K G DENIM LIMITED

NOTE 4 OTHER NON-CURRENT ASSETS

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
a. Capital Advances		
Advance for Capital Goods - Un secured considered good	211.44	226.77
Others	-	-
TOTAL	211.44	226.77
b. Security Deposits		
Security Deposits - Un secured considered good	22.29	22.29
TOTAL	22.29	22.29
GRAND TOTAL	233.73	249.06

NOTE 5 DEFERRED TAX ASSETS (NET)

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Opening Balance	(655.58)	-
Value of Depreciation as per books of accounts & IT purpose (DT Liability)	936.70	-
Net Deferred Tax Asset	281.12	-

NOTE 6 INVENTORIES

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
a. Raw Materials and components	1,416.97	2,661.34
	1,416.97	2,661.34
b. Work-in-progress	1,384.54	3,222.99
	1,384.54	3,222.99
c. Finished goods	4,398.15	6,589.63
Goods-in transit	251.25	1,203.24
	4,649.40	7,792.87
d. Stores and Spares	1,809.49	1,716.93
	1,809.49	1,716.93
e. Others (Specify nature)		
Stock of Waste	2.45	11.19
	2.45	11.19
TOTAL	9,262.85	15,405.32

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

NOTE 7 TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Current Receivables		
Trade receivables Unsecured Considered Good	9,950.29	8,958.60
Trade receivables Unsecured Considered as Doubtful Debts	414.57	414.57
Less: Provision for Doubtful Debts	(414.57)	(414.57)
TOTAL	9,950.29	8,958.60

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

K G DENIM LIMITED

Trade Receivables Ageing Schedule:

AS AT 31st March 2023 - Outstanding for following periods from due date of payment (Rs.in Lakhs)

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

AS AT 31st March 2022 - Outstanding for following periods from due date of payment (Rs.in Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i) Undisputed Trade Receivable - Considered Good	7,060.30	977.59	627.44	149.17	144.10	8,958.60
(ii) Undisputed Trade Receivable - which have significant increase in credit risk	94.94	26.74	31.92	116.87	144.10	414.57
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-
TOTAL	7,155.24	1,004.33	659.36	266.04	288.20	9,373.17

NOTE 8 CASH AND CASH EQUIVALENTS

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
a. Balances with banks	6.76	35.27
b. Cash on hand	7.47	12.89
Total	14.23	48.16

NOTE 9 OTHER BANK BALANCES

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
a. Others Bank Balances		
Unclaimed Dividend Account	39.86	49.54
b. Others		
Margin Money Deposits on LC	277.49	317.54
Total	317.35	367.08

NOTE 10 CURRENT TAX ASSETS (NET)

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
Tax Paid in advance (net)		
For Duties & Taxes	254.35	247.28
Total	254.35	247.28

NOTE 11 OTHER CURRENT ASSETS

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
a. Export incentives Receivable	214.33	353.52
b. IGST Refund Receivable	144.40	267.47
c. REC Certificate Income Receivable	64.38	28.77
d. Input Credit GST Receivable	2,100.08	2,046.91
e. Insurance Claim Receivable	174.81	175.27
f. Advance for Material Purchase	1,328.56	1,623.50
g. Advance for Expenses / Others	450.90	406.61
h. Prepaid Expenses	176.04	199.13
Total	4,653.50	5,101.18

K G DENIM LIMITED

NOTE 12 SHARE CAPITAL

(Rs. In Lakhs)

<u>Share Capital</u>	31.03.2023	31.03.2022
Authorised		
3,10,00,000 Equity Shares of Rs.10 each	3,100.00	3,100.00
10,00,000 10% Cumulative Redeemable Preference shares of Rs.100 each	1,000.00	1,000.00
Issued, Subscribed & Paid up Share Capital		
2,56,37,825 Equity Shares of Rs.10 each (Previous year 2,56,37,825 Equity shares of Rs. 10 each)	2,563.78	2,563.78
Add		
37,400 forfeited equity shares	1.12	1.12
Total	2,564.90	2,564.90

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

Particulars	No of Shares	31.03.2023	No. of Shares	31.03.2022
At the beginning of the year	2,56,37,825	2,563.78	2,56,37,825	2,563.78
Outstanding at the end of the year	2,56,37,825	2,563.78	2,56,37,825	2,563.78

Rights, preferences and restrictions attached to equity shares

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

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

Name of Shareholder	31.03.2023		31.03.2022	
	No of Shares	% of holding	No of Shares	% of holding
Sri Kannapiran Mills Limited	32,65,183	12.74%	32,65,183	12.74%
Shri KG Baalakrishnan	25,78,560	10.06%	25,78,560	10.06%
Shri B Sriramulu	22,08,659	8.61%	22,08,659	8.61%
Shri B Srihari	22,31,859	8.71%	22,31,859	8.71%
Smt T Anandhi	20,31,000	7.92%	20,31,000	7.92%

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

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

Disclosure of shareholding of promoters as at 31st March 2022 is as follows

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

K G DENIM LIMITED

NOTE 13 OTHER EQUITY RESERVES AND SURPLUS

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
a. Securities Premium Reserves		
Opening Balance	444.44	444.44
Add : Addition / Deletion		
Closing Balance	444.44	444.44
b. Other Reserves		
Capital Redemption Reserve		
Opening Balance	1.61	1.61
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	1.61	1.61
General Reserve		
Opening Balance	1,549.28	1,549.28
(+) Current Year Transfer		
Closing Balance	1,549.28	1,549.28
c. Surplus		
Opening balance	3,936.82	4,653.39
(+) Comprehensive Income For the current year	(2,636.79)	(716.57)
Closing Balance	1,300.03	3,936.82
Total	3,295.36	5,932.15

NOTE 14 FINANCIAL LIABILITIES LONG TERM BORROWINGS

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Secured		
(a) Term loans		
Indian Rupee Loan		
from banks (Secured)	3,832.14	6,203.70
from others - Property Loan	644.80	805.67
b) Long term maturitie of finance lease obligations	17.43	49.83
(Secured by Vehicles on Hire Purchase Loan)		
There is no case of continuing default as on the balance sheet date in repayment of loans and interest		
Total	4,494.37	7,059.20

K G DENIM LIMITED

Security Clause

Bank Borrowings of Term Loans

Term Loans from Indian Bank (IB) and The South Indian Bank (SIB) are secured by first pari passu charge on (a) all immovable properties situated in (i) 102.1897 acres of land at jadayampalayam, Alangombu and Karamadai Villages in Mettupalayam Taluk, Coimbatore District, Tamil Nadu and (ii) 2155.62 SQ. metres of land at Amdha Village, Dharampur Taluk, Valsad District, Gujarat through equitable mortgage created with Indian Bank and (b) all plant and machineries including machineries and other movable fixed assets (excluding vehicles charged to financiers, Peelamedu property, Mumbai Property and Bangalore Property) acquired for the New Capex Plan through Deed of Hypothication and second pari passu charge on current assets of the Company Term Loan for 10 MW Power Plant from Indian Bank Rs.2868 lakhs and The South Indian Bank Ltd Rs. 1470 lakhs are secured by pari passu first charge on Fixed Assets relating to power plant project and pari passu second charge on current assets of the Company

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

(Rs. In Lakhs)

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Installment	Rate of Interest	Previous Rate of interest
Indian Bank TL -VI	0.00	163.99	96	25.12.2015	25.12.2023	9.60%	9.60%
Indian Bank TL -VII	181.04	661.04	84	15.05.2017	15.05.2024	9.60%	10.10%
Indian Bank TL -VIII	101.74	205.71	84	02.02.2018	02.02.2025	9.60%	9.60%
Indian Bank Corp. Loan	0.00	539.23	60	01.10.2018	01.10.2023	10.10%	11.05%
South Indian Bank TL	0.00	33.77	84	25.12.2015	25.12.2022	10.75%	11.95%

Covid Loan:

Covid Loan availed from Indian Bank, are secured by extension of first charge on current assets and second charge on fixed assets on existing securities including personal guarantee of Shri KG Baal Krishnan.

(Rs. In Lakhs)

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Installment	Rate of Interest	Previous Rate of interest
Indian Bank COVID	0.00	93.32	30	01.04.2021	01.03.2026	7.30%	7.30%

GECLS Loan

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

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

(Rs. In Lakhs)

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Installment	Rate of Interest	Previous Rate of interest
Indian Bank GECL	1120.19	1707.25	48	01.04.2022	01.03.2026	8.30%	8.30%
Union Bank of India GECL	266.43	381.38	48	09.02.2021	09.01.2025	7.60%	7.60%
State Bank of India GECL	197.23	295.99	60	01.04.2022	01.03.2027	7.95%	7.95%
South Indian Bank GECL	151.43	224.55	48	01.04.2022	01.03.2026	9.20%	9.20%
Indian Bank GECL-2.0	1059.43	1138.92	48	01.01.2024	01.01.2028	8.30%	8.30%
Union Bank of India GECL-2.0	243.00	259.00	48	01.01.2024	01.01.2028	7.85%	7.85%
State Bank of India GECL-2.0	185.99	197.99	48	01.01.2024	01.01.2028	7.95%	7.95%
South Indian Bank GECL-2.0	137.00	150.00	36	01.01.2024	01.01.2027	9.25%	9.25%

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

(Rs. In Lakhs)

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Installment	Rate of Interest	Previous Rate of interest
ICICI Bank Ltd	113.08	151.50	120	05.05.2017	05.05.2027	8.60%	8.60%
TataCapital Financial Services Ltd	380.80	523.66	84	15.10.2019	15.09.2026	11.00%	11.00%
TataCapital Financial Services Ltd-2.0	264.00	282.00	48	01.01.2024	01.01.2027	11.00%	11.00%

K G DENIM LIMITED

NOTE 15 LEASE LIABILITIES

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Lease Liabilities	9.68	53.38
Total	9.68	53.38

NOTE 16 LONG TERM PROVISIONS

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Provision for employee benefits		
Gratuity (unfunded)	692.79	692.32
Total	692.79	692.32

NOTE 17 DEFERRED TAX LIABILITIES (NET)

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Deferred Tax Liabilities - On Depreciation		
- Opening Balance	-	1,674.61
Less: Charged to Profits /Loss for Current Year	-	-
- Closing Balance (A)	0.00	1,674.61
Deferred Tax Assets - On Carry forward Tax Loss		
- Opening Balance	-	(942.55)
Less: Charged to Profits /Loss for Current Year	-	(76.47)
- Closing Balance (B)	0.00	(1,019.02)
Net Deferred Tax Liabilities (Net)	0.00	655.59

NOTE 18 GOVERNMENT GRANTS

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Government Grants	301.50	472.13
Total	301.50	472.13

NOTE 19 SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Secured		
(a) Loans repayable on demand		
Working Capital Loan from Banks (Secured)	11,364.57	10,567.96
Unsecured		
(a) Loans repayable on demand		
Working Capital Loan from Banks (Unsecured)	831.29	968.55
Current Maturities of Long Term Borrowings		
(a) Current Maturities of Long-term debts - Secured	2,494.53	3,256.98
(b) Current maturities of financial institutions Long-term Debt	101.96	44.73
There are no case of default in repayment of loan and interest as on date of balance sheet.		
Total	14,792.35	14,838.22

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

K G DENIM LIMITED

NOTE 20 LEASE LIABILITIES

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Lease Liabilities	45.18	38.26
Total	45.18	38.26

NOTE 21 TRADE PAYABLES

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Trade Payables		
For Dues of Micro Enterprises and Small Enterprises	11.27	95.20
For Other Dues	13,512.85	14,257.66
Total	13,524.12	14,352.86

AS AT 31st March 2023

(Rs. in lakhs)

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

AS AT 31st March 2022

(Rs. in lakhs)

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	95.20	-	-	-	95.20
Others	13415.06	842.60	-	-	14257.66
Disputed MSME	-	-	-	-	-
Disputed Others	-	-	-	-	-
TOTAL	13510.26	842.6	0	0	14352.86

Note: Dues to Micro, Small and Medium Enterprises

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

	Particulars	As at 31.03.2023	As at 31.03.2022
a	The principal amount remaining unpaid to any supplier at the end of the year	11.27	95.20
b	Interest due remaining unpaid to any supplier at the end of the year	-	-
c	The amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
e	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

K G DENIM LIMITED

NOTE 22 OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Customer Credit Balance	318.86	70.76
(b) Duties and Taxes	38.40	54.53
(c) Creditors for Capital goods	51.79	36.75
(d) Unpaid Dividend Account	39.86	49.54
Total	448.91	211.58

NOTE 23 SHORT TERM PROVISIONS

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Provision for employee benefits		
Gratuity (unfunded)	64.49	57.87
Total	64.49	57.87

NOTE 24 GOVERNMENT GRANTS

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Government Grants	170.63	170.63
Total	170.63	170.63

NOTE 25 REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Sale of products	48,244.58	52,250.51
Sale of services - Job work	333.52	1,286.47
Other operating revenues : Waste Cotton/Yarn /Accessories sales	1,637.52	3,788.70
Export Incentives	890.09	1,293.00
Total	51,105.71	58,618.68

NOTE 26 OTHER INCOME

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Interest Income	84.82	99.27
Apportioned income from Govt Grant	170.63	254.38
Dividend Income	0.04	0.01
Lease Rent Receipts	1.88	-
Miscellaneous Income	39.30	77.44
Insurance Claim Received	56.21	149.81
Profit on sale of fixed assets	8.94	-
Exchange Gain on Export Sales	95.67	26.94
Total	457.49	607.85

NOTE 27 COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Opening Stock	2,661.34	3,112.89
Purchases	26,039.43	37,803.01
Sub-total	28,700.77	40,915.90
Less : Closing stock	1,416.97	2,661.34
Raw materials consumed	27,283.80	38,254.56

NOTE 28 PURCHASES OF STOCK-IN-TRADE

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Garments purchase	276.70	343.19
Total	276.70	343.19

K G DENIM LIMITED

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Opening Stock :		
Work-in-process	3,222.99	2,389.90
Finished Goods	7,792.87	5,716.62
Traded Items	-	-
	11,015.86	8,106.52
Closing Stock :		
Work-in-process	1,384.54	3,222.99
Finished Goods	4,649.40	7,792.87
Traded Items	-	-
	6,033.94	11,015.86
Total	4,981.92	(2,909.34)

NOTE 30 OTHER MANUFACTURING EXPENSES

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Power & Fuel	7,985.72	8,131.69
(b) Consumptions of Stores & Spare Parts	608.19	440.73
(c) Processing Charges	1,032.28	1,534.61
(d) Repairs & Maintenance		
For Plant & Machinery	1,187.38	1,251.97
For Buildings	86.50	133.60
For Others	183.34	238.09
Total	11,083.41	11,730.69

NOTE 31 EMPLOYEE BENEFITS EXPENSES

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Salaries and Wages	4,463.86	4,949.20
(b) Salaries - Managing Directors / Whole Time Directors	156.00	156.00
(c) Contributions to Provident fund and other funds	247.23	209.74
(d) Gratuity as per actuarial valuations	115.01	109.58
(e) Staff welfare expenses	183.32	165.45
Total	5,165.42	5,589.97

NOTE 32 FINANCE COST

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Interest expense	1,967.03	2,036.07
Other borrowing costs	236.78	397.03
Applicable net (gain) /loss on foreign currency transactions, translation and import reinstatement	26.65	(2.95)
Total	2,230.46	2,430.15

K G DENIM LIMITED

NOTE 33 OTHER EXPENSES

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Rent	30.75	90.49
Insurance	245.63	336.14
Rates and taxes, excluding, taxes on income.	129.75	71.19
Payments to the auditor as		
a. as statutory auditor	6.00	6.00
b. for other Services	-	2.00
Legal, Professional & Consultancy Charges	114.52	121.62
Printing and Stationery	29.87	41.24
Postage, Telegrams and Telephones	120.68	134.10
Traveling Expenses and Maintenance of Vehicles	546.75	456.01
Director Sitting Fees	3.30	5.20
Software Maintenance Expenses	9.58	9.87
Brokerage	-	2.87
Commission on Sales	199.19	255.44
Discount on Sales	254.64	185.84
Selling Expenses	439.10	262.09
Freight Outwards	377.53	553.35
Provision for Doubtful Debts	-	180.16
Prayer Hall Repairs and maintenance	5.02	16.74
Advances Written off	10.77	-
Miscellaneous expenses	98.85	127.49
Loss on sale of Fixed Assets	-	0.67
Loss on sale of Export Licenses	23.51	146.51
Total	2,645.44	3,005.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note:- 34: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

II. Significant Accounting Policies followed by the Company

(a) Basis of preparation

1. Compliance with IndAS

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

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

2. Historical cost conventions

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

3. Going Concern

The accounts are prepared on the basis of going concern concept

4. Current non-current classification

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

5. Rounding of amounts

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

K G DENIM LIMITED

(b) Use of estimates and judgments

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

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

(c) Property, Plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

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

(d) Cash and Cash Equivalents

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

(e) Inventories

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

(f) Lessee

Operating Lease

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

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

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

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

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

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

(g) Investments and other financial assets

(i) Classification

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

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

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

(ii) Measurement

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

iii) Impairment of financial assets

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

(iv) Income Recognition

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(h) Impairment of non-financial assets

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

(i) Derivative Financial Instruments

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

(j) Segment Reporting:

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

(k) Borrowings

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

(l) Borrowing costs

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

m) Provisions and contingent liabilities

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

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

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

(n) Revenue recognition

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

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

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Sale of goods

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

Revenue from services

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

Export Incentive

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

Dividend Income

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

Insurance claims

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

(o) Employee benefits

(i) Short-term obligations

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

(ii) Employment retirement benefits

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

(p) Foreign currency translation

1. Functional and presentation currency

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

2. Transactions and balances

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

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

(q) Income tax

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

(r) Earnings Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

-the profit attributable to owners of the Company

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

Diluted earnings per share Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Government Grants

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

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

(t) Critical estimates and judgments

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

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

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

The areas involving critical estimates or judgment are:

Estimation of current tax expenses and Payable.

Estimation of defined benefit obligation.

Note:- 35 : FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

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

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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

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

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

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

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

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

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

(Rs. in Lakhs)

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

(Rs. in Lakhs)

Financial Assets and Liabilities as at 31st March 2022	Non current	Current	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investments							
Equity instruments	328.64		328.64	0.93		327.71	
Other Assets							
Trade Receivables		8,958.60	8,958.60			8,958.60	
Cash and cash equivalents		48.16	48.16			48.16	
Other Bank Balances		367.08	367.08			367.08	
Sub-total		9,373.84	9,373.84			9,373.84	
Total	328.64	9,373.84	9,702.48	0.93		9,701.55	
Financial Liabilities							
Borrowings	7,059.20	14,838.22	21,897.42			21,897.42	21,897.42
Lease Liability	53.38	38.26	91.64			91.64	
Trade payables		14,352.86	14,352.86			14,352.86	
Total	7,112.58	29,229.34	36,341.92	-	-	36,341.92	36,341.92

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Note: - 35 : FINANCIAL RISK MANAGEMENT

Credit risk

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

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

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv. Significant increase in credit risk on other financial instruments of the same counterparty,
- v. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company

Trade Receivables

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

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

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

Trade Receivables Ageing Schedule:

AS AT 31st March 2023 - Outstanding for following periods from due date of payment (Rs.in Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i) Un Disputed Trade Receivable- Considered Goods	4,755.93	3,200.65	1,831.09	167.62	-	9,950.29
(ii) Un Disputed Trade Receivable- Considered Doubtful	94.94	26.74	31.92	116.87	144.10	414.57
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
TOTAL	4,850.87	3,227.39	1,863.01	279.49	144.10	10,364.86

AS AT 31st March 2022 - Outstanding for following periods from due date of payment (Rs.in Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i) Un Disputed Trade Receivable- Considered Goods	7,060.30	977.59	627.44	149.17	144.10	8,958.60
(ii) Un Disputed Trade Receivable- Considered Doubtful	94.94	26.74	31.92	116.87	144.10	414.57
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
TOTAL	7,155.24	1,004.33	659.36	266.04	288.20	9,373.17

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Financial risk management objectives and policies

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

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

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

Liquidity Risk

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

(I) Financing Arrangements

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

(ii) Maturity patterns of borrowings

(Rs. In Lakhs)

	As at 31st March, 2023				As at 31st March, 2022			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	2,596.79	4,494.37	-	7,091.16	3,301.71	6,711.15	348.05	10,360.91
Short term borrowings	12,195.56			12,195.56	11,536.51			11,536.51
Total	14,792.35	4,494.37	-	19,286.72	14,838.22	6,711.15	348.05	21,897.42

Maturity Patterns of other Financial Liabilities

AS AT 31st March 2023

(Rs. in lakhs)

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

AS AT 31st March 2022

(Rs. in lakhs)

	0-3 Months	3-6 Months	6 Months to 12 Months	Beyond 12 Months	Total
Trade payable	8,928.51	3,760.50	1,663.85		14,352.86
Lease Liability (Current and Non Current)	12.81	12.98	12.47	53.38	91.64
TOTAL	8,941.32	3,773.48	1,676.32	53.38	14,444.50

Market Risk- Foreign currency risk.

The company manages foreign currency risk primarily through forward contracts

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting data

Foreign currency in lakhs

	As at 31 st March, 2023		As at 31 st March, 2022	
	USD		USD	
Forward contracts to buy USD	USD	14.13	USD	38.85

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

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(b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31st March, 2023 Foreign currency in lakhs

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

As at 31st March, 2022 Foreign currency in lakhs

Particulars	USD	EURO	GBP
Trade Receivables	44.53	2.47	0.57
Trade payables	0.79	0.62	-

(a) (iii) Market Risk- Price Risk

(a) Exposure

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

(b) Sensitivity

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

Impact on profit before tax

(Rs. in lakhs)

	31 st March, 2023	31 st March, 2022
BSE Sensex -30 - increase in 5%	0.09	0.05
BSE Sensex -30 - decrease in 5%	(0.09)	(0.05)

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

(c) Foreign currency Risk Sensitivity

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

(Rs. in lakhs)

Particulars	2022-2023		2021-2022	
	5% increase	5% decrease	5% increase	5% decrease
USD	5.06	(5.06)	165.49	(165.49)
EURO	4.97	(4.97)	7.81	(7.81)
GBP	1.53	(1.53)	2.84	(2.84)
Increase / (decrease) in profit or loss	11.56	(11.56)	176.14	(176.14)

Note :- 36 : CAPITAL RISK MANAGEMENT

Risk Management

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

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Note :- 37 EARNINGS PER SHARE

(Rs. in Lakhs), except EPS

	31.03.2023	31.03.2022
Earnings per share has been computed as under:		
Profit / (Loss) for the year	(2739.46)	(705.38)
Weighted average number of equity shares outstanding	25637825	25637825
Earnings per share - Basic (Face Value of Rs.10 per share)	(10.69)	(2.75)
Diluted earning per share is same as basic earning per share	(10.69)	(2.75)

Note :- 38 : EXPORT PROMOTION CAPITAL GOODS (EPCG)

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

Note :- 39 : DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
Amount required to be spent u/s 135 of the Act, 2013, by the company during the year	0	0
Amount of expenditure incurred	0	0
(i) Transfer to KG Denim Trust Foundation for rural hospital		
(ii) On purpose other than (i) above	0	0
Shortfall at the end of the year	Nil	Nil
Total of previous year shortfall	Nil	Nil
Reasons for shortfall	NA	NA
Nature of CSR activities	Running Rural hospital	
Details of related party transactions	NA	NA
Movements during the year for provision made with respect to liability incurred by entering into as contractual obligation.	NA	NA

NOTE 40 : CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)
(I) Contingent Liabilities

(a) Claims against the company not acknowledged as Debt;

(Rs.in lakhs)

	2022-2023	2021-2022
Disputed Excise / Customs duties	335.35	368.17
Disputed Income Tax	855.86	855.86

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

(b) Guarantees

(Rs.in lakhs)

	2022-2023	2021-2022
Guarantees given to Bank for loan to subsidiary	500.00	500.00

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(c) Other Money for which the company is contingently liable

(Rs.in lakhs)

	2022-2023	2021-2022
Bills discounted with banks	798.34	2381.07

II Commitments

There are no contracts remaining to be executed in Capital Account

Note 41: SEGMENT REPORTING:

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

Note :- 42 : GRATUITY

I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]	31-03-2022	31-03-2023
Discount Rate	7.24%	7.19%
Rate of increase in compensation levels	5.00%	5.00%
Attrition Rate	5.00%	5.00%
Expected rate of return on Plan Assets	0.00%	0.00%

All amounts are in Rupees

II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)		
PVO as at the beginning of the period	6,77,77,664	7,50,18,588
Interest Cost	45,09,007	54,09,436
Current service cost	64,49,212	60,91,196
Past service cost	0	0
Benefits paid and Charges deducted	(48,59,463)	(6,05,239)
Actuarial loss/(gain) on obligation (balancing figure)	11,42,168	(1,01,85,757)
PVO as at the end of the period	7,50,18,588	7,57,28,224

III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:		
Fair value of plan assets as at the beginning of the period	0	0
Expected return on plan assets	0	0
Contributions	48,59,463	6,05,239
Benefits paid and Charges deducted	(48,59,463)	(6,05,239)
Actuarial gain/(loss) on plan assets [balancing figure]	0	0
Fair value of plan assets as at the end of the period	0	0

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

K G DENIM LIMITED

V. ACTUARIAL GAINS AND LOSSES RECOGNIZED		
Actuarial gain (loss) for year - obligation	(11,42,168)	1,01,85,757
Actuarial gain (loss) for year - plan assets	0	0
Subtotal	(11,42,168)	1,01,85,757
Actuarial (gain) / loss recognized	11,42,168	(1,01,85,757)
Unrecognized actuarial gains (losses) at the end of the period	0	0

VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES		
Present value of the obligation	7,50,18,588	7,57,28,224
Fair value of plan assets	0	0
Amount determined under para 63 of Ind AS19	7,50,18,588	7,57,28,224
Net Defined Benefit Liability recognized in the balance sheet	7,50,18,588	7,57,28,224
Present value of future reduction in contribution under para 65 of Ind AS 19	0	0
Net Defined Benefit Asset recognised under para 64 of Ind AS19	0	0

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	64,49,212	60,91,196
Net Interest on Net Defined Benefit Obligations	45,09,007	54,09,436
Net actuarial (gain)/loss recognised during the period	0	0
Past service cost	0	0
Expenses recognized in the statement of profit and loss	1,09,58,219	1,15,00,632

VIII. AMOUNT RECOGNIZED FOR THE CURRENT PERIOD IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME [OCI]		
Actuarial (gain)/loss on Plan Obligations	11,42,168	(1,01,85,757)
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Effect of Balance Sheet asset limit	-	0
Amount recognized in OCI for the current period	11,42,168	(1,01,85,757)

IX. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability adjusted for effect of balance sheet limit	6,77,77,664	7,50,18,588
Amount recognised in Profit and Loss	1,09,58,219	1,15,00,632
Amount recognised in OCI	11,42,168	(1,01,85,757)
Contribution paid	(48,59,463)	(6,05,239)
Closing net liability	7,50,18,588	7,57,28,224

X. AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	7,50,18,588	7,57,28,224
Plan Assets	0	0
Surplus (Deficit)	(7,50,18,588)	(7,57,28,224)
Experience adjustments on plan liabilities -(loss)/gain	(31,43,083)	1,04,59,741
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	20,00,915	(2,73,984)
Experience adjustments on plan assets -(loss)/gain	0	0

K G DENIM LIMITED

NOTE:- 43 : Related Party Disclosures as per Ind AS 24

(Rs. in Lakhs)

Particulars	2022-2023				2021-2022			
	Subsidiary	Other Related Parties	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary	Other Related Parties	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods								
Trigger Apparels Ltd	359.86				1,437.12			
Sri Kannapiran Mills Limited		4,438.21				3,132.13		-
Other related party		4,307.45				3,876.99		-
Sale of Goods								
Trigger Apparels Ltd	2,327.79				2,101.42			
KG Denim (USA) Inc	39.89				169.41			
Sri Kannapiran Mills Limited		577.11				733.86		-
Other related party		163.10				-		-
Processing / other Charges Paid								
Trigger Apparels Ltd					21.76			
Sri Kannapiran Mills Limited		43.98				162.33		-
Other related party		373.56				3.90		-
Processing / other Charges Received								
Sri Kannapiran Mills Limited		8.65				12.21		-
Other related party						57.59		
Remuneration			185.78	14.70			188.70	15.00

NOTE :- 43.1 : Balance Outstanding

Particulars	as on 31.03.2023				as on 31.03.2022			
	Subsidiary	Other Related Parties	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary	Other Related Parties	Key Management Personnel	Relatives of Key Management Personnel
Trade Receivable	3,769.26	138.56	-	-	2,847.83	174.90	-	-
Trade Payable		789.23	-	-		164.54	-	-
Investments	450.46	328.69	-	-	450.46	328.69	-	-
Loans and Advances Guarantee	500.00		-	-	500.00	-	-	-

NOTE :- 43.2

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

K G DENIM LIMITED

S No	Ratios	2022-23	2021-22	Unit	% Change	Reason for Change
1	Current Ratio	0.84	1.02	Times		
2	Debt Equity Ratio	2.86	2.59	Times	30	Due to reduction in equity, in view of reduction in margin on operating results
3	Debt Service coverage ratio	(0.12)	0.65	Times	(118.65)	Reduction of margin in operating results
4	Return on Equity Ratio	(0.37)	(7.97)	%	(95.39)	Reduction in equity and profits
5	Inventory Turnover Ratio	3.85	4.17	Times		
6	Trade Receivables turnover ratio	5.41	6.27	Times		
7	Trade payables turnover ratio	1.66	3.46	Times		
8	Net capital turnover ratio	(24.72)	64.16	Times	(138.53)	Reduction in net working capital and sales
9	Net profit ratio	(0.05)	(1.20)	%	(95.53)	Reduction in margin on operating results
10	Return on Capital employed	(0.06)	5.29	%	(101.21)	Reduction in margin on operating results
11	Return on Investment	(0.47)	1.98	%	(123.61)	Reduction in margin on operating results

Explanations to items included in computing the above ratios

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

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

ADDITIONAL REGULATORY INFORMATION

NOTE:- 45: Loans and advances.

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

NOTE:- 46: Relationship with strike off companies.

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

NOTE: 47: Scheme of arrangements

The company has not entered into any "Scheme of Arrangements" during the year ended 31st March 2023.

NOTE: 48: Details of Benami Property Held

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

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NOTE:- 49 : Compliance with number of layer of companies.

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

NOTE:- 50: The Company has not traded or invested in crypto currency or virtual currency.

NOTE:-51: Registration of charges or satisfaction with Registrar of Companies. beyond the statutory period

NOTE:-52: The Company was not declared as “wilful defaulter” by any bank or financial Institution or other lender. Registration of charges or satisfaction with Registrar of Companies. beyond the statutory period

Note : 53 The company has no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 (Such as search or survey or any other relevant provisions of Income Tax Act, 1961).

Note 54: The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

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

Note 55: The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:

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

NOTE:- 56: Title deeds of Properties

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

NOTE:- 57: Capital-work-in progress.

There is no Capital-work-in progress as on the date of balance sheet as at 31st March 2023. There is no project which is temporarily suspended.

NOTE:- 58: Intangible Assets under development.

There are no any intangible assets under development as on the date of balance sheet as at 31st March 2023.

NOTE:-59: The Company has not done any revaluation of Property, Plant & Equipment or Intangible assets.

Note 60: Approved Financial Statements:

The Board of Directors of the company has reviewed the realizable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 25th May 2023.

Note 61: Stock statement

The Company has borrowed from banks on the basis of security of current assets. Quarterly returns or statements of current assets filed by the Company are not in agreement with books of accounts. Summary of reconciliation and reasons for material discrepancies as at 31st March 2023 is given below.

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(Rs. In Lakhs)

Particulars	As at March 2023	As at March 2022
Inventories as per declaration with Bank	9182.48	13,619.17
Trade Receivable as per declaration with Bank	8635.35	7,870.06
TOTAL (A)	17,817.83	21,489.23
Inventories as per Books	9262.85	15,405.32
Trade Receivables as per Books	9950.29	9,373.17
TOTAL (B)	19,213.14	24,778.49
Difference in Inventories	(80.37)	1,786.15
Difference in Receivables	(1,314.94)	1,503.11
TOTAL DIFFERENCE (A)-(B)	(1,395.31)	3,289.26

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

As per our report of even date
For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN
Partner
Membership No.027497

Place : Coimbatore
Date : 25.05.2023

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P KRISHNAVENI
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

INDEPENDENT AUDITOR'S REPORT To the Members of KG Denim Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

1. We have audited the accompanying Consolidated financial statements of KG Denim Limited ('the Holding Company') and its subsidiary companies (together referred to as 'the Group') which comprise the Consolidated Balance sheet as at 31 March 2023, the Consolidated statement of profit and loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements ('the financial statements') give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS'), specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated loss (including other comprehensive Income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Sr.No	Key Audit Matter	Auditor's Response
1.	<p>Litigations - Contingencies</p> <p>The Company has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p> <p>Claims against the Company not acknowledged as debts are disclosed in the Consolidated Financial Statements by the Group after a careful evaluation of the facts and legal aspects of the matters involved. The outcome of such litigation is uncertain and the position taken by management involves significant judgement and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings. Refer Note: 56 to the Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <p>Assessing the appropriateness of the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal counsel and/or legal team and minutes of Board to confirm the operating effectiveness of these controls.</p> <p>Involving our direct and indirect tax specialists to assess relevant historical and recent judgements passed by the appropriate authorities in order to challenge the basis used for the accounting treatment and resulting disclosures.</p>

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

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

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

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

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

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

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

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies in the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company has adequate internal financial controls system with reference to 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 Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information / financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

13. We did not audit the financial statements of wholly owned Foreign subsidiary KG Denim (USA) Inc., included in the consolidated financial results, whose financial statements reflect total assets of Rs.181.20 lakhs as at March 31, 2023 and total revenues of Rs.85.11 Lakhs for the year ended March 31,2023, total net loss after tax of Rs. 63.32 lakhs for the year ended March 31 and net cash flows of Rs. 1.13 Lakhs for the year ended March 31, 2023 as considered in the statement.

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

for the purposes of our audit of the aforesaid Consolidated Financial Statements.

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

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

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

(e) On the basis of the written representations received from the directors of the Group as on 31 March 2023, taken on record by the Board of Directors of the respective companies, covered under the Act, none of the directors of the Group, are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

(g) As required by Section 197 (16) of the Act, based on audit, we report that the Holding company has paid remuneration to its directors during the year in accordance with the provision of and limits laid down under section 197 read with Schedule V to the Act. During the year subsidiary companies has not paid any Managerial remuneration.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group.

ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company. With regard to subsidiaries there are no requirement for such transfer.

iv. (a) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("the Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ("the Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Holding company and the subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ("the Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

V. In our opinion and according to the information and explanations given to us, both the Holding company and its subsidiary company has not declared or paid any dividend during the year.

VI. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

subsidiary incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

16. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the company and its subsidiary, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Gopalaiyer and Subramanian
Chartered Accountants
(Firm Regn. No:000960S)

Place: Coimbatore
Date: 25.05.2023

R. Mahadevan
Partner
Membership No: 027497
UDIN: 23027497BGXPBD9825

Annexure - A to the Independent Auditors' Report

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

1. In conjunction with our audit of the Consolidated Ind AS financial statements of KG Denim Limited (the 'Holding Company') as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the holding company and its Indian subsidiary covered under the Act, (the Holding Company and its Indian subsidiary together referred to as "the Group"), as on that date.

Responsibilities of Management and those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

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

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

Opinion

8. In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its Indian subsidiary company, have, in all material respects, adequate internal financial controls with reference consolidated financial statements and such controls were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Group, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Gopalaiyer and Subramanian
Chartered Accountants
(Firm Regn. No:000960S)

R. Mahadevan
Partner

Membership no: 027497
UDIN: 23027497BGXPBD9825

Place: Coimbatore

Date: 25.05.2023

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Consolidated Balance Sheet as At 31st March 2023

(Rs. in Lakhs)

	Note No.	31.03.2023	31.03.2022
Particulars			
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	1	15,163.19	16,367.33
(b) Intangible Assets	1A	0.01	0.01
(c) Right to Use Asset	2	51.74	90.18
(d) Financial Assets			
Non-current investments	3	329.46	328.64
(e) Other non current assets	4	233.80	249.51
(f) Deferred tax Assets	5	737.17	0.00
TOTAL		16,515.37	17,035.67
2 Current assets			
(a) Inventories	6	10,819.72	17,053.26
(b) Financial Assets			
(i) Trade receivables, current	7	7,249.02	7,682.45
(ii) Cash and cash equivalents	8	77.36	82.55
(iii) Bank balance other than (ii) above	9	318.15	367.88
(c) Current tax assets (net)	10	254.35	247.28
(d) Other current assets	11	5,192.72	5,543.63
TOTAL		23,911.32	30,977.05
TOTAL ASSETS		40,426.69	48,012.72
II. EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity share capital	12	2,564.90	2,564.90
(b) Other equity	13	2,076.96	4,769.09
Equity attributable to shareholders of the Company		4,641.86	7,333.99
Non-Controlling Interest Equity		(389.30)	(391.96)
TOTAL EQUITY		4,252.56	6,942.03
2 LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	14	4,638.33	7,059.20
(ii) Lease Liabilities	15	9.68	53.38
(iii) Other non current financial liabilities	16	331.14	597.02
(b) Long-term provisions	17	710.04	711.35
(c) Deferred tax liabilities (Net)	18	-	194.51
(d) Government grants	19	301.50	472.13
TOTAL		5,990.69	9,087.59
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	20	15,299.12	15,340.05
(ii) Lease Liability	21	45.18	38.26
(iii) Trade payable - Micro and Small Enterprises	22	11.27	95.20
(iv) Trade payable - Others	22	14,099.99	16,046.24
(b) Other current financial liabilities	23	490.58	233.36
(c) Short-term provisions	24	66.67	59.36
(d) Government grants	25	170.63	170.63
TOTAL		30,183.44	31,983.10
TOTAL EQUITY AND LIABILITIES		40,426.69	48,012.72

Significant Accounting Policies

The notes form an integral part of these financial statements

35
35-58

As per our report of even date

For GOPALAIYER AND SUBRAMANIAN
Chartered Accountants

R MAHADEVAN
Partner

Place : Coimbatore
Date : 25.05.2023

Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P KRISHNAVENI
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Consolidated Statement of Profit and loss for the year ended 31st March 2023

(Rs. in Lakhs)

	Particulars	Note No.	31.03.2023	31.03.2022
I	INCOME			
	Revenue from operations	26	53,255.35	61,157.09
	Other income	27	458.26	627.40
	Total Income		53,713.61	61,784.49
II	EXPENSES			
	Cost of materials consumed	28	27,285.54	36,935.26
	Purchases of Stock-in-Trade	29	1,144.77	3,314.18
	Changes in inventories of finished goods , work-in-progress and Stock-in-Trade	30	5,091.73	(3,273.24)
	Other Manufacturing Expenses	31	11,096.45	11,730.69
	Employee benefits expense	32	5,647.44	5,934.12
	Finance costs	33	2,320.18	2,503.47
	Depreciation and amortization expense		1,582.58	1,572.58
	Other expenses	34	3,273.52	3,814.28
	Total expenses		57,442.21	62,531.34
III	Profit before exceptional items and tax		(3,728.60)	(746.85)
IV	Exceptional items		0.00	0.00
V	Profit before tax (III- IV)		(3,728.60)	(746.85)
VI	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) MAT Credit Entitlement		-	-
	(3) Deferred tax		(931.67)	92.21
	(4) Prior Year Tax		0.00	0.00
			(931.67)	92.21
VII	Profit (Loss) for the period from continuing operations (V-VI)		(2,796.93)	(839.06)
VIII	Other Comprehensive Income Items that will not reclassified to Profit or Loss			
	Fair value of Equity Instruments		0.81	0.23
	Gratuity valuations through OCI		106.65	(8.41)
	Profit/(loss) (after tax) (VII)		107.46	(8.18)
IX	Total Comprehensive Income for the year (VII + VIII)		(2,689.47)	(847.24)
	Profit for the year attributable to:			
	Share holder of the Company		(2798.39)	(804.24)
	Non-controllable interest		1.46	(34.82)
			(2,796.93)	(839.06)
	Other Comprehensive Income for the year attributable to:			
	Share holder of the Company		106.26	(8.93)
	Non-controllable interest		1.20	0.75
			107.46	(8.18)
	Total Comprehensive Income for the year attributable to:			
	Share holder of the Company		(2692.13)	(813.17)
	Non-controllable interest		2.66	(34.07)
			(2,689.47)	(847.24)
X	Earnings per equity share:			
	(1) Basic		(10.92)	(3.14)
	(2) Diluted		(10.92)	(3.14)
	Weighted Number of Equity Shares		2,56,37,825	2,56,37,825
	Significant Accounting Policies	35		
	The notes form an integral part of these financial statements	35-58		

As per our report of even date
For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

For and on behalf of the Board of Directors
KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

B SRIRAMULU
Managing Director
DIN : 00002560

B SRIHARI
Managing Director
DIN : 00002556

R MAHADEVAN
Partner

P KRISHNAVENI
Company Secretary

S MANICKAM
Chief Financial Officer

Place : Coimbatore Membership No.027497
Date : 25.05.2023

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Consolidated Statement of Cash Flow For The Year Ended 31.03.2023

(Rs. in Lakhs)

PARTICULARS	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extra ordinary items	(3,728.60)	(746.85)
Adjustments for:		
Fair Valuation of Instruments	0.81	0.23
Depreciation and Amortization expenses	1,582.58	1,572.58
Provision for Doubtful Debts	-.00	166.68
Loss/Profit on Sale of Fixed Assets	(8.94)	0.67
Apportioned on Government Grants	(170.63)	(254.38)
Finance cost	2,320.18	2,503.47
Operating Profit before working capital changes	(4.60)	3,242.40
Adjustments for:		
(Increase)/Decrease in Trade and other receivables	426.36	(644.70)
(Increase)/Decrease in Inventories	6,233.54	(3,053.41)
(Increase)/Decrease in Other Non current assets	15.71	62.31
(Increase)/Decrease in Other Current assets	360.59	(374.95)
Increase/(Decrease) in Trade and other payables	(2,054.56)	2,779.10
Increase/(Decrease) in Provisions	(39.38)	73.54
Increase/(Decrease) in Gratuity valuation through OCI	106.65	(8.41)
Cash generated from operations	5,044.31	2,075.88
Cash flow before extraordinary items	5,044.31	2,075.88
Cash flow after extraordinary items	5,044.31	2,075.88
Income Tax	-	-.00
Net cash (used in)/generated from operating activities	5,044.31	2,075.88
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale Proceeds of property, plant and equipment	12.84	1.72
Investments	(0.81)	(0.23)
Purchase of property, plant and equipment	(319.61)	(598.42)
Capital Subsidy received	-.00	314.28
Margin money deposit with bank	40.05	23.08
Net cash (used in)/generated from investing activities	(267.53)	(259.57)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/Repayment from Long term borrowings	(3,126.09)	(640.84)
Proceeds / Repayment from short term borrowings	664.29	833.03
Preferential allotment of shares by subsidiary company	-.00	150.00
Provision for Equity Dividend	-	-.00
Distribution Tax on Equity Dividend	-	-.00
Interest paid	(2,320.18)	(2,503.47)
Repayment to lease liabilities	-.00	(26.02)
Net cash (used in)/generated from financing activities	(4,781.98)	(2,187.30)
Net Increase in cash and cash equivalents	(5.19)	(370.99)
Cash and cash equivalents as at 1st April, 2022 / 2021 (Opening Balance)	82.55	453.54
Cash and cash equivalents as at 31st Mar, 2023 / 2022 (Closing Balance)	77.36	82.55
Cash and cash equivalents as per above comprises of the following		
Cash and cash equivalents	77.36	82.55
Balance as per Statement of Cash Flows	77.36	82.55

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

As per our report of even date

For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN
Partner

Place : Coimbatore
Date : 25.05.2023

Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P KRISHNAVENI
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. EQUITY SHARE CAPITAL

(1) Current Reporting Period

(Rs. in Lakhs)

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

(2) Previous Reporting Period

Balance as at 01.04.2021	Changes in equity share capital due to prior period errors	Restated balance as at 01.04.2021	Changes in equity share capital during the current year	Balance as at 31.03.2022
2,564.90		2,564.90		2,564.90

B. OTHER EQUITY

(Rs. in Lakhs)

	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earning	Retained Earning in Jointly Controlled Entities	Total Equity	Non Controlling Interest	Total
Balance as at 1st April, 2021	1.61	444.44	1,549.28	3,079.04		5,074.37		5,074.37
On Allotment of Shares by Subsidiary Company					507.89	507.89	(357.89)	150.00
Profit (loss) for the year				(699.76)	(104.48)	(804.24)	(34.82)	(839.06)
Other Comprehensive Income for the year				(11.19)	2.26	(8.93)	0.75	(8.18)
Total Comprehensive Income for the year				(710.95)	(102.22)	(813.17)	(34.07)	(847.24)
Balance as at 31st March, 2022	1.61	444.44	1,549.28	2,368.09	405.67	4,769.09	(391.96)	4,377.13
Profit (loss) for the year				-	(104.48)	(2,798.39)	1.46	(2,796.93)
Other Comprehensive Income for the year				-		106.26	1.20	107.46
Total Comprehensive Income for the year				-		(2,692.13)	2.66	(2,689.47)
Balance as at 31st March, 2023	1.61	444.44	1,549.28	2,368.09	301.19	2,076.96	(389.30)	1,687.66

Note 1: Property, Plant & Equipment - Consolidated

(Rs. in Lakhs)

Fixed Assets	Land	Buildings	Plant & Equipment	Electrical Machinery	Furniture & Fixtures	Vehicles	Electrical Fittings	Office Equipment	Other (Specify nature)	Total
Gross Carrying Value										
Deemed Cost as at April 1, 2022	1,097.98	6,169.28	16,470.65	724.84	271.91	708.27	-	272.71	10.37	25,726.01
Additions	-	40.69	123.77	22.97	44.35	63.84	2.13	21.86	-	319.61
(-) Disposals	-	-	-	-	-	31.03	-	-	-	31.03
As at March 31, 2023	1,097.98	6,209.97	16,594.42	747.81	316.26	741.08	2.13	294.57	10.37	26,014.59
Depreciation										
As at April, 2022	-	1,283.80	6,962.89	349.83	141.24	449.54	-	163.02	8.36	9,358.68
Depreciation for the year	-	212.60	1,124.85	62.56	21.22	72.23	0.05	24.85	1.49	1,519.85
(-) On Disposals	-	-	-	-	-	27.13	-	-	-	27.13
As at March 31, 2023	-	1,496.40	8,087.74	412.39	162.46	494.64	0.05	187.87	9.85	10,851.40
Net Carrying Value										
As at March 31, 2023	1,097.98	4,713.57	8,506.68	335.42	153.80	246.44	2.08	106.70	0.52	15,163.19
As at March 31, 2022	1,097.98	4,885.48	9,507.76	375.01	130.67	258.73	-	109.69	2.01	16,367.33

As per our report of even date
For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

R MAHADEVAN
Partner

Place : Coimbatore
Date : 25.05.2023

Membership No.027497

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

P KRISHNAVENI
Company Secretary

B SRIRAMULU
Managing Director
DIN : 00002560

S MANICKAM
Chief Financial Officer

B SRIHARI
Managing Director
DIN : 00002556

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note

1. Building includes Prayer Hall and Gold plating thereon of Rs.109.14 Lakhs in Gross Carrying value, Rs.20.28 Lakhs in Depreciation Block and Rs. 88.86 Lakhs in Net Block (Previous year Rs. 109.14 in Gross Carrying value, Rs.18.17 Lakhs in Depreciation Block and Rs. 90.97 Lakhs in Net Block)
2. Furniture & Fittings includes Prayer Hall of Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block. (Previous year Rs. 4.47 Lakhs in Gross Carryingvalue, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block).
3. Title deeds of all the immovable properties are held in the name of the Company only.
4. The Company has not done any revaluation of property, plant & equipment (including right of use assets) during the year.
5. There is no Capital-work-in progress as on the date of the balance sheet as at 31st March 2023. There is no project which is temporarily suspended.
6. There are no intangible assets under development as on the date of the balance sheet as at 31st March 2023.

Note 1 A : Intangible Assets

(Rs. in Lakhs)

	Others	Total
Gross Carrying Amount		
Balance as at 31st March 2022	0.01	0.01
Additions	-	-
Disposals	-	-
Balance as at 31st March 2023	0.01	0.01
Accumulated Depreciation		
Balance as at 31st March 2022	-	-
Additions	-	-
Disposals	-	-
Balance as at 31st March 2023	-	-
Net Carrying Amount		
Balance as at 31st March 2022	0.01	0.01
Balance as at 31st March 2023	0.01	0.01

Note 2 Right of Use Assets

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Gross caring value		
Deemed Cost as at April 1 st , 2022/2021	115.66	49.05
Additions	-	89.11
Disposals	(38.44)	(22.50)
Balance as at 31 st March 2023/2022	77.22	115.66
Depreciation		
As at April 1 st , 2022/2021	25.48	23.85
Additions	-	24.13
Disposals	-	(22.50)
Balance as at 31 st March 2023/2022	25.48	25.48
Net Block as at 31 st March 2023/2022	-	-
Total	51.74	90.18

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 3 Investments-Non current

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
A Non-Trade Investments		
Equity (Quoted)		
i Indian Bank - 605 Equity Shares of Rs.10/- each	1.75	0.93
Total - A	1.75	0.93
II Trade Investments		
i Sri Kannapiran Mills Limited	327.46	327.46
3,31,588 Equity Shares of rs.10/-each-Quoted	-	-
ii Cotton Sourcing Company Ltd	1.00	1.00
10,000 Equity Shares of Rs.10/-each-Un quoted		
Less : Provision for diminution in the value of Investments	(0.75)	(0.75)
sub-total	327.71	327.71
Total (B = I+ II)	327.71	327.71
Grand Total (A + B)	329.46	328.64
Less : Provision for diminution in the value of Investments	-	-
Total	329.46	328.64
Particulars	31.03.2023	31.03.2022
Aggregate amount of quoted investments	4.32	4.32
Market value of quoted investments	1.75	0.93
Aggregate amount of unquoted investments at Cost	329.46	328.46
Aggregate value of imparied investments before impact	0.75	0.75

Note 4 Other Non Current Assets

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
a. Capital Advances		
Advance for Capital Goods - Un secured considered good	211.44	226.77
Others	-	-
	211.44	226.77
b. Security Deposits		
Security Deposits - Un secured considered good	22.36	22.74
	22.36	22.74
Total	233.80	249.51

Note 5 Deferred Tax Assets (Net)

Particulars	31.03.2023	31.03.2022
Deferred Tax Asset / (Liabilities)		
Opening balance	(194.50)	-
LESS: Charged to Profits/Loss for Current Year	931.67	-
Closing balance	737.17	-
Net Deferred tax asset	737.17	-

Note 6 Inventories

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
a. Raw Materials and components	1,421.55	2,668.08
	1,421.55	2,668.08
b. Work-in-progress	1,384.54	3,222.99
	1,384.54	3,222.99
c. Finished goods	5,950.44	8,230.83
Goods-in transit	251.25	1,203.24
	6,201.69	9,434.07
d. Stores and Spares	1,809.49	1,716.93
	1,809.49	1,716.93
e. Others (Specify nature)	2.45	11.19
Stock of Waste	2.45	11.19
	2.45	11.19
Total	10,819.72	17,053.26

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 7 Trade Receivables

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Current Receivables		
Trade receivables Unsecured Considered Good	7,148.43	7,682.45
Trade receivables Unsecured - Doubtful Debts	515.16	313.98
Less: Provision for Doubtful Debts	(414.57)	(313.98)
Total	7,249.02	7,682.45

AS AT 31st March 2023

(Rs. in Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i) Un Disputed Trade Receivable- Considered Goods	4,525.11	693.46	1,764.48	121.87	144.10	7,249.02
(ii) Un Disputed Trade Receivable- Considered Doubtful	72.92	10.12	10.40	76.44	144.10	313.98
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
TOTAL	4,598.03	703.58	1,774.88	198.31	288.20	7,563.00

AS AT 31st March 2022

(Rs. in Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i) Un Disputed Trade Receivable- Considered Goods	6,635.38	518.13	235.83	149.01	144.10	7,682.45
(ii) Un Disputed Trade Receivable- Considered Doubtful	72.92	10.12	10.40	76.44	144.10	313.98
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
TOTAL	6,708.30	528.25	246.23	225.45	288.20	7,996.43

Note 8 Cash and cash equivalents

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
a. Balances with banks	66.26	66.10
b. Cash on hand	11.10	16.45
Total	77.36	82.55

Note 9 Other Bank balances

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
a. Others Bank Balances Unclaimed Dividend Account	39.86	49.54
b. Others Margin Money Deposits on LC	278.29	318.34
Total	318.15	367.88

Note 10 Current Tax Assets (net)

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
For Duties & Taxes	254.35	247.28
Total	254.35	247.28

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Note 11 Other Current Assets

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
a. Export incentives Receivable	231.31	378.51
b. IGST Refund Receivable	144.40	267.47
c. REC Certificate Income Receivable	64.38	28.77
d. Input Credit GST Receivable	2,309.53	2,296.88
e. Insurance Claim Receivable	174.81	175.27
f Advance for Material Purchase	1,418.40	1,623.50
g Advance for Expenses / Others	638.25	510.16
h Prepaid Expenses	211.64	263.07
Total	5,192.72	5,543.63

Note 12 Share capital

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
Authorised		
3,10,00,000 Equity Shares of Rs.10 each	3,100.00	3,100.00
10,00,000 10% Cumulative Redeemable Preference shares of Rs.100 each	1,000.00	1,000.00
Issued, Subscribed & Paid up Share Capital		
2,56,37,825 Equity Shares of Rs.10 each (Previous year 2,56,37,825 Equity Shares of Rs.10 each)	2,563.78	2,563.78
Add		
37,400 Forfeited equity shares	1.12	1.12
Total	2,564.90	2,564.90

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

Particulars	No of Shares	31.03.2023	No. of Shares	31.03.2022
At the beginning of the year	2,56,37,825	2,563.78	2,56,37,825	2,563.78
Outstanding at the end of the year	2,56,37,825	2,563.78	2,56,37,825	2,563.78

Rights, preferences and restrictions attached to equity shares

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

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

Name of Shareholder	31.03.2023		31.03.2022	
	No of Shares	% of holding	No of Shares	% of holding
Sri Kannapiran Mills Limited	32,65,183	12.74%	32,65,183	12.74%
Shri KG Baalakrishnan	25,78,560	10.06%	25,78,560	10.06%
Shri B Sriramulu	22,08,659	8.61%	22,08,659	8.61%
Shri B Srihari	22,31,859	8.71%	22,31,859	8.71%
Smt T Anandhi	20,31,000	7.92%	20,31,000	7.92%

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

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

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Disclosure of shareholding of promoters as at 31st March 2022 is as follows

(Rs.in Lakhs)

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

Note 13: Other Equity

(Rs.in Lakhs)

	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earning	Retained Earning in Jointly Controlled Entities	Total Equity	Non Controlling Interest	Total
Balance as at 1st April, 2021	1.61	444.44	1,549.28	3,079.04		5,074.37		5,074.37
On Allotment of Shares by Subsidiary Company					507.89	507.89	(357.89)	150.00
Profit (loss) for the year				(699.76)	(104.48)	(804.24)	(34.82)	(839.06)
Other Comprehensive Income for the year				(11.19)	2.26	(8.93)	0.75	(8.18)
Total Comprehensive Income for the year				(710.95)	(102.22)	(813.17)	(34.07)	(847.24)
Balance as at 31st March, 2022	1.61	444.44	1,549.28	2,368.09	405.67	4,769.09	(391.96)	4,377.13
Profit (loss) for the year				-	(104.48)	(2,798.39)	1.46	(2,796.93)
Other Comprehensive Income for the year				-		106.26	1.20	107.46
Total Comprehensive Income for the year				-		(2,692.13)	2.66	(2,689.47)
Balance as at 31st March, 2023	1.61	444.44	1,549.28	2,368.09	301.19	2,076.96	(389.30)	1,687.66

Note 14 : Financial Liabilities

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Secured		
(a) Term loans		
Indian Rupee Loan		
from banks (Secured)	3,976.10	6,203.70
from others - Property Loan	644.80	805.67
(b) Long term maturities of finance lease obligations		
from Others - Vehicle Hire Purchase	17.43	49.83
There is no case of continuing default as on the balance sheet date in repayment of loans and interest		
Total	4,638.33	7,059.20

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Term Loans from Indian Bank (IB) and The South Indian Bank (SIB) are secured by first pari passu charge on (a) all immovable properties situated in (i) 102.1897 acres of land at jadayampalayam, Alangombu and Karamadai Villages in Mettupalayam Taluk, Coimbatore District, Tamil Nadu and (ii) 2155.62 SQ. metres of land at Amdha Village, Dharampur Taluk, Valsad District, Gujarat through equitable mortgage created with Indian Bank and (b) all plant and machineries including machineries and other movable fixed assets (excluding vehicles charged to financiers, Peelamedu property, Mumbai Property and Bangalore Property) acquired for the New Capex Plan through Deed of Hypothication and second pari passu charge on current assets of the Company Term Loan for 10 MW Power Plant from Indian Bank Rs.2868 lakhs and The South Indian Bank Ltd Rs. 1470 lakhs are secured by pari passu first charge on Fixed Assets relating to power plant project and pari passu second charge on current assets of the Company. Indian Bank is holding the original title deeds on its own behalf and on behalf of other Banks. Term Loans are also guaranteed by Shri KG Baalakrishnan, Executive Chairman.

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Installment	Rate of Interest	Previous Rate of interest
	Rs.in lakhs						
Indian Bank TL -VI	0.00	163.99	96	25.12.2015	25.12.2023	9.60%	9.60%
Indian Bank TL -VII	181.04	661.04	84	15.05.2017	15.05.2024	9.60%	10.10%
Indian Bank TL -VIII	101.74	205.71	84	02.02.2018	02.02.2025	9.60%	9.60%
Indian Bank Corp. Loan	0.00	539.23	60	01.10.2018	01.10.2023	10.10%	11.05%
South Indian Bank TL	0.00	33.77	84	25.12.2015	25.12.2022	10.75%	11.95%

Covid Loan:

Covid Loan availed from Indian Bank, are secured by extension of first charge on current assets and second charge on fixed assets on existing securities including personal guarantee of Shri KG Baalakrishnan.

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Installment	Rate of Interest	Previous Rate of interest
Indian Bank COVID	0.00	93.32	30	01.04.2021	01.03.2026	7.30%	7.30%

GECLS Loan

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

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

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Installment	Rate of Interest	Previous Rate of interest
Indian Bank GECL	1120.19	1707.25	48	01.04.2022	01.03.2026	8.30%	8.30%
Union Bank of India GECL	266.43	381.38	48	09.02.2021	09.01.2025	7.60%	7.60%
State Bank of India GECL	197.23	295.99	60	01.04.2022	01.03.2027	7.95%	7.95%
South Indian Bank GECL	151.43	224.55	48	01.04.2022	01.03.2026	9.20%	9.20%
Indian Bank GECL-2.0	1059.43	1138.92	48	01.01.2024	01.01.2028	8.30%	8.30%
Union Bank of India GECL-2.0	243.00	259.00	48	01.01.2024	01.01.2028	7.85%	7.85%
State Bank of India GECL-2.0	185.99	197.99	48	01.01.2024	01.01.2028	7.95%	7.95%
South Indian Bank GECL-2.0	137.00	150.00	36	01.01.2024	01.01.2027	9.25%	9.25%

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

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Installment	Rate of Interest	Previous Rate of interest
	Rs.in lakhs						
ICICI Bank Ltd	113.08	151.50	120	05.05.2017	05.05.2027	8.60%	8.60%
TataCapital Financial Services Ltd	380.80	523.66	84	15.10.2019	15.09.2026	11.00%	11.00%
TataCapital Financial Services Ltd-2.0	264.00	282.00	48	01.01.2024	01.01.2027	11.00%	11.00%

Note 15 : Lease Liabilities

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
Lease Liability	9.68	53.38
Total	9.68	53.38

Note 16 : Other Financial Liabilities

(Rs.in Lakhs)

Particulars	31.03.2023	31.03.2022
Others	331.14	597.02
Total	331.14	597.02

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 17 : Long Term Provisions

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Provision for employee benefits		
Gratuity (unfunded)	710.04	711.35
Total	710.04	711.35

Note 18: Deferred Tax Liabilities (Net)

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Deferred Tax Liabilities - On Depreciation		
Opening balance	-	1,044.85
LESS: Charged to Profits/Loss for Current Year		168.68
Closing balance		1,213.53
Deferred Tax Assets - On Carry forward Tax Loss		
Opening balance	-	(942.55)
LESS: Charged to Profits/Loss for Current Year		(76.47)
Closing balance		(1,019.02)
Net Deferred tax liability	-	194.51

Note 19: Government Grants

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Government Grants	301.50	472.13
	301.50	472.13

Note 20: Short Term Borrowings

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Secured		
(a) Loans repayable on demand		
Working Capital Loan from Banks (Secured)	11,871.34	11,069.79
Working Capital Loan from Banks (Unsecured)	831.29	968.55
(b) Current Maturities of Long Term Borrowings		
(a) Current Maturities of Long-term Debit-Secured	2,494.53	3,256.98
(b) Current maturities of financial institutions-Long-term debt	101.96	44.73
There are no case of default in repayment of loan and interest as on date of balance sheet.		
Total	15,299.12	15,340.05

Security Clause

(a) Holding Company

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

(b) Subsidiary Secured loan :- Working Capital Loan from Indian Overseas Bank is Secured by an exclusive first charge on the fixed and current assets besides corporate guarantee by Holding company viz KG Denim limited. The Loans are also personally guaranteed by Shri KG Baalakrishnan, Director

Note 21 :Lease Liability

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Lease Liability	45.18	38.26
Total	45.18	38.26

Note 22: Trade Payables

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Trade Payables		
For Dues of Micro Enterprises and Small Enterprises	11.27	95.20
For Other Dues	14,099.99	16,046.24
Total	14,111.26	16,141.44

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

AS AT 31st March 2023

(Rs. in lakhs)

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	11.27				11.27
Others	12,566.20	1,407.57	125.02	1.20	14,099.99
Disputed MSME					-
Disputed Others					-
TOTAL	12,577.47	1,407.57	125.02	1.20	14,111.26

AS AT 31st March 2022

(Rs. in lakhs)

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	95.20				95.20
Others	15,203.65	842.59			16,046.24
Disputed MSME					-
Disputed Others					-
TOTAL	15,298.85	842.59	-	-	16,141.44

Note: Dues to Micro, Small and Medium Enterprises

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

	Particulars	As at 31.03.2023	As at 31.03.2022
a	The principal amount remaining unpaid to any supplier at the end of the year	11.27	95.20
b	Interest due remaining unpaid to any supplier at the end of the year	-	-
c	The amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
e	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

Note 23: Other Current Liabilities

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
(a) Customer Credit Balance	356.17	85.91
(b) Duties and Taxes	42.76	61.16
(c) Creditors for Capital goods	51.79	36.75
(d) Unpaid Dividend Account	39.86	49.54
Total	490.58	233.36

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 24: Short Term Provisions (Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Provision for employee benefits		
Gratuity (unfunded)	66.67	59.36
Total	66.67	59.36

Note 25: Government Grants (Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Government Grants	170.63	170.63
Total	170.63	170.63

Note 26: Revenue from operations (Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Sale of products	50,736.31	54,774.58
Sale of services - Job work	333.52	1,286.47
Other operating revenues : Waste Cotton/Yarn /Accessories sales	1,385.67	3,802.03
Export Incentives	799.85	1,294.01
Total	53,255.35	61,157.09

Note 27: Other income (Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Interest Income	85.59	100.11
Apportioned Income from Govt. Grant	170.63	254.38
Dividend Income	0.04	0.01
Lease Rent Receipt	1.88	-
Miscellaneous Income	39.30	83.40
Insurance Claim Received	56.21	162.56
Profit/Loss on sale of Fixed Assets	8.94	-
Exchange Gain on Export Sales	95.67	26.94
Total	458.26	627.40

Note 28: Cost of materials consumed (Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Opening Stock	2,668.08	3,114.69
Purchases	26,039.01	36,488.65
sub-total	28,707.09	39,603.34
Less : Closing stock	1,421.55	2,668.08
Raw materials consumed	27,285.54	36,935.26

Note 29: Purchases of Stock-in-Trade (Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Garments purchase	1,144.59	1,958.58
Yarn Purchase	-	918.38
Fabric Purchase	0.18	437.22
Total	1,144.77	3,314.18

Note 30: Changes in inventories of finished goods work-in-progress and Stock-in-Trade (Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Opening Stock :		
Work-in-process	3,222.99	2,389.90
Finished Goods	9,434.07	6,993.92
	12,657.06	9,383.82
Closing Stock :		
Work-in-process	1,384.54	3,222.99
Finished Goods	6,180.79	9,434.07
	7,565.33	12,657.06
Total	5,091.73	(3,273.24)

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note 31: Other Manufacturing Expenses

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Power & Fuel	7,985.72	8,131.69
(b) Consumptions of Stores & Spare Parts	608.19	440.73
(c) Processing Charges	1,032.28	1,534.61
(d) Repairs & Maintenance		
For Plant & Machinery	1,187.38	1,251.97
For Buildings	86.50	133.60
For Others	196.38	238.09
Total	11,096.45	11,730.69

Note 32 : Employee Benefits Expense

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
(a) Salaries and Wages	4,927.94	5,280.84
(b) Salaries - Managing Directors / Whole Time Directors	156.00	156.00
(c) Contributions to Provident fund and other funds	249.50	211.48
(d) Gratuity as per actuarial valuations	120.62	113.71
(e) Staff welfare expenses	193.38	172.09
Total	5,647.44	5,934.12

Note 33 : Finance costs

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Interest expense	2,037.03	2,086.58
Other borrowing costs	256.50	419.84
Applicable net gain/loss on foreign currency transactions, translation and import reinstatement	26.65	(2.95)
Total	2,320.18	2,503.47

Note 34 : Other expenses

(Rs. in Lakhs)

Particulars	31.03.2023	31.03.2022
Rent	72.43	114.89
Insurance	277.83	352.87
Rates and taxes, excluding, taxes on income.	131.78	79.66
Payments to the auditor as		
a. as statutory auditor	6.90	6.60
b. for other services	-	2.20
Legal, Professional & Consultancy Charges	116.37	136.81
Printing and Stationery	31.17	42.97
Postage, Telegrams and Telephones	156.73	147.30
Traveling Expenses and Maintenance of Vehicles	602.54	515.41
Director Sitting Fees	3.30	5.20
Software Maintenance Expenses	9.58	9.87
Brokerage	-	2.87
Commission on Sales	450.49	684.99
Discount on Sales	254.64	185.84
Selling Expenses	586.69	431.38
Freight Outwards	424.04	608.86
Provision for Doubtful Debts	-	166.68
Prayer Hall Repairs and maintenance	5.02	16.75
Advances Written Off	10.77	1.60
Miscellaneous expenses,	109.33	154.35
Loss on sale of Fixed Assets	-	0.67
Loss on sale of DEPB Licenses	23.91	146.51
Total	3,273.52	3,814.28

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note :- 35: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

35.1. Principles of Consolidation:

The Consolidated financial statements relate to K G Denim Limited and its subsidiaries, have been prepared on a line by line basis by adding together the book values like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as stated in IndAS

The subsidiary companies considered in the consolidated financial statements are

Name of the Company	Country of Incorporation	Proportion of voting power as on 31.03.2023
Trigger Apparels Limited	India 75%	75%
KG Denim (USA) Inc.	Delaware USA	100%

(a) Basis of preparation

(i) Compliance with Ind AS

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

The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements of the Group have been consolidated using uniform accounting policies.

(ii) Historical cost conventions

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

(iii) Going Concern

The accounts are prepared on the basis of going concern concept

(iv) Current non-current classification

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

(v) Rounding of amounts

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

(b) Use of estimates and judgments

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

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

(c) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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Asset Class Useful Life

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

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

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

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

(d) Cash and Cash Equivalents

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

(e) Inventories

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

(f) Lessee

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cashflows

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

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

(g) Investments and other financial assets

(i) Classification

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

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

(2) those measured at amortised cost.

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

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(ii) Measurement

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

(iii) Impairment of financial assets

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

(iv) Income recognition

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(i) Impairment of non-financial assets

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

(i) Derivative financial instruments

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

(j) Segment Reporting:

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

(k) Borrowings

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

(l) Borrowing costs

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

(m) Provisions and contingent liabilities

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

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

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

(o) Revenue recognition

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, discounts and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Sale of goods.

The Group earns revenue primarily from sale of manufactured goods (fabric, home textiles and garments). It has applied the principles laid down in Ind AS 115 and determined that there is no change required in the existing revenue recognition methodology. In case of sale to domestic customers, sale is made on ex-factory basis and revenue is recognized when the goods are dispatched from the factory gate. In case of export sales, revenue is recognized on shipment date, when performance obligation is met.

Revenue from services

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

Export Incentive

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

Dividend Income

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

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Insurance claims

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

(p) Employee benefits

(i) Short-term obligations

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

(ii) Employment retirement benefits

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

(q) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(r) Income tax

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

-the profit attributable to owners of the Group

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

-the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

-the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

(u) Critical estimates and judgements

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

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

The areas involving critical estimates or judgement are:

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

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Note: 36: FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

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

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments

2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the used of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equate to the fair values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation cheque: Level 1: quoted (unadjusted) prices in active markets for identical

Assets or Liabilities.

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

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

(Rs. in Lakhs)

Financial Assets and Liabilities as at 31st March 2023	Non current	Current	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investments							
Equity instruments	329.46		329.46	1.75		327.71	329.46
Other Assets							
Trade Receivables		7,249.02	7,249.02			7,249.02	7,249.02
Cash and cash equivalents		77.36	77.36			77.36	77.36
Other Bank Balances		318.15	318.15			318.15	318.15
Sub-Total		7,644.53	7,644.53	-	-	7,644.53	7,644.53
Total	329.46	7,644.53	7,973.99	1.75	-	7,972.24	7,973.99
Financial Liabilities							
Borrowings	4,638.33	15,299.12	19,937.45			19,937.45	19,937.45
Lease Liability	9.68	45.18	54.86			54.88	54.88
Trade payables		14,111.26	14,111.26			14,111.26	14,111.26
Other Financial Liabilities	331.14		331.14			331.14	331.14
Total	4,979.15	29,455.56	34,434.71	-	-	34,434.73	34,434.73

(Rs. in Lakhs)

Financial Assets and Liabilities as at 31st March 2022	Non current	Current	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investments							
Equity instruments	328.64	-	328.64	0.93		327.71	328.64
Other Assets							
Trade Receivables		7,682.45	7,682.45	-	-	7,682.45	7,682.45
Cash and cash equivalents		82.55	82.55	-	-	82.55	82.55
Other Bank Balances		367.88	367.88	-	-	367.88	367.88
Sub-total		8,132.88	8,132.88	-	-	8,132.88	8,132.88
Total	328.64	8,132.88	8,461.52	0.93	-	8,460.59	8,461.52
Financial Liabilities							
Borrowings	7,059.20	15,340.05	22,399.25			22,399.25	22,399.25
Lease Liability	53.38	38.26	91.64			91.64	91.64
Trade payables	-	16,141.44	16,141.44			16,141.44	16,141.44
Other current liabilities	597.02	-	597.02			597.02	597.02
Total	7,709.60	31,519.75	39,229.35	-	-	39,229.35	39,229.35

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Note :- 37 - FINANCIAL RISK MANAGEMENT

Credit risk

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

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

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty, Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

Trade Receivables

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

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

AS AT 31st March 2023

(Rs. in Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i) Un Disputed Trade Receivable- Considered Goods	4,525.11	693.46	1,764.48	121.87	144.10	7,249.02
(ii) Un Disputed Trade Receivable- Considered Doubtful	72.92	10.12	10.40	76.44	144.10	313.98
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
TOTAL	4,598.03	703.58	1,774.88	198.31	288.20	7,563.00

AS AT 31st March 2022

(Rs. in Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i) Un Disputed Trade Receivable- Considered Goods	6,635.38	518.13	235.83	149.01	144.10	7,682.45
(ii) Un Disputed Trade Receivable- Considered Doubtful	72.92	10.12	10.40	76.44	144.10	313.98
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
TOTAL	6,708.30	528.25	246.23	225.45	288.20	7,996.43

Liquidity Risk

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

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

(i) Financing arrangements

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

(ii) Maturity patterns of borrowings

(Rs. in Lakhs)

	As at 31st March, 2023				As at 31st March, 2022			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	3103.56	4638.33	0	7,741.89	3,301.71	6,711.15	348.05	10,360.91
Short term borrowings	12195.56			12,195.56	12,038.34	-	-	12,038.34
Total	15299.12	4638.33	0	19937.45	15,340.05	6,711.15	348.05	22,399.25

Maturity patterns of other Financial Liabilities

AS AT 31st March 2023

(Rs. in lakhs)

	0-3 Months	3-6 Months	6 Months to 12 Months	Beyond 12 Months	Total
Trade payable	7039.14	2807.62	2748.22	1516.28	14111.26
Lease Liability (Current and Non Current)	11.14	11.69	22.35	9.68	54.86
Other Financial liability (Current and Non Current)				331.14	331.14
TOTAL	7050.28	2819.31	2770.57	1857.1	14497.26

AS AT 31st March 2022

(Rs. in lakhs)

	0-3 Months	3-6 Months	6 Months to 12 Months	Beyond 12 Months	Total
Trade payable	12,105.11	3,926.00	110.33		16,141.44
Lease Liability (Current and Non Current)	12.81	12.98	12.47	53.38	91.64
Other Financial liability (Current and Non Current)				597.02	597.02
TOTAL	12,117.92	3,938.98	122.80	650.40	16,830.10

Financial risk management objectives and policies

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

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

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

Market Risk- Foreign currency risk.

The Group manages foreign currency risk primarily through forward contracts

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting data

Foreign currency in lakhs

	As at 31 st March, 2023		As at 31 st March, 2022	
Forward contracts to buy USD	USD	14.13	USD	38.85

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

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

(b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31 st March, 2023	Foreign currency in lakhs		
Particulars	USD	EURO	GBP
Trade Receivables	2.49	1.62	0.30
Trade payables	1.26	0.51	-

As at 31 st March, 2022	Foreign currency in lakhs		
Particulars	USD	EURO	GBP
Trade Receivables	40.02	2.47	0.57
Trade payables	0.79	0.62	-

(a) (iii) Market Risk- Price Risk

(a) Exposure

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

(b) Sensitivity

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

Impact on profit before tax	31 st March, 2023	31 st March, 2022
BSE Sensex -30 - increase in 5%	0.09	0.05
BSE Sensex -30 - decrease in 5%	(0.09)	(0.05)

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

(c) Foreign currency Risk Sensitivity

A change of 5% in foreign currency would have following impact on profit before tax (Rs. in lakhs)

Particulars	2022-23		2021-22	
	5% increase	5% decrease	5% increase	5% decrease
USD	5.06	(5.06)	148.42	(148.42)
EURO	4.97	(4.97)	7.81	(7.81)
GBP	1.53	(1.53)	2.84	(2.84)
Increase / (decrease) in profit or loss	11.56	(11.56)	159.07	(159.07)

Note 38 : Gratuity

Gratuity is provided as per actuarial valuation of the holding company and its subsidiaries.

Note :- 39 : Related Party Disclosures as per Ind AS 24

(Rs. in lakhs)

Particulars	2022-2023			2021-2022		
	Other Related Parties	Key Management Personnel	Relatives of Key Management Personnel	Other Related Parties	Key Management Personnel	Relatives of Key Management Personnel
Purchase of Goods						
Sri Kannapiran Mills Limited	4,445.23			3,132.13	-	-
Other related party	4,307.45			3,876.99	-	-
Sale of Goods						
Sri Kannapiran Mills Limited	577.11			733.86	-	-
Other related party	163.10			-	-	-
Processing / other Charges Paid						
Sri Kannapiran Mills Limited	43.98			162.33		
Other related party	373.56			3.90		
Processing / other Charges Received						
Sri Kannapiran Mills Limited	8.65			12.21		
Other related party				57.59		
Remuneration		185.78	14.70	-	188.70	15.00

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NOTE :- 39.1 Balance Outstanding

Particulars	as on 31.03.2023			as on 31.03.2022		
	Other Related Parties	Key Management Personnel	Relatives of Key Management Personnel	Other Related Parties	Key Management Personnel	Management Personnel
Trade Receivable	138.56		-	174.90		-
Trade payable	789.23			164.54		
Investments	327.46			327.46		
Loans and Advances			-	-		-

NOTE :- 39.2

Other Related Party	Sri Kannapiran Mills Limited Sri Balamurugan Textile Processing Limited Danalakshmi Paper Mills Private Limited
Key Management Personnel	Shri KG Baalakrishnan, Executive Chairman Shri B Sriramulu, Managing Director Shri B Srihari, Managing Director Shri S Manickam, Chief Financial Officer Shri P Krishnaveni, Company Secretary
Relative of Key Management Personnel	Smt T Anandhi (Daughter of Shri KG Baalakrishnan) Shri Pranav Sriraman (Son of Shri B Sriramulu)

ADDITIONAL REGULATORY INFORMATION

NOTE:- 40: LOANS AND ADVANCES

No any loans or advances in the nature of loans are granted to promoters, directors, KMP & related parties.

NOTE:- 41: RELATIONSHIP WITH STRIKE OFF COMPANIES

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

NOTE:- 42: SCHEME OF ARRANGEMENTS

The company has not entered into any "Scheme of Arrangements" during the year ended 31st Mar 2023.

NOTE :- 43: DETAILS OF BENAMI PROPERTY HELD

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder

NOTE:- 44: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES.

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

NOTE :- 45: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

NOTE:-46: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES.

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

NOTE:-47: The Company was not declared as "willful defaulter" by any bank or financial Institution or other lender.

NOTE : 48 : The Group has no such transactions which is not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the income tax act 1962 (such as search or survey of any other relevant provisions of income tax act, 1961).

NOTE: 49 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall.

i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

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

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

NOTE: 50 The Group has not received any fund from any person(s) or entity(ies) including foreign entities(Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall

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

NOTE: 51 APPROVED FINANCIAL STATEMENTS:

The Board of Directors of the Companies in the Group has reviewed the realizable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the board has also confirmed the carrying value of the non-current assets in the financial statements. The Board duly taking into account all the relevant disclosure made, has approved these financial statements in its meeting held on 25th May 2023

Note :- 52 CAPITAL RISK MANAGEMENT

(I) Risk Management

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

Note :- 53 : EARNINGS PER SHARE

(Rs. in Lakhs) Except EPS

	31.03.2023	31.03.2022
Earnings Per Share has been computed as under :		
Profit / (Loss) for the year	(2,798.39)	(804.23)
Weighted average number of equity shares outstanding	2,56,37,825	2,56,37,825
Earnings Per Share - Basic (Face Value of Rs.10 per share)	(10.92)	(3.14)
Diluted earning per share is same as basic earning per share	(10.92)	(3.14)

Note :- 54 : EXPORT PROMOTION CAPITAL GOODS (EPCG)

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

Note :- 55: DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Rs.in Lakhs

Particulars	31.03.2023	31.03.2022
Amount required to be spent u/s 135 of the Act, 2013, by the company during the year	0	0
Amount of expenditure incurred	0	0
(i) Transfer to KG Denim Trust Foundation for rural hospital		
(ii) On purpose other than (i) above	0	0

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

Shortfall at the end of the year	Nil	Nil
Total of previous year shortfall	Nil	Nil
Reasons for shortfall	NA	NA
Nature of CSR activities	Running Rural hospital	
Details of related party transactions	NA	NA
Movements during the year for provision made with respect to liability incurred by entering into as contractual obligation.	NA	NA

NOTE 56 : CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(a) Contingent Liabilities

(a) Claims against the company not acknowledged as Debt;

(Rs.in lakhs)

	2022-2023	2021-2022
Disputed Excise / Customs duties	335.35	368.17
Disputed Income Tax	855.86	855.86
Legal Case – Claim of Security Deposit	9.68	9.68

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

(b) Guarantees

(Rs.in lakhs)

	2022-2023	2021-2022
Guarantees given to Bank for loan to subsidiary	500.00	500.00

(c) Other Money for which the company is contingently liable

(Rs.in lakhs)

	2022-2023	2021-2022
Bills discounted with banks	798.34	2381.07

II Commitments

There is no contract remaining to be executed in Capital Account

Note 57: SEGMENT REPORTING:

Operating Segments:

- a) Textile
- b) Power
- c) Garment

Identification of segments:

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products and other quantitative criteria specified in the IndAS108

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets /liabilities

Inter segment transfer:

Inter segment revenue are recognized at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

(Rs. in lakhs)

S.No.	Particulars	Consolidated	
		31.03.2023	31.03.2022
1	Segment Revenue (Net Sales / Income from Operations)		
	(a) Textiles	48783	55310
	(b) Power	6031	7557
	(c) Garments	2483	2557
	Total	57297	65424
	Add: Other Unallocable Income		
	Less: Inter Segment Sales	3583	3640
	Net Sales / Income from operations	53714	61784
2	Segment Results (Profit before Interest & Tax)		
	(a) Textiles	392	2110
	(b) Power	-1838	-457
	(c) Garments	37	103
	Total	-1409	1756
	Less:		
	* Interest & Finance Charges(Net)	2320	2503
	* Other Unallocable expenditure(Net of Unallocable Income)		
	Profit Before Extra Ordinary Items & Tax	-3729	-747
3	Segment Assets		
	(a) Textiles	28721	37001
	(b) Power	7658	7351
	(c) Garments	4048	3661
	Total Segment Assets	40427	48013
4	Segment Liabilities		
	(a) Textiles	24629	26473
	(b) Power	4417	3197
	(c) Garments	1138	2314
	Total Segment Liabilities	30183	31984

NOTE :- 58 HOLDING AND SUBSIDIARY COMPANY STOCK STATEMENT SUBMISSION WITH BANKS

The Company has borrowed from banks on the basis of security of current assets. Quarterly returns or statements of current assets filed by the Company are not in agreement with books of accounts. Summary of reconciliation and reasons for material discrepancies as at 31st March 2023 is given below.

HOLDING COMPANY

(Rs. in Lakhs)

Particulars	As at March 2023	As at March 2022
Inventories as per declaration with Bank	9,182.48	13,619.17
Trade Receivable as per declaration with Bank	8,635.35	7,870.06
TOTAL (A)	17,817.83	21,489.23
Inventories as per Books	9,262.85	15,405.32
Trade Receivables as per Books	9,950.29	9,373.17
TOTAL (B)	19,213.14	24,778.49
Difference in Inventories	(80.37)	1,786.15
Difference in Receivables	(1,314.94)	1,503.11
TOTAL DIFFERENCE (A)-(B)	(1,395.31)	3,289.26

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

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

SUBSIDIARY COMPANY – TRIGGER APPAREL LIMITED STOCK STATEMENT SUBMISSION WITH BANKS

(Rs. In Lakhs)

Particulars	31.03.2023	31.03.2022
Inventories as per declaration with Bank	1,395.16	1,393.99
Trade receivables as per declaration with Bank	1,243.40	1,434.30
Total (A)	2,638.56	2,828.29
Inventories(Finished) as per Books	1,395.16	1,400.73
Trade receivables as per Books	1,314.40	1,471.08
Total (B)	2,709.56	2,871.81
Difference in inventories	0.00	6.74
Difference in receivables	71.00	36.78
Total Difference (A)-(B)	71.00	43.52

The aforesaid difference, were due to the declaration made to the bank before financial reporting closure process. The predominant reason for trade receivables being higher in financial statement are the difference is due to the credit notes, discount and other year end provisions in financial statement.

For disclosures mandated by Schedule III of the Companies Act, 2013 by way of additional information

2022-23

(Rs.in Lakhs)

Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other Comprehensive income	Amount	As % of total comprehensive income	Amount
Parent K G Denim Limited	141.14	5,860.26	97.95	(2,739.46)	95.54	102.67	98.04	(2,636.79)
Subsidiary- Indian Trigger Apparels Ltd	(37.50)	(1,557.19)	(0.21)	5.85	4.46	4.79	(0.40)	10.64
Subsidiary - Foreign KG Denim (USA) Inc	(3.64)	(151.10)	2.26	(63.32)	-	-	2.35	(63.32)
Sub Total	-	4,151.99	-	(2,796.93)	-	107.46	-	-
Intercompany elimination and consolidated adjustments	11.52	489.89	-	-	-	-	-	-
Non controlling interest in subsidiaries	(9.15)	(389.30)	-	1.46	-	1.20	-	2.66
Grand Total	-	4,252.56	-	(2,795.47)	-	108.66	-	(2,686.81)

CONSOLIDATED FINANCIAL STATEMENTS K G DENIM LIMITED

2021-22

(Rs.in Lakhs)

Name of the entity the Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other Comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
K G Denim Limited	122.40	8,497.05	87.71	(705.38)	125.31	(11.19)	88.12	(716.57)
Subsidiary- Indian								
Trigger Apparels Ltd	(22.58)	(1,567.83)	17.32	(139.30)	(33.71)	3.01	16.76	(136.29)
Subsidiary - Foreign								
KG Denim (USA) Inc	(1.26)	(87.78)	0.98	(7.86)			0.97	(7.86)
Sub Total	-	6,841.44	-	(852.54)	-	(8.18)	-	(860.72)
Intercompany elimination and consolidated adjustments	7.10	492.55	-1.68	13.48	-	-	(1.66)	13.48
Non controlling interest in subsidiaries	(5.65)	(391.96)	(4.33)	(34.82)	8.40	0.75	(4.19)	(34.07)
Grand Total	100.01	6,942.03	100.00	(804.24)	100.00	(8.93)	100.00	(813.17)

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

Part 'A' Subsidiaries

(Rs. in Lakhs)

Sno	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total assets	Total liabilities	Investments	Total Income	Profit before taxation	Provision for taxation	Profit after taxations	Proposed Dividend	% of Share holding
1	Trigger Apparels Ltd			600.00	(2,157.19)	3,866.39	5,423.58	-	4,664.22	10.88	5.03	10.64	-	75%
2	KG Denim (USA) Inc		Exchange Rate Rs. 82.21 per USD	0.46	(151.56)	181.20	332.30	-	85.11	(63.32)	-	(63.32)	-	100%

As per our report of even date
For **GOPALAIYER AND SUBRAMANIAN**
Chartered Accountants

For and on behalf of the Board of Directors
KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

B SRIRAMULU
Managing Director
DIN : 00002560

B SRIHARI
Managing Director
DIN : 00002556

R MAHADEVAN
Partner
Membership No.027497

P KRISHNAVENI
Company Secretary

S MANICKAM
Chief Financial Officer

Place : Coimbatore
Date : 25.05.2023

K G DENIM LIMITED

CIN: L17115TZ1992PLC003798

Registered Office: Then Thirumalai, Coimbatore - 641302

E-mail: cskgdl@kgdenim.in

Website: www.kgdenim.com Phone: 04254-235240

Attendance Slip **31st Annual General Meeting**

DP ID	Folio No.
Client ID	No.of Shares
Name of Member	
Name of Proxy	

I hereby record my presence at the 31st Annual General Meeting of the Company held on Friday the 29th day of September, 2023 at 3.00 P.M. at Then Thirumalai, Coimbatore – 641302.

Member's / Proxy's Signature



Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

K G DENIM LIMITED

CIN: L17115TZ1992PLC003798

Registered Office: Then Thirumalai, Coimbatore - 641302

E-mail: cskgdl@kgdenim.in

Website: www.kgdenim.com Phone: 04254-235240

31st Annual General Meeting (29th September 2023)

Name of the Member (s) :	
Registered address :	
Email ID :	
Folio No. / Client Id :	DP ID:

I/We, being the member (s) of shares of the above named Company, hereby appoint:

1. Name:	
Address:	
E-mail ID:	
Signature:	or failing him

2. Name:	
Address:	
E-mail ID:	
Signature:	or failing him

3. Name:
Address:
E-mail ID:
Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 31st Annual General Meeting of the Company to be held on Friday the 29th day of September, 2023 at 3.00 P.M. at Then Thirumalai, Coimbatore – 641302 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the standalone and consolidated Audited Financial Statements including Balance Sheet as on 31 st March, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date together with the Directors Report and the Auditors Report thereon (Ordinary Resolution)	<input type="checkbox"/>	<input type="checkbox"/>
2.	To appoint a Director in place of Shri B Sriramulu (DIN: 00002560), who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution)	<input type="checkbox"/>	<input type="checkbox"/>
3.	To appoint a Director in place of Shri B Srihari (DIN: 00002556), who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution)	<input type="checkbox"/>	<input type="checkbox"/>
Special Business			
4.	To ratify the payment of remuneration to Shri M. Nagarajan (ICAI Membership No: 102133), Cost Accountant, Coimbatore, Cost Auditor of the Company for the financial year ending 31 st March 2024 (Ordinary Resolution)	<input type="checkbox"/>	<input type="checkbox"/>
5.	To re-appoint Shri KG Baalakrishnan (DIN: 00002174) as Executive Chairman of the Company for a period of three (3) years with effect from 3 rd November 2023 (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>
6.	To re-appoint Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company for a period of three (3) years with effect from 3 rd November 2023 (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>
7.	To re-appoint Shri B Srihari (DIN: 00002556) as Managing Director of the Company for a period of three (3) years with effect from 3 rd November 2023 (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>
8.	To appoint Shri R Selvakumar (DIN: 00051608) as a Director of the Company (Ordinary Resolution)	<input type="checkbox"/>	<input type="checkbox"/>
9.	To appoint Shri R Selvakumar (DIN: 00051608) as a Whole-time Director of the Company (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2023.

Signature of Shareholder

Signature of Proxy holder(s)

Affix 1 Re Revenue Stamp

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes please refer to the Notice of the 31st Annual General Meeting.
3. It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.