K G DENIM LIMITED
CIN : L17115TZ1992PLC003798
THEN THIRUMALAI
METTUPALAYAM - 641 302.
COIMBATORE DISTRICT
TAMILNADU, INDIA.

Phone : 0091-4254-235240
Fax : 0091-4254-235400
email : cskgdl@kgdenim.in

GST : 33AAACK7940C1ZW

NABL
Certificate No: T1608/T1607

Dt. 07.09.2026

To

BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai.

Dear Sir/Madam,

Sub : Submission of 34th Annual Report for the year 2025-26 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 34th Annual Report of the Company for the Financial Year 2025-26 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

Muthuswamy Balaji
Digitally signed by Muthuswamy Balaji
Date: 2026.09.07 22:43:52 +05'30'

M BALAJI
Company Secretary & Compliance Officer.

Encl : As above.

NOTICE OF 34th ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of the Shareholders of K G Denim Limited will be held on Tuesday, the **29th day of September 2026 at 4:00 PM** Indian Standard Time (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM", 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 2026, 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 KG Balakrishnan (DIN: 00002174), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a director in place of Shri A Velusamy (DIN: 00002204), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To re-appoint Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company for a further period of three (3) years with effect from 3rd November 2026 and, in this regard, to consider and if thought fit, to pass the following resolutions as an **Ordinary Resolutions:**

"**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 applicable Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification or re-enactment made 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 is 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 2026, 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 4th August 2026.

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 as per rules.

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 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, during his tenure as Managing Director of the Company, 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."

5. To re-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 resolutions as an **Ordinary Resolutions:**

"**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 Regulation 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 re-appointment of Shri R Selvakumar (DIN: 00051608) as Whole-time Director of the Company and payment of remuneration for a further period of 3 (Three) years with effect from 7th August 2026, 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 4th August 2026:

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 as per rules.

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 during his tenure as Whole Time Director of the Company, 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."

6. Re-appointment of Shri. Jaganmohan Ramachandran (DIN: 09125603), as an Independent Director of the Company and, in this regard, to consider and if thought fit, to pass the following resolutions as a Special Resolutions:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and the Articles of Association of the Company and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Shri Jaganmohan Ramachandran (DIN: 09125603), Non-Executive Independent Director of the Company, who had submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for appointment and in respect of whom the Company has received a Notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of Three (3) consecutive years with effect from 14th February 2027 and is not liable to retire by rotation."

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above resolution 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 consider and approve the Material Related Party Transaction entered into with Sri Kannapiran Mills Limited and in this regard, to consider and if thought fit, to pass the following resolutions as an **Ordinary Resolutions:**

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) as amended from time to time and the applicable provisions of the Companies Act, 2013 ("the Act"), read with relevant rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) made thereof for the time being in force), the Company's Policy on Related Party Transaction and pursuant to the approval of the Audit Committee and on the recommendation of the Board of Directors, the approval of the members of the Company be and is hereby accorded to the Company, to enter/ continue to enter into agreement/ contract/ business transactions/ arrangements with Sri Kannapiran Mills Limited, an entity falling within the definition of 'Related Party' pursuant to Regulation 2(1)(zb) of the Listing Regulations for an amount not exceeding Rs. 25 Crores (Rupees Twenty Five Crores only) commencing from the date of this Annual General Meeting till the date of Annual General Meeting to be held in the year 2027, and on such terms and conditions as detailed in the explanatory statement to this resolution, notwithstanding the fact that such transactions either taken individually or together with previous transactions during the financial year may exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements as specified in Schedule XII of the Listing Regulations or such other materiality threshold as may be specified under applicable laws / regulations from time to time."

"**RESOLVED FURTHER THAT** Board of Directors (including its Committee(s) thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things, to finalise the terms and conditions of the transactions with the related party, and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

8. To consider and approve the Material Related Party Transaction entered into with Trigger Apparels Limited and in this regard, to consider and if thought fit, to pass the following resolutions as an **Ordinary Resolutions:**

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) as amended from time to time and the applicable provisions of the Companies Act, 2013 ("Act"), read with rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Related Party Transaction and pursuant to the approval of the Audit Committee and on the recommendation of the Board of Directors, the approval of the members of the Company be and is hereby accorded to the Company, to enter/ continue to enter into agreement/ contract/ business transactions/ arrangements with Trigger Apparels Limited, an entity falling within the definition of 'Related Party' pursuant to Regulation 2(1)(zb) of the Listing Regulations for an amount not exceeding Rs. 20 Crores (Rupees Twenty Crores Only) commencing from the date of this Annual General Meeting till the date of Annual General Meeting to be held in the year 2027, and on such terms and conditions as detailed in the explanatory statement to this resolution, notwithstanding the fact that such transactions either taken individually or together with previous transactions during the financial year may exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements as specified in Schedule XII of the Listing Regulations or such other materiality threshold as may be specified under applicable laws / regulations from time to time."

"**RESOLVED FURTHER THAT** Board of Directors (including its Committee(s) thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things, to finalise the terms and conditions of the transactions with the related party, and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that 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 AND REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

ITEM NO. 4

Shri B Sriramulu (DIN: 00002560) was re-appointed as the Managing Director of the Company for a period of 3 years commencing from 3rd November 2023 till 2nd November 2026, on the terms and conditions as approved by the shareholders at the 31st Annual General Meeting held on 29th September 2023. Accordingly, the present tenure of his office is valid up to 2nd November 2026.

Further, pursuant to Section 178 and 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 and Audit Committee at their respective meeting(s) held on 4th August 2026 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 2026 on the terms and conditions as set out in item no.4 of the Notice and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013, subject to the approval of Board of Directors and Members of the Company.

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 4th August 2026 has re-appointed Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company, for a further period of three (3) years with effect from 3rd November 2026, subject to the approval of the shareholders of the Company.

Shri B Sriramulu has been a Director in the Company since inception. 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 reappointment is expected to be greatly beneficial to the future growth plans of the Company.

Shri B Sriramulu is not disqualified from being appointed as a Director in terms of Section 164 of the Act and 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 disclosure as required under Schedule V of the Companies Act, 2013, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India has been annexed and forms part of this Notice.

Considering the above, the Board recommends the Ordinary Resolution as set out in Item No: 4 of the Notice for the approval of the Members.

Except Shri B Sriramulu, being the appointee director and Shri KG Balakrishnan, Non-Executive Chairman of the Company, being his relative, 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 No.4 of this Notice.

ITEM NO. 5

The tenure of Shri R Selvakumar (DIN: 00051608) as the Whole Time Director of the Company was valid up to 6th August 2026. Accordingly, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and Audit Committee, at their respective meeting(s) held on 4th August 2026, has re-appointed Shri. R. Selvakumar (DIN: 00051608) as Whole Time Director of the Company for the further period of 3 years with effect from 7th August 2026, subject to the approval of shareholders at the ensuing Annual General Meeting.

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 R Selvakumar and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting.

As per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee at their meeting held on 4th August 2026 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 re-appointment as Whole-time Director of the Company for a further period of 3 years with effect from 7th August 2026 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 re-appointment as Whole-time Director would be helpful for the future growth of the Company.

Shri R Selvakumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and 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 disclosure as required under Schedule V of the Companies Act, 2013, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India has been annexed and forms part of this Notice.

Considering the above, the Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice for the approval of the Members.

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 No.5 of this Notice.

ITEM NO. 6

Shri Jaganmohan Ramachandran (DIN: 09125603) was appointed as a Non-Executive Independent Director of the Company for the first term of five (5) consecutive years with effect from 14th February 2022 and accordingly, tenure of his office as non-executive Independent Director is valid up to 13th February 2027.

Based on the evaluation and recommendation of the Nomination Remuneration Committee and being eligible for re-appointment as an Independent Director as per the criteria laid down under Section 149(6) of the Companies Act, 2013 ("the Act") read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of the Company at their Meeting held on 14th August 2026 has re-appointed Shri Jaganmohan Ramachandran as a Non-Executive Independent Director of the Company for the second term of Three (3) years with effect from 14th February 2027, subject to the approval of shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, Shri Jaganmohan Ramachandran fulfill the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for his appointment as Independent Director of the Company and is also independent of the Management. Considering his knowledge, qualification, skills and experience, the Board of Directors is of the opinion that the appointment of Shri Jaganmohan Ramachandran as an Independent Director would be highly beneficial to the Company.

During the tenure of appointment, Shri Jaganmohan Ramachandran shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

A copy of the draft Appointment Letter to be issued to Shri Jaganmohan Ramachandran upon his re-appointment as Independent Director, containing the terms and conditions of such appointment, would be available to members for inspection electronically on the Company's website and at the Registered Office of the Company during the normal business hours on any business day without payment of fee.

The disclosure as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India has been annexed and forms part of this Notice.

Considering the above, the Board recommends the Special Resolution as set out in Item No. 6 of the Notice for the approval of the Members.

Except Shri Jaganmohan Ramachandran, being the appointee Independent Director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out as Item No.6 of this Notice.

ITEM NO.7 AND 8

Pursuant to Regulation 23 (1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, ("Listing Regulations") a transaction with a related party shall be considered "material", if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements as specified in Schedule XII of the Listing Regulations.

Considering the business requirements, the transactions proposed to be entered by the Company with the Sri Kannapiran Mills Limited and Trigger Apparels Limited in the forthcoming period may exceed the above threshold limits as specified under the Listing Regulations and the Related Party Transactions Policy of the Company and the same are proposed to be undertaken on an arms' length basis and in the ordinary course of business.

Pursuant to Master Circular No. HO/49/14/14(7)2025-CFD POD2/I/3762/2026 dated 30th January 2026 issued by SEBI, read with the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions", necessary disclosures are given in Annexure - 1 to this Notice for the reference of the Members for approving the transactions with a related party(ies) namely, Sri Kannapiran Mills Limited and Trigger Apparels Limited.

Pursuant to Regulation 23(4) of the Listing Regulations, the prior approval of the Shareholders of the Company by way of an Ordinary Resolution would be required for the transactions entered with related party in excess of 10% of the annual consolidated turnover of Company as per the last audited financial statements ("material related party transaction"). Further, pursuant to third proviso to Regulation 23(4) of the Listing Regulations and SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026, the omnibus approval granted by the Shareholders for the material related party transactions in an Annual General Meeting shall be valid up to the date of next Annual General Meeting.

The Audit Committee has reviewed the certificate provided by the Managing Director and Whole-time Director of the Company as required under the aforesaid Industry Standards and has granted their approval for the related party transactions to be entered into by the Company with the above-mentioned related party(ies).

Accordingly, the Board recommends and seeks the approval of the Members for the transactions proposed to be entered into with the above-mentioned related party as per the details given above and such approval shall be valid up to the date of next Annual General Meeting.

Interest of Directors:
Except Shri. KG Balakrishnan, Non-Executive Chairman, Shri. A. Velusamy, Director and Shri. B Sriramulu, Managing Director and their relatives, 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 as set out in Item No. 7 of this Notice.
Except Shri. KG Balakrishnan, Non-Executive Chairman, Shri. A. Velusamy, Director, Shri. D Kumaravel, Independent Director and Shri. B Sriramulu, Managing Director and their relatives, 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 as set out in Item No. 8 of this Notice.

The Members may please note that in terms of the provisions of the Listing Regulations, no related party(ies) as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall vote to approve the resolution under Item Nos. 7 & 8 of this Notice

Statement of disclosures pursuant to Section II (A) of Part II of Schedule V to the Companies Act, 2013 in relation to Item No. 5 above:

I. GENERAL INFORMATION

1. Nature of Industry

Textiles – Weaving and processing of Denim Fabrics, Apparel Fabrics and Home Textiles

2. Date or expected date of commencement of commercial production

The company was incorporated on 25th June 1992 and commenced commercial production subsequently in the same year.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

4. **Financial performance based on given indicators** **(Rs. in Lakhs)**

Particulars	31.03.2026	31.03.2025
Sales & other income	4062.56	5705.85
Profit/ (Loss) before tax	85.12	(4,681.09)
Profit/ (Loss) after tax	142.66	(3,587.97)
Paid-up equity capital	2,564.90	2,564.90
Reserves and Surplus	(2,216.25)	(2,164.15)
Basic Earnings per share (in Rs.)	0.56	(13.99)

5. **Foreign Investments or collaborations, if any –**

The Company had made an investment in KG Denim (USA) Inc, incorporated in United States of America, as Wholly owned Subsidiary of the Company. The networth of the said wholly owned subsidiary was fully eroded due to impairment of losses recognized during the financial year 2019-20. Further, the Company has not entered into any foreign collaboration agreements.

II. INFORMATION ABOUT THE APPOINTEES

Particulars	Shri. B Sriramulu	Shri. R Selvakumar
Background Details	Shri B Sriramulu aged 59 years is the elder son of Shri KG Balakrishnan, 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 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 R Selvakumar aged 56 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.
Past Remuneration	Nil	Rs.14.49 Lakhs per Annum
Recognition or awards	Nil	Nil
Job Profile and his suitability	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 R Selvakumar is a BE Mechanical Engineering and MBA graduate. He shall be responsible for sourcing raw materials, chemicals, coal and also human resources management of the Company."
Remuneration Proposed	Details of proposed remuneration have been disclosed in Item No. 4.	Details of proposed remuneration have been disclosed in Item No. 5.

Comparative remuneration profile with respect to industry, size of the company profile of the position and person	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.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	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 K G Balakrishnan, Executive Chairman of the company.	Besides the remuneration being received, 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.

III. OTHER INFORMATION

1. Reasons for loss or inadequate profits: Due to recession and financial hardships, the profits are inadequate.
2. 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.
3. 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.

IV. DISCLOSURES

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", attached to the financial statement:

1. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;
2. Details of fixed components and performance linked incentives along with the performance criteria;

3. Service contracts, notice periods, severance fees; and stock option details, if any, and whether the same had 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.

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 Balakrishnan	Shri. A Velusamy	Shri B Sriramulu	Shri R Selvakumar	Shri Jaganmohan Ramachandran
DIN	00002174	00002204	00002560	00051608	09125603
Date of Birth/Age	06-03-1940/ 86 years	11-05-1956/ 70 years	27-04-1967/ 59 years	30-05-1970/ 56 years	15-06-1957 / 69 years
Nationality	Indian	Indian	Indian	Indian	Indian
Date of appointment on the Board	03-11-2003	01-04-2010	03-11-2003	07-08-2023	14-02-2022
Qualification	B.Com, B.L	B.Sc, B.L	Graduate Engineer in Textile Technology Master of Science (Textile Technology)	B.E (Mech), MBA	B.Com., B.L., CAIIB, FCSI
Experience / Area of Expertise	More than 5 decades of practical experience in the setting up and management	Vast experience in in Financial and Legal activities	More than 3 decades of practical experience in the setting up and management of	More than 3 decades of experience in sourcing of raw materials, chemicals, and human	He has been involved in various elderly care business in the UK. He is currently in the process of
	of textile units		textile units	resources administration in KG Denim Limited	setting up a Pharma Unit in Tamil Nadu.
No. of Shares held in the Company	84,060 Equity shares	500 Equity shares	47,08,659 Equity shares	Nil	Nil
Inter-se Relationship with other directors	Shri KG Balakrishnan is the father of Shri B Sriramulu, Managing Director of the Company	NA	Shri B Sriramulu is the son of Shri KG Balakrishnan, Chairman of the Company	NA	NA
Board position held	Non-Executive Chairman	Non- Executive Non-Independent Director	Managing Director	Whole-time Director	Independent Director
Terms of Appointment/ Re-appointment	Liable to retire by rotation	Liable to retire by rotation	As set out in Item No. 4 of the Notice	As set out in Item No. 5 of the Notice	As set out in Item No. 6 of the Notice

Remuneration sought to be paid					
Remuneration last drawn					
No. of Board Meetings attended during the year	6	6	6	6	5
List of Directorships held in other Companies	1. Sri Kannapiran Mills Limited 2. Trigger Apparels Limited 3. Crocodile India Private Limited 4. Anandhi Power Limited 5. K G B Securities and Investments Private Limited 6. KGB Education Foundation	1. Sri Kannapiran Mills Limited 2. Trigger Apparels Limited. 3. Anandhi Power Limited 4. 3. K G B Securities and Investments Private Limited	1. Sri Kannapiran Mills Limited 2. Crocodile India Private Limited 3. K G B Securities and Investments Private Limited 4. KGB Education Foundation 5.Ganapathykumaran Investment Private Limited. 6.Kumaranganapathy Investments Private Limited. 7. KGDL Data Park Limited	Nil	Nil
Details of Membership in Committees of Other Companies	Nil	Nil	Nil	Nil	Nil
Names of listed entities in which the person has resigned in the past three years	Nil	Nil	Nil	Nil	Nil

Annexure - 1

Details as required under SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026 read with the 'Industry Standards on "Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" (RPT Industry Standards)' under item 7 & 8:

a)Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable

Part - A

A.1 Basic details of the related party			
S.No	**Particulars of the information**	**Information provided by the management**	
1	Name of the related party	Sri Kannapiran Mills Limited (SKML)	Trigger Apparels Limited (TAL)
2	Country of incorporation of the related party	India	India
3	Nature of business of the related party	Sri Kannapiran Mills Limited is engaged in manufacturing of Yarn and other Fabrics.	Trigger Apparels Limited is engaged in the trading of readymade Garments, Yarn and Fabric.
A.2 Relationship and ownership of the related party			
S.No	**Particulars of the information**	**Information provided by the management**	
1	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:	Sri Kannapiran Mills Limited is a promoter Company. Shri. K G Balakrishnan, Shri. A. Velusamy, Shri. B Sriramulu are interested as Directors of the company.	Trigger Apparels Limited is a subsidiary of K G Denim Limited. Shri. K G Balakrishnan, Shri. A Velusamy, are interested as Directors of the company and Shri. B Sriramulu, Managing Director of the company is interested as relative of the Director.
	1. Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	—	K G Denim Limited holds 75% of the paid-up capital of Trigger Apparels Limited.

	2. Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).	NA 48	NA
	3. Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).	12.74% of the paid-up capital/ voting power in the Company	Nil
A.3	**Details of previous transactions with the related party**		
S.No	**Particulars of the information**	**Information provided by the management**	
1	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.	**Sri Kannapiran Mills Limited:** (Rs. in Lakhs) S. No / Nature of Transactions / FY 25-26 1. / Purchase/ Sale of Yarn/ Fabrics/ Cotton/ Garments/ other transactions / 120.56 Total / 120.56 **Trigger Apparels Limited** (Rs. in Lakhs) S. No / Nature of Transactions / FY 25-26 1. / Sale/Purchase of Garments, Yarn and fabrics / 148.76 Total / 148.76	
2	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	**Sri Kannapiran Mills Limited:** (Rs. in Lakhs) S. No / Nature of Transactions / Amount 1. / Purchase of Yarn / Fabric / 63.41	

		Trigger Apparels Limited (Rs. in Lakhs) S. No | Nature of Transactions | Amount 1. | Sale of Fabric / Garments | 33.15	
3	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	Nil	Nil
A.4 Amount of the proposed transaction(s)			
S.No	**Particulars of the Information**	**Information provided by the management**	
1	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	**Sri Kannapiran Mills Limited** Upto Rs.25 Crores	**Trigger Apparels Limited** Upto Rs.20 Crores
2	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes	Yes
3	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	59.47%	47.58%
4	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	NA	NA

5	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available	0.03%		0.04%	
6	Financial performance of the related party for the immediately preceding financial year:	**Particulars**	**FY 2025-26 (In Lakhs)**	**Particulars**	**FY 2025-26 (In lakhs)**
		Turnover	44426.76	Turnover	2344.80
		Profit after Tax	662.52	Profit after Tax	(139.00)
		Net worth	12812.39	Net worth	(1724.26)

A.5 Basic details of the proposed transaction

S.No	**Particulars of the Information**	**Information provided by the management**	
		Sri Kannapiran Mills Limited	**Trigger Apparels Limited**
1	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	i. Purchase and/ or Sale of Goods ii. Availing and/or rendering of Services	i. Purchase and/ or Sale of Goods ii. Availing and/or rendering of Services
2	Details of each type of the proposed transaction	Sale/ Purchase of Garments/ Fabrics/Yarn	Sale/ Purchase of Garments/Yarn/Fabrics.
3	Tenure of the proposed transaction (tenure in number of years or months to be specified)	The Omnibus approval of shareholders for the above stated material RPT is valid from the conclusion of 34th Annual General Meeting till the conclusion of 35th Annual General Meeting subject to the period not exceeding fifteen months.	The Omnibus approval of shareholders for the above stated material RPT is valid from the conclusion of 34th Annual General Meeting till the conclusion of 35th Annual General Meeting subject to the period not exceeding fifteen months.

4	Whether omnibus approval is being sought?	Yes	Yes
5	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	The proposed transaction is sought from the conclusion of 34th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company for an amount of up to Rs.25 crores as set out below: In the Financial Year 2026-27 Rs 25 Crores In the Financial Year 2027-28 Rs 25 Crores Provided that the aforementioned year wise estimated limits shall be fungible and can be utilized flexibly between the two financial years, provided that the total amount does not exceed Rs.25 crores in aggregate.	The proposed transaction is sought from the conclusion of 34th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company for an amount of up to Rs.20 crores as set out below: In the Financial Year 2026-27 Rs 20 Crores In the Financial Year 2027-28 Rs 20 Crores Provided that the aforementioned year wise estimated limits shall be fungible and can be utilized flexibly between the two financial years, provided that the total amount does not exceed Rs. 20 crores in aggregate.
6	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	Sri Kannapiran Mills Limited is a Promoter Company and is engaged in the Manufacturing of Garments and other fabrics. The proposed related party transactions, not only help smoothen business operations but also ensure a consistent flow of desired quality and quantity of goods and services without interruptions, optimum capacity utilization and generation of revenue and business of the Company	Trigger Apparels Limited is a subsidiary of the Company which is engaged in trading of Readymade Garments, Fabrics and Yarn. The proposed Related Party Transactions are in the interest of the Company as the finished goods manufactured by the Company are sold to the said Subsidiary, which in turn trades the same, thereby ensuring steady sales and consistent generation of revenue for the

			Company.
7	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly Explanation: Indirect interest shall mean interest held through any person over which an individual has control.	Shri. K G Balakrishnan, Shri. A. Velusamy, Shri. B Sriramulu are interested as Directors of the company.	Shri. K G Balakrishnan, and Shri. A Velusamy, are interested as Directors of the company and Shri. B Sriramulu, Managing Director of the company is interested as relative of the Directors.
	a. Name of the director / KMP	i. Shri. K G Balakrishnan, Non Executive Chairman ii. Shri. A Velusamy, Director iii. Shri. B Sriramulu, Managing Director.	i. Shri K G Balakrishnan, Non Executive Chairman ii. Shri. A Velusamy, Director iii. Shri. B Sriramulu, Managing Director
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	---	---
8	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	NA	NA
9	Other information relevant for decision making.	Nil	Nil
B(1). Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances			
S.No	**Particulars of the Information**	**Information provided by the management**	
		Sri Kannapiran Mills Limited	**Trigger Apparels Limited**

1	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services	Comparative prices have been obtained. The transactions do not involve any bidding process, as they are conducted at arm's length and in line with established business practices.	Comparative prices have been obtained. The transactions do not involve any bidding process, as they are conducted at arm's length and in line with established business practices.
2	Basis of determination of price.	As mentioned above, the pricing will be on arm's length basis and in line with established business practices	As mentioned above, the pricing will be on arm's length basis and in line with established business practices
3	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice), if any, proposed to be extended to the related party in relation to the transaction, specify the following:	Nil	Nil
	a. Amount of Trade advance	Nil	Nil
	b. Tenure	NA	NA
	c.Whether same is self-liquidating?	NA	NA

b) Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.
As stated above.

c) Whether the Audit Committee has reviewed the certificates provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards.
The Audit Committee has reviewed the certificate provided by the Managing Director and Whole Time Director as required under the RPT Industry Standards.

d) Whether the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
The Material Related Party Transaction(s) with Sri Kannapiran Mills Limited and Trigger Apparels Limited has been approved by the Audit Committee and the Board of Directors recommend the proposed transaction(s) for the approval of the shareholders.

e) Web-link and QR Code, through which shareholders can access the valuation report or other reports of external

party, if any, considered by Audit Committee while approving the RPT.
Not Applicable as no such valuation report or other reports by external parties have been relied upon by the Audit Committee while approving the transaction.

f) Affirmation that, in its assessment, the redacted disclosures still provides all the necessary information to the public shareholders for informed decision making.
Not Applicable as there is no information which has been redacted by the Audit Committee and the Board of Directors.

g) Any other information that may be relevant: Nil

By order of the Board
For K G DENIM LIMITED
Place: Coimbatore
Date: 14th August 2026

KG Balakrishnan
Non-Executive Chairman
DIN: 00002174

NOTES:
1. The Ministry of Corporate Affairs ("MCA") vide its General Circular No: 20/2020 dated 5th May 2020 and General Circular No.03/2025 dated 22nd September 2025 permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and the MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") with respect to the special business(es) as set out in the Notice is annexed hereto.

4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting or e-voting during the meeting. The said Resolution/ Authorization shall be sent to the 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.
5. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards issued by ICSI in respect of the Director seeking appointment / re-appointment / payment of remuneration at the Annual General Meeting is furnished and forms a part of the notice.

6. The register of members and share transfer books of the company will remain closed from Wednesday, 23rd September 2026 to Tuesday, 29th September 2026 (both days inclusive) as per Section 91 of the Companies Act, 2013.
7. Members whose shareholding is in electronic mode are requested to update bank account details (Bank Account Number,

Name of the Bank, Branch, IFSC, MICR code and place with Postal Identification Number Code) to their respective Depository Participant(s) and not with the Company. Regular updation of bank particulars is intended to prevent fraudulent activities.

8. Member are requested to notify immediately any changes in their address to their Depository Participant(s) ("DPs") in respect of the shares held in electronic form, and to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz, Aadhaar Card /Electricity Bill/ Telephone Bill/Ration Card/Voter ID Card/ Passport etc. 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.

9. Pursuant to SEBI Master Circular dated 6th February 2026 vide numbered HO/38/13/(4)2026-MIRSD-POD/I/4298/2026, the shareholders holding shares in Physical mode are mandatorily required to record their PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination with the Company/ Registrar & Share Transfer Agent (RTA) of the Company.

10. The relevant formats for Nomination and updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company's website as well as the website of Cameo Corporate Services Limited, the Registrar and Share Transfer Agent of the Company. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details.

11. Members desirous and requiring any information/ clarification on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information may be made available at the meeting.

12. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

13. a. Members may kindly note that in accordance with SEBI circular dated 31st July 2023, the Company has registered on the SMART ODR (Securities Market Approach for Resolution through Online Disputes Resolution) Portal. This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution institutions for addressing complaints. Members can access the SMART ODR Portal via: https://smartodr.in/login. Members may utilise this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between members and the Company (including RTA).
b. A Member shall first take up his / her / their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the Member may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the Member is not satisfied with the outcome, he / she / they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal. Members are requested to take note of the same. The aforesaid SEBI Circular can be viewed on the following link: SEBI | Master Circular for Online Resolution of Disputes in the Indian Securities Market.

14. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp

duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the Company in electronic form through NSDL or CDSL.

15.

a) Securities and Exchange Board of India has 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 / Registrars and Share Transfer Agents with effect from 1st April, 2019. Therefore, members holding share(s) in physical form are requested to dematerialize their shareholding in the Company. Members are encouraged to convert their holdings to electronic mode.

b) Pursuant to the SEBI Master Circular dated 6th February 2026, and the operational guidelines issued by the Securities and Exchange Board of India, listed entities are mandated to effect the issuance of securities only in dematerialised (demat) form for various investor service requests (including transfer, transmission, transposition, and issue of duplicate certificates). Accordingly, for all valid service requests, the Company/Registrar and Share Transfer Agent (RTA) will now directly credit the shares to the demat account provided by the Shareholder.

c) Further, as per SEBI Master Circular dated 6th February 2026, Members holding shares in physical form, whose folio(s) lack permanent Account Number (PAN), contact details, bank account details or updated specimen signature, will be eligible for payment of dividend only through electronic mode with effect from 1st April 2024 upon updating the aforementioned details with Cameo Corporate Services Limited , the Registrar and Share Transfer Agent of the Company. Therefore, Members holding shares in physical form are requested to update the mentioned details by providing the appropriate requests through relevant ISR forms with the Registrar and Share Transfer Agent to ensure receipt of dividend. Members may also note that in the absence of any of the aforementioned details, they will not be able to lodge grievances or avail any investor services until all required information and documents are duly submitted. A copy of the said circular(s) is available on the Company's website www.kgdenim.in.

16. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from www.kgdenim.in. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the Company's RTA, in case the shares are held in physical form.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN to the Company or to Cameo Corporate Services Limited, "Subramanian Building", #1, Club House Road, Chennai 600 002 - India.

18. Members are requested to make all correspondence in connection with shares held by them by addressing their letters directly to the Registrar and Share Transfer Agent of the Company Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai 600 002 - India, by quoting the Folio number or the Client ID number with DP ID number.

19. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

20. In compliance with the aforesaid MCA Circulars and the Listing Regulations, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email address is registered with the

Company / RTA / Depository Participants. Further, a letter providing the web link including the exact path where the complete details of the Annual Report is available will be sent to the Shareholders who have not registered their email address. Members may note that the Notice and Annual Report 2025-26 is also available on the Company's website www.kgdenim.in , websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com, and on the website of Central Depository Services (India) Limited at www.evotingindia.com Further, pursuant to the Listing Regulations, the Company will be sending a hard copy of the Annual Report to those Shareholders who request for the same at cskgdl@kgdenim.in.

21. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

22. Shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form to enable the Company to serve documents in electronic mode.

23. Annual/provisional financial statements and related details of the subsidiary companies viz, www.kgdenim.in are posted on the Company's website and are also kept for inspection at the Registered Office of the Company and at the respective offices of the subsidiary companies. A copy of the same will be provided to the Members on request.

24. Relevant documents referred to in the Notice and the accompanying statements are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours of the Company upto the date of the Meeting.

25. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:

Pursuant to the provisions of Section 124(6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the IEPF Rules") and amendments thereto, the Company has transferred the shares in respect of Members who have not claimed/ encashed dividend for the last seven consecutive years to the Demat Account of the IEPF Authority. Details of the Members whose shares have been transferred to the Demat account of the IEPF Authority are available at the Company's website at www.kgdenim.in .
The shareholders whose unclaimed dividend /share has been transferred to the 'Investor Education and Protection Fund', may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents. CS Balaji Muthusamy, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

26. Non-Resident Indian Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:

a. Change in their residential status on account of returning to India for permanent settlement or

b. Particulars of their NRE/ NRO account(s) maintained with a bank in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

27. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs if the shares are held by them in demat form and to Company's RTA if the shares are held by them in physical form. Regular updation of bank particulars is intended to prevent fraudulent activities.

28. 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 28 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 34th Annual General Meeting.

29. Soft copies of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members during the AGM.

30. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The details of Remote E-Voting are given below :-	
Start Date of Remote e-voting	**Saturday, September 26, 2026 at 9.00 A.M. (IST)**
End Date of Remote e-voting	**Monday, September 28 ,2026 at 5.00 P.M. (IST)**
Cut-off Date	**Tuesday, September 22, 2026**

VOTING BY ELECTRONIC MEANS

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

2. 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/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the

AGM/EGM has been uploaded on the website of the Company at www.kgdenim.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS 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 September 26, 2026 and ends on September 28, 2026. 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 September 22, 2026 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:

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

	Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on **company name or e-Voting service provider name** and you will be re-directed to **e-Voting service provider website** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at : 022 - 4886 7000 and 022 - 2499 7000

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) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

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

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

(ii) 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.

(iii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

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

(v) 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.

(vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(vii) 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.

(viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(ix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(x) 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.

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

(xii) 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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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 attending AGM & 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 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, AVP, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

I. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of AGM Notice and holding shares as on the cut-off date, i.e., Tuesday, 22nd September 2026, may refer to this Notice of the AGM, posted on Company's website www.kgdenim.com for detailed procedure with regard to remote e-voting. Any person who ceases to be a Member of the Company as of the cut-off date and is in receipt of this Notice, shall treat this Notice for information purposes only.

II. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. Once the vote on a resolutions is cast by the Member, the Member shall not be allowed to change it subsequently.

III. The remote e-voting period begins on Saturday, 26th September 2026 at 9.00 AM (IST) and ends on Monday, 28th September 2026 at 5.00 PM (IST). The remote e-voting module shall be disabled by CDSL for voting thereafter. During this period, the Members of the Company holding shares in dematerialized form, as on the cut-off date (record date) i.e., Tuesday, 22nd September 2026, may cast their vote electronically.

IV. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, Tuesday, 22nd September 2026.

V. Sri. M D Selvaraj, Managing Partner of MDS & Associates LLP, Company Secretaries, Coimbatore, has been appointed as the Scrutinizer to scrutinize the voting through remote e-voting process and e-voting during the AGM in a fair and transparent manner.

VI. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the AGM by electronic means but have not cast their votes by availing the remote e-voting facility.

VII. The Scrutinizer shall, after the conclusion of voting at the AGM 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 2 working days of the conclusion of the AGM, a combined 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.

VIII. The results shall be declared within the time stipulated under the applicable laws. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kgdenim.com and on the website of CDSL and be communicated to BSE Limited, where the shares of the Company are listed, by the Chairman or a person authorized by him.

K G Denim Limited

kg Denim

34th Annual Report
2025-26

K G DENIM LIMITED

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K G DENIM LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Shri KG Baalakrishnan
Chairman

Shri B Sriramulu
Managing Director

Shri B Srihari upto 27.08.2025
Director

Shri A Velusamy

Shri N Govindarajan

Shri Jaganmohan Ramachandran

Shri D Kumaravel

Shri R Selvakumar

Shri N B Anand

Smt Geetha

CHIEF FINANCIAL OFFICER

Shri M **Balaji** w.e.f. 12.05.2026

Smt S Ramaprabha upto 13.02.2026

COMPANY SECRETARY:

Shri M Balaji

CORPORATE IDENTITY NUMBER:
L17115TZ1992PLC003798

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

STATUTORY AUDITORS:
M/s. Gopalaiyar and Subramanian
Chartered Accountants
Coimbatore

INTERNAL AUDITORS:
M/s. Mohan & Venkataraman
Chartered Accountants
Coimbatore

SECRETARIAL AUDITOR :
MDS & Associates LLP
Company Secretaries
Coimbatore

COST AUDITOR:
Shri M Nagarajan
Cost Accountant
Coimbatore

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

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present the 34th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2026.

FINANCIAL RESULTS

The highlights of the standalone and consolidated performance of your Company during the financial year 2025-26 are given hereunder:

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	Current Year 2025-26	Previous Year 2024-25	Current Year 2025-26	Previous Year 2024-25
Total Revenue	4,062.56	5,705.85	6,265.83	7,332.20
Total Expenditure before interest, depreciation, exceptional, extraordinary items and income tax	948.93	8,650.90	3,064.36	10,140.80
Gross Profit before interest, depreciation, exceptional, extraordinary items and income tax	3,113.63	(2,945.05)	3,201.47	(2,808.60)
Less: Finance Cost	2,218.87	2,889.07	2,301.73	3,014.76
Depreciation	809.64	886.69	818.92	897.99
Profit/(Loss) before Exceptional & Extra-ordinary items	85.12	(6,720.81)	80.82	(6,721.35)
Add: Exceptional Items (Income)	-	2,039.72	-	2,039.72
Profit /(Loss) before tax	85.12	(4,681.09)	80.82	(4,681.63)
Less: Tax Expense (Current Tax & Deferred tax)	(57.54)	(1,093.12)	85.31	(1,207.83)
Profit / (Loss) for the period	142.66	(3,587.97)	(195.10)	(3,473.80)

OPERATIONS

The Operating Revenue of the Company stands reduced by approximately 59% from Rs. 4921 Lakh in the previous year to Rs.2000 Lakh in the current year. Total Revenue of Rs. 4063 lakh for the current year includes sale of non - core assets of Rs. 2062 lakh as compared to Rs. 5706 lakh in the previous year. After charging depreciation, interest and other overheads the Company recorded a profit of Rs. 142.66 Lakh as compared to a loss of Rs. 3587.97 Lakh 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.

The Company's operations suffered drastically due to non availability of working capital and geo political tensions affecting demand for the products.

FUTURE PROSPECTS

Textile market across the globe is undergoing massive changes. Demand for traditional company's products like Denim, Cotton fabrics are showing negative trends. New products like synthetic fabrics, technical textiles, outwear and fashion textiles are showing increasing trends.

The Company, based on current marketing requirements, is working on Fire Retardant (FR) fabrics in two categories-chemical coated and fiber inherent, work, wear/industrial fabrics with speciality finished, medical wear which would include anti-bacterial, anti-microbial, mosquito repellent and moisture management.

The above fabrics would include 40% of our production and the balance would cover shirt weight and bottom weight catering to garment exporters.

Opportunities: Understanding the pressure faced by textile industry, the Government of India has extended various benefits to improve the sales, both domestic and export markets.

Discussions are in process for Free Trade Agreements with various countries for favourable exports. Discussions are also on with the USA for favourable tariff rates which could substantially increase exports to that country.

ENVIRONMENT, SOCIAL AND GOVERNANCE

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

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

HEALTH AND SAFETY

The Company prioritizes the health and safety of its employees, contractors, and visitors, holding ISO 45001 certification for its Occupational Health and Safety Management System. This certification guides the Company in identifying and controlling workplace hazards and continuously implementing health and safety practices in line with the standard and legal requirements.

Beyond the workplace, the Company actively contributes to the well-being of employees and the local community through initiatives like free medical camps and regular health check-ups at its in-house hospitals. They also provide a safer work environment by supplying basic fire safety equipment and conducting periodic awareness classes and drills on topics like firefighting, mass evacuation and first aid.

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the company during the year under review.

DIVIDEND

Since the Company has incurred loss during the year under review, the Board of Directors has not recommended dividend for the year 2025-26.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve during the year under review. However, the profit of Rs.142.66 Lakh for the current year has been transferred to other equity in financial statements of the Company.

SHARE CAPITAL

During the year under review the Company has not altered/modified its Authorised Share Capital and the Company has not made any fresh issue of shares.

As on 31 st March 2026, the Authorized Capital of the Company is Rs. 41,00,00,000/- divided into 3,10,00,000 equity shares of Rs.10/- each, and 10,00,000 10% Cumulative Redeemable Preference Shares of Rs.100 each/- and the Issued, Subscribed and Paid-up equity capital of the Company is Rs. 25,63,78,250/- divided into 2,56,37,825 equity shares of Rs.10/- each fully paid up.

Approval of the shareholders was sought at the Annual General Meeting held on 9.9.2025 for preferential allotment of Warrants convertible into Equity Shares and allotment of 6% Non Convertible Preference Shares (NCRPS) to the Promoters. However, the Company has not issued any warrants / NCRPS during year under review.

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

In terms of Sections 124 and 125 of the Companies Act, 2013, (the Act) unclaimed or unpaid dividend relating to the financial year 2018-19 is due for remittance to the Investor Education and Protection Fund (IEPF) established by the Central Government.

As per the requirements of Section 124(6) of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules), the Company has transferred to IEPF Authority the 1,28,478 Equity Shares of Rs.10/- each, on which dividend had remained unclaimed relating to financial year 2017-18.

WEB LINK OF ANNUAL RETURN

The Annual Return of the Company for the financial year 2025-26 as required under Section 92(3) of the Act can be accessed on the Company's website at the link https://www.kgdenim.com/annual-return/

BOARD AND ITS COMMITTEE MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW

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

STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departure from those standards;

- 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;

- 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;

• The Directors have prepared the annual accounts on a going concern basis;

• 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

• The Directors had devised proper system to ensure compliance with the provisions

of all the applicable laws and such systems were adequate and operating effectively.

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

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

DECLARATION OF INDEPENDENT DIRECTORS

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

identified as Independent:

Shri. Jaganmohan Ramachandran, Shri. N Govindarajan, Shri. Duraipandian Kumaravel, Shri. N B Anand and Smt.Geetha. Pursuant to Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, the names of all the Independent Directors have been included in the data bank of the Indian Institute of Corporate Affairs.

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

No independent Directors were appointed or Re-appointed during the year under review thereby disclosure under this section is not applicable.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Subsequent to the end of the financial year, the material changes and commitments affecting the financial position of the Company are as follows:

The Bankers consortium, led by Indian Bank and member banks viz., Union Bank of India, State Bank of India and Bank of Maharashtra has provided restructuring of the loan facilities under the consortium as per the natural calamity restructuring under RBI Master Directions. All banks have implemented the restructuring scheme except for The South Indian Bank, holding 7% share and considered as a dissenting member. The restructuring is over a span of 5 years starting from 5 th March 2025 with one year moratorium for payment of principal and interest repayable over the remaining 4 years. The firstrepayment has been made in June 2026 as perrestructuring scheme. The Company, as part of the restructuring plan, had sold some non-core assets which fetched an amount of Rs. 36.20 crore. An estimated further sale of such assets is expected to fetch around Rs.22 crore which would be done before end of this financial year. Apart from the above 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 and the date of the report.

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

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

Three Directors viz., Shri KG Baalakrishnan, Executive Chairman and Shri B Sriramulu, Managing Director have voluntarily waived their entire remuneration for the financial year 2025-26.

COMMENTS ON AUDITORS' REPORT

The Statutory Auditors have in their report, had referred to some legal cases and Income Tax demands against the Company. Based on legal opinions obtained from counsels the Company feels that it has chances of getting favourable orders hence no provision made.

With respect to pending Statutory Dues, the Company is in the process of settling the dues progressively.

Regarding the qualifications made by M/s. MDS & Associates LLP, Secretarial Auditors of the Company in their report (Annexure-5) your Directors' ensure timely and due compliance going forward.

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

The Company has not given any loans, provided guarantee or made investment under Section 186 of the Act during the year under review. Further, the details of investments made during the earlier years are provided under the notes to Balance Sheet appearing elsewhere in this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties as defined under the Act and SEBI Listing Regulations during the financial year 2025-26 were in the ordinary course of business and on an arm's length basis and not material in nature and thus a disclosure in Form AOC-2 is exempted.

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

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

Though the Company was witnessing under utilization of capacity, efforts were taken to monitor, on regular basis, the efficient level of energy consumption. The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure-1** attached to this report.

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

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

To address and mitigate potential future water supply issues, the company has identified a strategic and sustainable solution leveraging a newly commissioned government facility. This proposal outlines a plan to secure a consistent water source, particularly during dry seasons.

The Company proposes utilizing treated sewage water from the new Sewage Treatment Plant (STP) recently ommissioned by the Mettupalayam Sewage Department of the Tamil Nadu Government.

The STP, which began operations in July 2024, has a total capacity of 85 KLD (Kilo Litres per Day). The plant's water requirement is approximately 25 KLD, meaning the STP's capacity is more than sufficient to meet the Company's needs. The Company's unit is conveniently located just 4 kms from the treatment plant, making transportation and logistics efficient. This proximity also makes it a rational and cost-effective option compared to other available sources. This process of selling treated sewage water to industries has already been successfully implemented by other sewage water boards in the district, demonstrating its viability. The treated water from the STP will serve as the raw water source. The Company can then use its already established Effluent Treatment Plant (ETP) to further process it and reduce the TDS (Total Dissolved Solids) levels to meet the required standards, ensuring a continuous and high-quality water supply for operations.

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

The Board had formed a Corporate Social Responsibility (CSR) Committee of Board of Directors comprising of Shri. KG Baalakrishnan, Shri. A Velusamy and Shri. D Kumaravel. 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 incurred a loss in the immediately preceding financial year. As a result, no amount was allocated towards the CSR expenditure. Consequently, no amount has been spent on the CSR activities of the Company during the financial year 2025- 26. Therefore, the disclosure of Annual Report on Company's CSR activities is not applicable. The policy relating to CSR has been displayed on the Company's website and can be accessed at the link https://www.kgdenim.com/wp-contenUuploads/2016/04/corporate-social-responsibility-policy.pdf

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

Pursuant to the provisions of the Act, the Board of Directors evaluated the annual performance of the members of the Board and its Committees vis-a-vis the nature of business of the Company, its performance during the year and the contribution of each of the Directors based on the criteria laid down by the Nomination and Remuneration Committee. The Independent Directors have also convened a separate meeting for this purpose and inter-alia, reviewed the performances 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

Shri KG Baalakrishnan (DIN: 00002174), Chairman and Shri A Velusamy (DIN: 00002204), Director of the Company are liable to retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment. Accordingly, your directors recommend their reappointment.

Shri. Balakrishnan Srihari (DIN: 00002556) resigned as Director of the Company with effect from 27th August 2025.

Shri.Ramaprabha S who was Chief Financial Officer (CFO) of the Company resigned with effect from 13th February 2026.

The board placed on record their sincere appreciation for the valuable services rendered by Shri. Balakrishnan Srihari as

Director and Smt. Ramaprabha S as Chief Financial Officer of the Company.

Consequent to resignation of Smt. Ramaprabha S as Chief Financial Officer of the Company, Shri. M Balaji, Company Secretary was appointed with additional responsibility of CFO with effect from 12th May 2026.

Shri K. G. Balakrishnan redesignated from Executive Chairman to Non Executive Chairman of the Company with effect from 4th August 2026.

The Board of Directors at their meeting held on 4th August 2026 approved the re-appointment of Shri. B. Sriramulu (DIN: 00002560) as Managing Director with effect from 3rd November 2026 and Shri. R Selvakumar (DIN: 00051608) as Whole Time Director with effect from 7th August 2026, subject to the approval of members at the ensuing Annual General Meeting.

Further, the Board of Directors at their meeting held on 14th August 2026 approved the re-appointment of Shri. Jaganmohan Ramachandran (DIN: 09125603) as an Independent Director of the Company for the second term of 3 years with effect from 14th February 2027, subject to the approval of members at the ensuing Annual General Meeting.

Accordingly, the proposals for their re-appointment are being sought from members at the ensuing Annual General Meeting.

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

Shri. B.Sriramulu - Managing Director,

Shri. R Selvakumar- Whole-time Director

Shri. M Balaji – Chief Financial Officer and Company Secretary.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

Trigger Apparels Limited

Trigger Apparels Limited, identified as Material Subsidiary of the Company for the financial year 2025-26, is engaged in the marketing of readymade garments. The turnover of the Subsidiary during the year under review was Rs. 2344.84 Lakh as against Rs. 1702.91 Lakh during the previous year. During the year the Subsidiary incurred a loss of Rs. 139.01 Lakh as against a net profit of Rs.12.58 Lakh during the previous year.

KG Denim (USA) Inc.

The turnover of the KG Denim (USA) Inc., Subsidiary of the Company, during the year under review was Nil as against the previous year turnover of 5595 USD (Rs. 4.85 Lakh INR). During the year the Company has incurred a net loss of 4300 USD (Rs. 4.01 Lakh INR) as against a net loss of 2087 USD (Rs. 1.81 Lakh INR) in the previous year.The operations of the Company are expected to improve in the forthcoming reporting period.

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

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

FIXED DEPOSITS

Since the Company has not accepted any fixed deposit covered under Chapter V of the Act, there are no deposits remaining unclaimed or unpaid as on 31st March, 2026 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

The Directors confirm that the Internal Financial Control systems are adequate with respect to the operations of the Company. The report of Auditors pursuant to Section 143(3)(1) of the Act certifying the adequacy of Internal Financial Control is annexed

with the Auditors Report.

AUDITORS STATUTORY AUDITORS

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

The Company has obtained the necessary certificate from the said auditors confirming that they are eligible to continue and hold office as the Statutory Auditors of the Company.

SECRETARIAL AUDITORS

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Sections 179 & 204 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had appointed MDS &Associates LLP, Company Secretaries, Coimbatore as Secretarial Auditors of the Company for a first term of 5 (five) consecutive financial years commencing from the financial year 2025-26.

The reports of the Secretarial Auditors of the Company and its material subsidiary comprising of the Company and its Material Subsidiary for the financial year 2025-26 are annexed as **Annexure-3** to this Report.

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

The company does not meet the criteria prescribed under Section 148 of the Companies Act, 2013, thereby the cost Audit of the cost records is not applicable during the year under review.

However, cost records' as specified by the Central Government under Section 148(1) of the Act are maintained.

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

There are no applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

However, some of the trade creditors of the Company, whose present dues are Rs.2.61 crore as on date, have approached NCLT for due settlement. Memorandum of Understandings have been made with such creditors and settlements are being made as agreed therein.

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

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company enjoys cordial relationship with its employees at all levels barring sporadic incidents. The total strength of employees as on March 31, 2026, was 134.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to define the policy and redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year 2025-26:

I. Number of complaints received - Nil

II. Number of complaints disposed of- NA

III. Number of complaints pending - NA

PARTICULARS OF EMPLOYEES

The statement pursuant to Section 134 of the Act read with the Companies (Accounts) Rules, 1975 and Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached to this report as **Annexure-4.**

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

CEO/CFO CERTIFICATION

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's Code of Conduct. During the year under review, there no complaints were received under this mechanism. The policy can be accessed on the Company's website at the link https://www.kgdenim.com/wp-content/uploads/2023/09/KGDL Whistle-Blower-Policy.pdf

DISCLOSURE UNDER MATERNITY BENEFIT ACT,1961

The company has complied with the provisions related to the Maternity Benefit Act,1961 for the financial year ended 31st March 2026 to the extent applicable.

CAUTIONARY STATEMENT

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

ACKNOWLEDGEMENT

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

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

By Order of the Board
For K G DENIM LIMITED

KG Baalakrishnan
Chairman
DIN: 00002174

Coimbatore
14.08.2026

Annexure4

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

A.Conservation of Energy:

As the Company had operated at very low level no specific measures were taken for energy conservation. However, proper monitoring was done to prevent wastages

(ii) Steps Taken by the Company for utilizing alternate sources of energy:
No specific measures

(iii) Capital Investment on energy conservation equipment: Nil

B. Technologyabsorption& Research & Development

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

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

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

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

4) Expenditure incurred on Research & Development:

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

EXPENDITURE ON R & F	2025-26	2024-25
Capital	-	-
Revenue	-	-
Total	-	-
R & D Expenditure as a percontae of Turnover	-	-

Particulas	-	2024-25
Foregin Exchange Earnings	-	959.78
Foregin Exchange Outgo	-	35.78

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

KG Baalakrishnan

Place: Coimbatore
Date: 14th August 2026

Chairman
DIN: 00002174

Annexure-2

Form AOC-1

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

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

Part "A": Subsidiary

Sl. No	Particulars	Details	Details
1.	Name of the subsidiary	Trigger Apparels Limited	KG Denim (USA) Inc.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2025 to 31.03.2026	01.04.2025 to 31.03.2026
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	(2324.25)	(207723)
6.	Total assets	4044.32	147412
7.	Total Liabilities	5768.37	354435
8.	Investments	Nil	Nil
9.	Turnover	2344.84	Nil
10.	Profit / (loss) before taxation	(0.29)	(4300)
11.	Provision for taxation	142.85	Nil
12.	Profit / (loss) after taxation	(143.14)	(4300)
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	75%	100

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations: Nil
2. 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

Place: Coimbatore
Date : 14th August 2026

KG Baalakrishnan
Chairman
DIN: 00002174

Annexure-3

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

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

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

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

Based on our verification of **K G Denim Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2026**, 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, 2026** 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v) 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, 2025 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 Acts, Rules, Regulations and Standards etc., mentioned above except to the extent of the following:

1. The Company has not reported/belatedly reported certain events to the stock exchange under Regulation 30 of Listing Regulations read with relevant Circulars issued by the Stock Exchange from time to time.

2. The Company has belatedly filed Statement of Assets and Liabilities as at the end of the half year ended 30thSeptember 2025 and the Statement of Cash Flows for the said period on 22nd November, 2025 pursuant to the clarification sought by BSE Limited, for which BSE Limited had imposed a fine of Rs. 35,400/- (inclusive of GST) and the same was duly paid by the Company on 23rd January 2026.

3. The Company has not submitted its Annual Report for the financial year ended 31st March 2025 to the Stock Exchange in XBRL Mode notwithstanding the fact that it has submitted Form AOC-4 XBRL with the Ministry of Corporate Affairs in respect of the said period. However, the submission of PDF mode was duly made within the prescribed timeline.

4. The Annual Performance Report (APR) as required to be submitted under Foreign Exchange Management Act, 1999 with respect to the foreign subsidiary of the Company i.e., K G Denim USA was not submitted by the Company to the Authorized Dealer (AD) bank.

5. The Company has not filed the particulars of transactions that are not considered as deposits in Form DPT-3 with the Registrar of Companies and has not submitted the Cost Audit Report in XBRL form in Form CRA - 4 with the Central Government, for the financial year ended 31st March 2025.

6. In respect of the unclaimed / unpaid dividend relating to the financial year 2017-18, which was transferred to the IEPF Authority, the Company has published the notice of such transfer in the newspapers, transferred the underlying equity shares, and filed the details of equity shares so transferred in Form IEPF-4, as required under Section 124(6) of the Companies Act, 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, beyond the prescribed timelines.

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

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

b. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and

e. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021.

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

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

1. During the year under review, there was a delay in payment of wages to the workers and staffs of the Company which is not in compliance with the Minimum Wages Act, 1948 and the Payment of Wages Act, 1936.

2. The Company is irregular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance and Tamil Nadu Labour Welfare Fund to the appropriate authority which is not in compliance with The Employees Provident Fund Act, 1952 & Employees State Insurance Act, 1948 and The Tamil Nadu Labour Welfare Fund Rules, 1973.

3. The amount of gratuity is not paid within 30 days by the Company to its employees and is still pending for settlement with simple interest, which is not in compliance with the Payment of Gratuity Act, 1972 and The Payment of Gratuity (Central) Rules, 1972.

4. The Company has not made the payment of bonus to its workers and staffs for the financial year 2024-25 under the Payment of Bonus Act, 1965.

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

We further report that

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

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

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

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

We further report that the shareholders of the Company, at the Annual General Meeting held on 9th September 2025, accorded their approval by way of Special Resolution(s) for the following:

i. Offer, issue and allotment of 13,47,000 warrants, in one or more tranches, fully convertible into equity shares of face value of Rs.10/- each, at a price of Rs.17/- per warrant aggregating to an amount not exceeding Rs.2,28,99,000/- for cash consideration to the Promoter of the Company on preferential basis. However, the Company has not subsequently issued any warrants during the year under review.

ii. Offer, issue and allotment, in one or more tranches, up to 10,00,000, 6% Non-convertible Cumulative Redeemable Preference Shares of face value of Rs. 100/- each ("NCRPS") at par, aggregating to an amount not exceeding

Rs.10,00,00,000/- for cash consideration to the Promoter / Promoter Group of the Company on a private placement basis. However, the Company has not subsequently issued any NCRPS during the year under review.

We further report that, apart from the above, there were no other instances during the period under review:

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

For MDS & Associates LLP
Company Secretaries

John Manoj A
Designated Partner
M.No.: FCS 12945 | C P No.: 21143
Peer Review No. 6468/2025
UDIN: F012945H001106620

Place: Coimbatore
Date : 14.08.2026

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-A

ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE

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

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MDS & Associates LLP
Company Secretaries

John Manoj A
Designated Partner
M.No.: FCS 12945 | C P No.: 21143
Peer Review No. 6468/2025
UDIN: F012945H001106620

Place: Coimbatore
Date : 14.08.2026

Secretarial Audit Report of Trigger Apparels Limited

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026
[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members,
TRIGGER APPARELS LIMITED
(CIN:U18101TZ1999PLC008956)
S F No. 12/1, 2, 3, Then Thirumalai,
Sirumugai, Jadayampalayam,
Coimbatore, Mettupalayam,
Tamil Nadu, India - 641 302

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

Based on our verification of TRIGGER APPARELS 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 31st March 2026, 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 2026 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder.

ii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder.

iii. Regulation 24A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

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

The Company has not filed (i) the particulars of transactions that are not considered as deposit in Form DPT-3 for the financial year ended 31st March 2025; (ii) the reconciliation of share capital in Form PAS-6 for the half year(s) ended 31st March 2025, 30th September 2025 and 31st March, 2026; and (iii) the appointment of an Additional Director and the appointment of a Director made at the Annual General Meeting in Form DIR-12; and (iv) the resolution(s) passed at Board Meeting(s) dated 29th May 2025, 9th August 2025 and 13th November 2025 falling within the purview of Section 117 read with Section 179(3) of the Act in Form MGT-14, with the Registrar of Companies.

We further report that, during the year under review, there were no actions/ events in pursuance of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

We further report that, the Company being an unlisted company, the following Acts/ Rules/ Regulations are not applicable to the Company during the year under review:

a. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

b. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

I. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except Regulation 24A;

ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

v. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

vii. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

viii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

ix. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and

x. 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 other laws specifically applicable to the Company.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except to the extent that the Company has not filed Form DIR-12 with Registrar of Companies, as stated above.

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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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 applicable laws, rules, regulations and guidelines.

Other than the above, there were no instances of

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

For MDS & Associates LLP
Company Secretaries

Place: Coimbatore
Date: 13.08.2026

John Manoj A
Designated Partner
FCS No.: 12945 | C P No.: 21143

Peer Review No. 6468/2025
UDIN: F012945H001106510

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,
TRIGGER APPARELS LIMITED
(CIN:U18101TZ1999PLC008956)
S F No. 12/1, 2, 3, Then Thirumalai,
Sirumugai, Jadayampalayam,
Coimbatore, Mettupalayam,
Tamil Nadu, India - 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 and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MDS & Associates LLP
Company Secretaries

Place: Coimbatore
Date: 13.08.2026

John Manoj A
Designated Partner
FCS No.: 12945 | C P No.: 21143
Peer Review No. 6468/2025

Annexure - 4

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

1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and percentage increase of each Director, MD, ED, CFO and Company Secretary in the financial year:	Name of **KMP**	Designation	Ratio to median
		Shri KG Baalakrishnan	Chairman	
		Shri B Sriramulu	Managing Director	
		Shri M Balaji	CFO & CS	
		Not paid any remuneration to other Non - Executive Directors		
2	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name of Director	Designation	Percentage increase
		Shri KG Baalakrishnan	Chairman	
		Shri B Sriramulu	Managing Director	
		Not paid any remuneration to other Non-Executive Directors		
3	The median remuneration for the year 2025-26 is	Rs. 1,10,062/-		
4.	The percentage decrease in the median remuneration of employees in the financial year	8.22%		
5	The number of permanent employees onthe rolls of Company	134		
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 justificationt here o f 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 asper the remuneration policy of the Company	Your Directors affirm that the remuneration is as per the remuneration policy of the Company.		

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

Name, Designation &Age of the Employee	Gross Remuneration paid (in Lakhs.)	Date of Commencement of Employment (Experience in year	Qualification & Previous Employment	Percentage of equity shares held	Previous Employment
KG Balakrishnan Executive Chairman & 83	60.00	03.11.2003	B.Com, BL 20 Years	0.33	NA
B Sriramulu Managing Director & 56	48.00	03.11.2003	B Tech, MS 20Years	18.37	NA
Ramaprabha S Chief Financial Officer & 40	11.80	09.11.2023	CA Intermediate Level of CS	Nil	ICICI Bank - 5 Years M/s. P.N. Ragavendra Rao & Co., Pramura Software P. Ltd
S. Gopinath, Head of Sales &53	14.81	01.04.1994	B.Sc Computer Science, 30 Years	Nil	Bharath Information Technology, Coimbatore -1 Year 8 Months
Srinivasan R, General Manager & 61	12.34	01.07.2021	MA, MBA (Marketing) ,35 Years	Nil	Anglo French Textiles, Puducherry - 8 Years
Selvakumar R, Whole - time Director & 54	14.27	01.01.1993	B.E Demt, 30 Years	Nil	NA
Pranav Sriraman, Vice President Home Textiles & 30	21.70	17.11.2017	B.E, 5 Years	0.26	NA
Kalyanasundaram S Vice	10.01	24.07.1966	MBA, 26 Years	NIL	1. ArvindMills Limited,
M.Balaji Chief Financial Officer & Company Secretary & 63	9.00	25.12.2024	B.Com., (Hons), ACA, ACMA, ACS.	NIL	Acc Limited,

Annexure - 4

President - Sales					Ahamadbad
					5 -Years

During the financial year 2025-26, 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 Lakh 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 are a relatives

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 2025-26 and all other particulars are as on 31"March,2026

By Order of the Board
For KG DENIM LIMITED

K G Baalakrishnan
Chairman
DIN: 00002174

Place: Coimbatore
Date : 14th August 2026

Annexure - 5

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2026, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

a. Composition, Category and Attendance of Directors:

The Company's Board of Directors as on 31st March 2026 comprised of Nine (9) Directors. It has an appropriate combination of Executive and Non-Executive Directors ("NEDs"), to ensure independent functioning. The Board presently comprises of Nine Directors, of which Three (3) are Executive Directors and Six (6) are Non-Executive Directors including Five (5) Independent Directors (including one Woman Director) and one (1) is Non-Executive Non-Independent Director. Shri. Govindaswamynaidu Balakrishnan is the Executive Chairman (Redesignated as Non-executive Chairman with effect from 4th August 2026), Shri. Balakrishnan Sriramulu is the Managing Director and Shri R Selvakumar is a Whole-time Director, and all others are Non-Executive Directors of the Company. The Directors are professionals who have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

As on March 31, 2026, the composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ("the Act"), read with the relevant rules made thereunder.

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

The Board has met Six times during the financial year on 30.05.2025, 11.08.2025, 06.10.2025, 14.11.2025, 21.11.2025, 13.02.2026. The necessary quorum was present for all the meetings. The details of attendance of each Director at Board Meetings, last Annual General Meeting ("AGM") and their Directorship in other Indian Companies and membership in the Committees thereof are given below:

Name of the Director	Category	Attendance Particulars		Number of Directorships held in other Companies#	Number of Board & Committee Memberships held in other Companies $ (Chairman / Member)
		Board Meeting	Last AGM		
Shri.K.G. Balakrishnan DIN: 00002174	Executive Chairman@ /Promoter	6	Yes	3	
Shri.B. Sriramulu DIN: 00002560	Managing Director/Promoter	6	Yes	2	
* Shri.B. Srihari DIN: 00002556	Non-Executive Non-Independent /Promoter	2	NA	3	
Shri.A.Velusamy DIN: 00002204	Non-Executive/ Non-Independent	6	No	3	
Shri. N. Govindarajan DIN: 00366402	Non-Executive/ Independent	5	No		
Shri.Jaganmohan Ramachandran DIN: 09125603	Non-Executive/ Independent	5	No		
Shri. Duraipandian Kumaravel DIN: 00004827	Non-Executive/ Independent	6	Yes		
Shri. R.Selvakumar DIN: 00051606	Whole-time Director	6	Yes		
Shri. N B Anand DIN: 00785555	Non-Executive/ Independent	5	Yes		
Smt Geetha DIN: 10753726	Non-Executive/ Independent	5	Yes		

@Shri.K.G. Balakrishnan re-designated as Non-Executive Chairman with effect from 4th August 2026.
Shri.B. Srihari resigned as Director of the Company with effect from 27th August 2025.

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

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

Shri Balakrishnan Sriramulu, Managing Director, is son of Shri KG Baalakrishnan, Chairman of the Company. None of the other directors on the Board of the Company are related to one another.

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. Necessary disclosures regarding Board (in terms of Regulation 17A of SEBI Listing Regulations) and Committee positions (in terms of Regulation 26 of SEBI Listing Regulations) as on March 31, 2026, have been made by all the Directors of the Company.

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

b. Other Directorships in listed entities:
None of the Directors holds directorship in other listed entity.

c. Number of shares and convertible instruments held by non- executive directors;

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2026:

Sl. No	Name of Director	No. of equity Shares held
1.	Shri. Ayyalusamy Velusamy	500
2.	Shri. N. Govindarajan	-
3.	Shri. Jaganmohan Ramachandran	-
4.	Shri. D. Kumaravel	-
5.	Shri. N B Anand	-
6.	Smt Geetha	-

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

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

INDEPENDENT DIRECTORS

Iindependent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 (the 'Act') along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, the Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Every Independent Director has made requisite declaration under Regulation 25(8) of Listing Regulations and Section 149(7) of Act that he/she meets the "criteria of independence" as required under Regulation 16(1)(b) of Listing Regulations and Section 149(6) of the Act respectively. Based on the declarations received from the Independent Directors, the Board of Directors is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and the Companies Act, 2013 and 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 Director Databank and obtained registration thereof as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

Familiarization Program for Independent Directors:

The Board Members are regularly updated on changes in Corporate and allied laws, Taxation Laws and matters thereto. In the quarterly Board Meetings, Managing Director and Senior Management staff conducted 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 has been posted on the Company's website at the link https://www.kgdenim.com/wp-content/uploads/2023/8/familarisation-programme-independent-directors-06032023-1-1.pdf

Key Board Qualifications, skills, expertise and attributes:

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

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

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

Independent Directors	In-depth Industry Knowledge Textile Business Policies Audit, Taxation and Financial Management Legal and Regulatory Framework	Technical / Professional Analytical Technological Behavioral pattern
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 Behavioral pattern

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 – Specific Area of Expertise							
Name of the Directors/ Skills	**Leadership**	**Board Service, Legal and Governance**	**Business Strategy**	**Technology & Innovation**	**Financial**	**Sales and Marketing**	**Human Resources**
Shri KG Baalakrishnan (DIN: 00002174)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri B Sriramulu (DIN: 00002560)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri. A Velusamy (DIN: 00002204)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri. N Govindarajan (DIN: 00366402)	Yes	Yes	Yes	Yes	Yes	-	-
Shri. Jaganmohan Ramachandran (DIN: 09125603)	Yes	Yes	Yes	Yes	Yes	-	-
Shri. D Kumaravel (DIN: 00004827)	Yes	Yes	Yes	Yes	-	-	-
Shri. R.Selvakumar DIN: 00051608	Yes	Yes	Yes	Yes	Yes	-	Yes
Shri. N B Anand DIN: 00785555	Yes	Yes	Yes	Yes	Yes	-	-
Smt Geetha DIN: 10753728	Yes	Yes	Yes	Yes	Yes	-	-

Resignation of Independent Directors before expiry of tenure:

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

Separate meeting of the Independent Directors:

During the year, the meeting of Independent Directors was held on 12th February, 2026 without the attendance of Non-Independent Directors and members of Management pursuant to Schedule IV of the Companies Act, 2013. The following matters, inter alia, were discussed in detail:

i. Review of the performance of Non-independent directors and the Board as a whole;
ii. Review of the performance of the Chairman & Managing Director of the Company, taking into account the views of Non -Executive Directors.
iii. Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

COMMITTEES OF THE BOARD:

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

1) Audit Committee 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee, and 4) Corporate Social Responsibility (CSR) Committee.

3. **AUDIT COMMITTEE:**

Brief description of terms of reference:

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

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

The Committee acts as a link between the Statutory and 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.

During the year under review, the Committee met Four (4) times on 30.05.2025, 11.08.2025, 14.11.2025 and 13.02.2026. The Composition of the Audit Committee and the attendance of each member of the Committee are given below.

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

Name of the Members	*Category*	*No. of Meetings held during the year*	*No. of Meetings attended*
Shri.Jaganmohan Ramachandran - (Chairman)	Non-Executive / Independent Director	4	4
Shri.N. Govindarajan, (Member)	Non-Executive / Independent Director	4	4
Shri. Duraipandian Kumaravel (Member)	Non-Executive / Independent Director	4	4

The Chairman of the Audit Committee did not attend the Annual General Meeting ("AGM") held on 09.09.2025, due to personal pre-occupations. A member of the Committee nominated by him attended the AGM on his behalf.

The Company Secretary of the Company acts as the Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference:

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

The terms of reference of this committee has been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of the Listing Regulation and also with the requirement of Section 178 of the Companies Act, 2013.

During the year under review, the Committee met one time on 30.05.2025.

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

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Shri.Jaganmohan Ramachandran (Chairman)	Non-Executive Independent Director	1	Nil
Shri.A.Velusamy (Member)	Non-Executive / Non -Independent Director	1	1
Mr.N.Govindarajan (Member)	Non-Executive Independent Director	1	Nil
Shri.Duraipandian Kumaravel (Member)	Non-Executive Independent Director	1	1

The Chairman of the Nomination and Remuneration Committee did not attend the Annual General Meeting ("AGM") held on 09.09.2025, due to personal pre-occupations. A member of the Committee nominated by him attended the AGM on his behalf.

The Company Secretary of the Company acts as the Secretary of the Committee.

The Committee looks into and determines the Company's policy on remuneration packages of the Executive directors, Senior Management and other employees.

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

Performance Evaluation of Non-Executive and Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 37(10) of the Listing Regulation and based on the guidance note issued by Securities and Exchange Board of India (SEBI) vide Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, 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 Committee, Nomination and Remuneration Committee, CSR Committee and Stakeholder Relationship Committee. 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. Feedback on the appraisal has been provided to the board members.

The remuneration policy of the Company can be accessed on the Company's website at https://www.kgdenim.com/wp-content/uploads/2022/06/nominationandremunerationcommitteepolicy.pdf

Details of Remuneration to Directors:

Remuneration and sitting fees paid to Executive and Non-Executive Directors during the year ended 31st March, 2026 are as follows:

Name of the Directors	Salary	Perquisites	Commission	Sitting Fees	Total
Mr.K.G.Balakrishnan Whole-time Director/ Chairperson	-	-	-	-	-
Shri.B. Sriramulu Managing Director	-	-	-	-	-
Shri.R. Selvakumar Whole-time Director	14.49	-	-	-	14.49

Two (2) Executive Directors viz., Shri KG Baalakrishnan, Executive Chairman (Redesignated as Non-Executive Chairman with effect from 4th August 2026), and Shri B Sriramulu, Managing Director had forgone their entire remuneration for the financial year 2025-26.

Remuneration to Non Executive Directors

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

No benefits, 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 appointments are 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 has any pecuniary relationship with the Company.

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

The Company currently does not have any Stock Option Scheme

Senior Management

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year under review, the Committee met 7 times on 28.04.2025, 28.05.2025, 14.07.2025, 13.08.2025, 17.12.2025, 29.12.2025 and 29.01.2026. The Composition of the Stakeholders Relationship Committee and the attendance of each

Name of Senior Management Personnel	Designation	Date of Appointment	Date of Cessation, if any
Shri.S. Gopinath	Vice President Marketing	01.04.1994	NA
Smt Ramaprabha S	Chief Financial Officer*	14.08.2024	13.02.2026
Shri M Balaji	Company Secretary	25.12.2024	NA

* Shri M Balaji was appointed as Chief Financial Officer of the Company with effect from 12th May 2026.
member of the Committee are given below:

The 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 Duraipandian Kumaravel Chairman	Non-Executive Independent Director	7	7
Shri. Ayyalusamy Velusamy -Member	Non-Executive and Non -Independent Director	7	5
Shri. N.Govindarajan - Member	Non-Executive Independent Director	7	5

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting held on 09.09.2025.

Shri. M Balaji, Company Secretary of the Company is the Compliance Officer/ Secretary of the Committee.

During the year, the Company has received two complaints and promptly replied to the satisfaction of the shareholder. Therefore, no pending / outstanding complaints as on 31.03.2026.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The CSR Policy has also been framed and its details are uploaded in the Company's website. During the year under review, , the committee has not met.

The 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.K.G.Baalakrishnan (Chairman)	Non-Executive Non-Independent Director	-	-
Shri.Ayyalusamy Velusamy - (Member)	Non-Executive Non-Independent Director	-	-
Shri.Duraipandian Kumaravel (Member)	Non-Executive Independent Director	-	-

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

8. GENERAL BODY MEETINGS:

a. Annual General Meeting:

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

Year	Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions Passed, if any
2024-2025	09/09/2025	4.30 pm	Registered office of the Company - Then Thirumalai, Coimbatore - 641302	1. To approve the offer, issue and allotment of warrants fully convertible into equity shares to the Promoter of the Company on preferential basis. 2. To approve the offer, issue and allot 6% Non-convertible Cumulative Redeemable Preference Shares through private placement.
2023-2024	30/09/2024	3.30 pm	Registered office of the Company - Then Thirumalai, Coimbatore - 641302	1. Re-appointment of Shri N Govindarajan (DIN: 00366402) as an Independent Director of the Company for a further period of 5 years with effect from 29th July 2025 and who will also attain the age of 75 (Seventy-Five) years on 29th December 2024. 2. Appointment of Shri Nallusamy Balasubramaniam Anand (DIN: 00785555) as an Independent Director of the company for a period of 5 years with effect from 24th August 2024. 3. Appointment of Smt Geetha (DIN: 10753728) as an Independent Director of the Company for a period of 5 years with effect from 29th August 2024.

2022-2023	29/09/2023	3.00 pm	Registered office of the Company- Then Thirumalai, Coimbatore - 641302	1. Re-appointment of Shri KG Baalakrishnan (DIN: 00002174) as Executive Chairman of the Company for a period of three (3) years with effect from 3rd November 2023. 2. Re-appointment of Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company for a period of three (3) years with effect from 3rd November 2023. 3. Re-appointment of Shri B Srihari (DIN: 00002556) as Managing Director of the Company for a period of three (3) years with effect from 3rd November 2023. 4. Appointment of Shri. R. Selvakumar (DIN: 00051608) as a Whole-time Director of the Company

a. Extraordinary General Meeting

No extraordinary general meeting of the members was held during the financial year 2025-2026.

b. Postal Ballot and E-Voting

No Postal Ballot was conducted during the financial year 2025-2026.

c. Postal Ballot proposed to be conducted

The Company had conducted a Postal Ballot on 29.05.2026 to seek approval of sale of land, in compliance with Section 110 and other applicable provisions of the Companies Act, 2013 and its relevant Rules made thereunder, the Listing Regulations and any other applicable laws in this regard. Mr. M. D. Selvaraj, FCS, Managing Partner of MDS & Associates LLP, Company Secretaries, Coimbatore, was appointed as the scrutinizer for carrying on the aforesaid postal ballots in a fair and transparent manner and the resolution was duly passed.

Further, as on date of this report, the Company does not foresee the need for any further postal ballot during the current financial year. However, if required, the same shall be conducted in compliance with the applicable procedure

9. MEANS OF COMMUNICATION

The Company is conscious of the importance of timely dissemination of adequate information to the Stakeholders. All periodical compliance filings under the Listing Regulations, including shareholding patterns, corporate governance report, media release, statement of investor complaints, announcements, among others, are filed electronically through BSE Listing Centre, a web based application designed by BSE for corporates.

The Company is regularly publishing notices, advertisements, quarterly unaudited and audited financial results containing a Quick Response code (QR Code) and the details of the webpage where complete financial results are available is normally published in newspapers viz., The Financial Express/ Malai Murasu (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.

Subsidiary Companies: The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the Board Meetings, along with a report on significant developments of the unlisted subsidiary companies, are periodically placed before the Board of Directors of the Company.

I. 34th Annual General Meeting date, Time and venue	Tuesday, 29th September 2026 at 4 pm Venue: AGM is proposed to held through Video Conferencing (VC) / Other Audio Visual Means (OAVM), and hence, the deemed venue for the AGM shall be the Registered Office of the Company.
ii. Financial Year	1st April 2025 to 31st March 2026
iii. Dividend payment date	Not Applicable
iv. Date of Book Closure	23.9.2026 to 29.9.2026 (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 2025-26 to the above Stock Exchange
vi. Depository Fee	Annual custody fee for the financial year 2025-26 have been paid to the Depositories.
vii. Corporate Identity Number	L17115TZ1992PLC003798
viii. Scrip Code/Symbol Demat ISIN in NSDL & CDSL	500239 INE104A01012
xi. 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
x.Details of Compliance Officer	Shri. M Balaji, Chief Financial Officer & Company Secretary Then Thirumalai, Coimbatore - 641 302 Ph: 04254 - 235568, Fax: +91 4254 235400 Email: cskgdl@kgdenim.in

xi. Share Transfer System	Share transfer services are carried out in dematerised form through NSDL and CDSL platforms and monitored by the Company's Registrar and Share Transfer Agents (STA), viz., Cameo Corporate Services Limited. Request for share Transmission and Transposition, as duly coordinated by the STA, are considered and approved by the Share Transfer Committee of the Company. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets quarterly and reviews the Share Transfer Committee's activities.
xii Dematerialisation of shareholding and liquidity	Members have the option to hold their shares in demat form either through the National Securities Depository Limited or the Central Depository Services Limited. The ISIN Number of the Company is INE104A01012. Number of shares dematerialized: 2,49,98,671 Percentage: 97.51%.
xiii Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	Not Applicable
xiv Commodity price risk or foreign exchange risk and hedging activities	Nil
xv Plant location	Then Thirumalai, Jadayampalayam Village, Coimbatore - 641 302
xvi Address for Correspondence and Registered office	Then Thirumalai, Jadayampalayam Village,Coimbatore - 641 302 Website: www.kgdenim.com Email id of the Investor Grievance Section: cskgdl@kgdenim.in

xvii Reconciliation of Share Capital Audit	A qualified Company Secretary in Practice has carried out the reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.
xviii List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	The Company has approached India rating to obtain credit rating for Company

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

Shareholding Pattern as on 31st March 2026

Category	*Number of Shares Held*	*% of Shareholding*
Promoter & Promoter Group	1,50,58,956	58.74
Mutual Fund	3,200	0.01
Directors and their Relatives	500	0.00
Investor Education and Protection fund (IEPF)	10,43,428	4.07
Indian Public	85,41,602	33.33
Hindu Undivided Family	4,00,616	1.56
NRI	2,06,058	0.80
Clearing Member	1,000	0.00
Bodies Corporate	3,82,185	1.49
LLP	280	0.00
Total	**2,56,37,825**	**100.00**

Distribution of Shareholding:

Shareholding (Range)	No. of Holders	% of Holders	No. of shares	% of shares
1 - 500	7803	82.53	1203663	4.69
501 -1000	765	8.09	636358	2.48
1001 - 2000	375	3.97	585533	2.28
2001 - 3000	156	1.65	393117	1.53
3001 -4000	76	0.80	273095	1.07
4001 - 5000	51	0.54	243575	0.95
5001 - 10000	101	1.07	758718	2.96
10001 and above	128	1.35	21543766	84.04
Total	**9455**	**100.00**	**25637825**	**100.00**

11. OTHER DISCLOSURES:

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

All the related party transactions are entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of The Companies Act, 2013 and the Listing Regulation. Approval at the forthcoming Annual General Meeting is being sought for transactions with Sri Kannapiran Mills Limited and Trigger Apparels Limited, related party(ies) of the Company. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel or otherwise which may have potential conflict with the interest of the Company at large.

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

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

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

The Listed entity has submitted on 22nd November 2025, the revised standalone and consolidated financial results for the half year ended 30th September 2025, which inter alia contained the Statement of Assets and Liabilities as at the end of the half year and the Statement of Cash Flows for the said period, pursuant to the clarification sought by Stock exchange on 20th November 2025 on the said discrepancy. In respect of the said delay, the Company has paid a fine amount of Rs. 35,400/ (inclusive of GST), as imposed by BSE Limited, on 23rd January 2026.

Apart from the above, there are no penalties and/or strictures imposed on the Company by SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

c. Details of establishment of vigil mechanism/ whistle blower policy, and affirmation that no personnel has

been denied access to the audit committee

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

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

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

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

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

The Company has formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website at https://www.kgdenim.com/wp-content/uploads/2023/09/Policy-on-material-subsidiary-2.pdf

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

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

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

During the financial year ended 31.03.2026, the Company did not engage in commodity hedging activities.

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

Approval of shareholders was sought at the Annual General Meeting held on 9.9.2025 for the following proposals:

1. Offer, issue and allotment of 13,47,000 warrants, in one or more tranches, fully convertible into equity shares of face value of Rs.10/- each, at a price of Rs.17/- per warrant aggregating to an amount not exceeding Rs.2,28,99,000/- for cash consideration to the Promoter of the Company on preferential basis. However, the Company has not subsequently issued any warrants during the year under review.

2. Offer, issue and allotment, in one or more tranches, up to 10,00,000, 6% Non-convertible Cumulative Redeemable Preference Shares of face value of Rs. 100/- each ("NCRPS") at par, aggregating to an amount not exceeding Rs.10,00,00,000/- for cash consideration to the Promoter / Promoter Group of the Company on a private placement basis. However, the Company has not subsequently issued any NCRPS during the year under review.

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

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

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

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

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

The Company has paid a sum of Rs. 9.50 Lakh as fees on consolidated basis to the Statutory Auditors and all entities in the network firm I entity of which the Statutory Auditor is a part for the services rendered by them

l. Disclosures in relation to the Sexual Harassment of Women

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

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

m. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount-Not Applicable.

n. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries are as follows:

S. No	Name of the Material Subsidiary	Date of Incorporation/ Acquisition	Place of Incorporation	Name of appointment of Statutory Auditors	Date of appointment of Statutory Auditors
1.	Trigger Apparels Limited	30th July 1999	Coimbatore	Gopalaiyer and Subramanian	27th August 2023

o. All the requirements of Corporate Governance report of sub paragraphs (2) to (10) Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with.

p. The Company is fully compliant with the Corporate Governance requirements as specified by Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except to the extent as follows:

1. The Company has not reported/ belatedly reported certain events to the stock exchange under Regulation 30 of Listing Regulations read with relevant Circulars issued by the Stock Exchange from time to time.

2. The Company has belatedly filed Statement of Assets and Liabilities as at the end of the half year ended 30thSeptember 2025 and the Statement of Cash Flows for the said period for which BSE Limited imposed a fine of Rs. 35,400/- (inclusive of GST), which was duly paid by the Listed Entity on 23rd January 2026.

q. Disclosure on Accounting Treatment:

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

Notes to the Financial Statements.

r. Disclosure on risk management:

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

Apart from the above, the Company has not adopted any of the discretionary requirements as specified in Part E of Schedule 11 of SEBI Listing Regulations.

t. Disclosure of certain types of agreements binding listed entities - Not Applicable

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

Pursuant to Regulation 39(4) read with Schedule VI of Listing Regulation, the Company does not have any unclaimed shares. Hence, opening of unclaimed suspense account is not applicable. The Company has opened Suspense Escrow Demat Account in compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022. No share has been credited to that account during the financial year under review.

v. Certificate from CEO and CFO:

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

w. Code of Conduct:

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

x. 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 https://www.kgdenim.com/wp-content/uploads/2015/10/fair-disclosurecode.pdf

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

DECLARATION

I, K.G.Baalakrishnan, Chairman and Executive Director of K G Denim Limited, hereby declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2026 affirm compliance with the said code of conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board
For KG Denim Limited

Coimbatore 14.08.2026
K.G.Baalakrishnan
Non Executive Chairman
(DIN: 00002174)

CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31/03/2026

To

The Members of K G Denim Limited

Dear Sir,

We have examined the compliance of the conditions of Corporate Governance by K G Denim Limited ("the Company") for the financial year ended March 31, 2026 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, except to the extent as specified herein below, for the financial year ended March 31, 2026.

1. The listed entity has not reported/ belatedly reported certain events to the stock exchange under Regulation 30 of Listing Regulations read with relevant Circulars issued by the Stock Exchange from time to time.

2. The Listed Entity has belatedly filed Statement of Assets and Liabilities as at the end of the half year ended 30thSeptember 2025 and the Statement of Cash Flows for the said period for which BSE Limited imposed a fine of Rs. 35,400/- (inclusive of GST), which was duly paid by the Listed Entity on 23rdJanuary 2026.

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

For MDS & Associates LLP
Company Secretaries
Place : Coimbatore
Date : 14.08.2026
M.D.SELVARAJ

Managing Partner

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

Peer Review No. 6468/2025
UDIN: F000960H001113115

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

To

The Board of Directors
K G Denim Limited Coimbatore - 641302

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

I. We have reviewed the Audited Financial Statements for the Quarter and Year Ended 31st March 2026, 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	B Sriramulu	M Balaji
Date: 26.05.2026	Managing Director	Chief Financial Officer

Certificate of non-disqualification of directors

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 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, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2026 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Jaganmohan Ramachandran	09125603	14/02/2022
2.	Mr. Govindaswamynaidu Balakrishnan (Executive Chairman)$	00002174	03/11/2003
3.	Mr. Balakrishnan Sriramulu (Managing Director)	00002560	03/11/2003
4.	Mr. Ayyalusamy Velusamy	00002204	01/04/2010
5.	Mr. N Govindarajan*	00366402	29/07/2020
6.	Mr. Duraipandian Kumaravel	00004827	01/04/2023
7.	Mr. Nallusamy Balasubramaniam	00785555	24/08/2024
8.	Mrs. Geetha	10753728	30/09/2024
9.	Mr. Ramasamy Selvakumar (Whole-time Director)	00051608	07/08/2023

$Mr. Govindaswamynaidu Balakrishnan was re-designated from Executive Chairman to Non-Executive Chairman of the Company with effect from 4th August 2026.

*Mr. N Govindarajan was re-appointed as an Independent Director of the Company with effect from 29th July 2025 by the members of the Company by means of special Resolution.

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

Place: Coimbatore
Date : 14.08.2026

M.D. Selvaraj
Managing Partner
Membership No.: FCS 960 C P No.: 411
Peer Review No. 6468/2025
UDIN: F000960H001112840

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. Indian textile Exports experienced a decline for the consecutive year in 2025-26, mainly attributed to the geopolitical tensions casting a shadow on the global trade.

India is one of the fastest growing economy in the world. Textile is one of the core segments in the manufacturing sector in India. However, due to geopolitical disturbances and Tariff wars there has been decline in the exports of textile across the Country. The Government of India is holding discussions with countries in Asia,Africa and Europe to explore new Markets. It is expected there would be some improvements in the export segment if the talks materialize.

Opportunities and threats

Strength	Weakness
Ample labour availability – 45 million have been employed in the sector Presence of the entire textile value chain in the country Diversified textile operations from spinning to processing Total spinning mills stand at 3,452, plus 1.8 million power looms and 3.9 million handlooms operate in the country Processing units stand around 3,400 units	Use of outdated technology Fragmentation within the industry Uncompetitive value chain components Existence of small and medium-sized enterprises that are highly risk-averse Lopsided focus on cotton till late, resulting in delayed policies for other more in-demand commodities like man-made fibres and yarns
Opportunity	**Threat**
Export enhancement due to FTAs Utilisation of the same location value chain to increase competitiveness Strong policy support to increase productivity Can utilise the de-risking stage to increase exports PLIs can make the country a leader in exports of and technical textiles Taking the benefit of the China plus one policy.	Increasing shipping cost to affect trade Geo political issues and de-globalisation Increasing and potential competition from Bangladesh, Vietnam, Cambodia, Myanmar, and Indonesia Gaps in the pace of adoption of sustainable technology Rising cost of production

Overall performance

There had been drought in the plant location due to which there was no water supply. The operations of the Company were affected severely for about 5 months. The restarting of the operations got affected due to non-availability offunds. The implementation of the restructuring for loan facilities with the Bankers was also delayed and was implemented only in March 2026.

The Company has recently concluded arrangements with the Bankers for release of working capital funds. To augment funds for working capital and reduction of debts the Company is in the process of selling non-core assets. It is hoped that the operations would be ramped up gradually from September 2026.

Outlook

The recent Tariff war started by USA appears to affect the export market of textiles since USA was the major importer of Indian textiles. The Government of India is holding discussions with other countries to explore new markets.

Risks and concerns

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

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

Internal control systems and their adequacy:

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

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

Financial performance with respect to operational performance

The financial performance of the Company during the financial year 2025-26 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 - present strength is around 134 which will increase with improvement in operations.

As the operations of the Company has been severely affected as aforesaid there had been significant reduction in the manpower. The Company is holding discussions with affected employees for amicable settlement and reemployment as the operations progress further

Financial Ratios :

Sr.No	Ratios	2025-26	2024-25	% of Change	Reason for variance (for change more than 25%)
1	Current Ratio	1.32	1.16	14%	Not applicable
2	Debt Equity Ratio	79.39	59.26	34%	Significant decline in business due to adverse market conditions
3	Debt Service coverage ratio	0.84	-0.27	-412%	Drop in turnover due to adverse market conditions
4	Return on Equity Ratio	0.38	-1.82	-121%	Drop in turnover due to adverse market conditions
5	Inventory Turnover Ratio	0.26	0.62	-58%	Drop in turnover due to adverse market conditions
6	Trade Receivables turnover ratio	0.31	0.62	-50%	Drop in turnover due to adverse market conditions
7	Trade payables turnover ratio	0.12	0.08	47%	Reduction in Purchase during the year due to decrease in demand
8	Net capital turnover ratio	0.53	-1.77	-130%	Due to drop in the turnover and increase in funds borrowed on short term basis.
9	Net profit ratio	0.07	-0.73	-110%	Drop in turnover due to adverse market conditions
10	Return on Capital employed	0.15	-0.10	-242%	Not applicable
11	Return on Investment	0.67	0.63	7%	Growth in the return of investment funds

CAUTIONARY STATEMENT

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

For K G DENIM LIMITED
KG Baalakrishnan
Chairman,

Place: Coimbatore
Date : 14.08.2026

DIN: 00002174

Independent Auditor's Report
To the Members of K G Denim Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of K G Denim Limited ('the Company'), which comprise the standalone balance sheet as at 31st March 2026, 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 2026, 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.	Litigations - Contingencies As disclosed in Note 40 to the standalonefinancial statements, the Company hascertain disputed statutory dues, including matters relating to Custom Duty and Income-tax, which are pending beforevarious appellate authorities/forums. Theamounts involved in certain of these matters are significant and the applicationof Indian accounting standards todetermine the amount, if any, to be provided as a liability or disclosed as acontingent liability, is inherently subjective. 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.	Principal Audit Procedures • We obtained an understanding of the Company's process for identifying, evaluating and accounting for litigations and disputed statutory dues and assessed the design and implementation of relevant controls in this regard. • We obtained and reviewed the details of the significant disputed statutory dues relating to Custom Duty and Income-tax and reconciled the amounts involved with the underlying records and the disclosures in the standalone financial statements. • We examined relevant assessment/appellate orders, notices, demand orders, appeal documents and other correspondence with the respective statutory authorities/forums for significant matters. • We evaluated the basis of management's assessment of the likelihood of an adverse outcome and the consequent requirement for recognition of a provision or disclosure of a contingent liability under Ind AS 37. • We also considered developments subsequent to the reporting date, including orders or communications received

		from the relevant authorities, where applicable, to assess whether they provided evidence relevant to the assessment of the matters as at the reporting date. • We assessed the adequacy and appropriateness of the related disclosures in the standalone financial statements with reference to the requirements of Ind AS 37and other applicable Ind AS requirements.
2.	**Loan Restructuring Arrangement with Consortium Lenders** As disclosed in Note 39 to the standalone financial statements, the Company has entered into a loan restructuring arrangement with its consortium lenders pursuant to the Reserve Bank of India's framework for relief measures in areas affected by natural calamities. The restructuring plan has been approved by the majority of the consortium lenders. However, one bank, representing approximately 7% of the debt exposure, has dissented from the restructuring plan and one Non-Banking Financial Company (NBFC), having an outstanding loan of Rs.625 lakh, has not participated in the restructuring arrangement. The Company has initiated legal proceedings in respect of the dissenting/non-participating lenders and has obtained an injunction order from the Hon'ble High Court of Madras, with the matter being sub judice. The repayment obligations under the restructured arrangement commenced from the quarter ended June 2026. Further, as part of the restructuring arrangement, the Company has undertaken measures for mobilisation of funds, including proposed sale of non-core assets and contribution by the promoters.	**Principal Audit Procedures** • We obtained and reviewed the loan restructuring agreements, correspondence and confirmations from the consortium lenders and minutes/resolutions of the Board of Directors relating to the restructuring arrangement. • We evaluated the terms of the restructuring arrangement and assessed management's accounting treatment, including the classification and measurement of the borrowings and the application of the requirements of Ind AS 109 relating to modification of financial liabilities. • We evaluated management's assessment of the impact of the dissenting lender and the non-participation of the NBFC on the Company's obligations under the restructuring arrangement and the consequential accounting and disclosures. • We assessed management's evaluation of the Company's ability to meet its repayment obligations under the restructured arrangement, including the proposed/actual mobilisation of funds through sale of non-core assets and promoters' contribution. • We evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements in respect of the loan restructuring arrangement, borrowings, legal proceedings, liquidity/financial risks and related matters with reference to the applicable requirements of Ind AS and the Companies Act, 2013.
3.	**Trade Creditors – Claims and Proceedings before the National Company Law Tribunal** As disclosed in Note No. 42 to the standalone financial statements, as at the reporting date, certain trade creditors had initiated legal proceedings against the Company before the National Company Law Tribunal (NCLT) seeking recovery of alleged outstanding dues aggregating to Rs.268 lakh. The Company is engaged in discussions and negotiations with the concerned creditors towards settlement of these claims. The Company also has certain amounts overdue to trade creditors, including amounts which have remained outstanding for more than one year pursuant to the restructuring arrangement. Certain creditors have issued legal notices demanding settlement of their dues. The significant level of overdue trade payables and the proceedings initiated by creditors before the NCLT indicate liquidity pressures faced by the Company	**Principal Audit Procedures** • We obtained and reviewed the ageing of trade payables and reconciled significant outstanding balances with the underlying accounting records and supporting documentation. • We examined the details of overdue trade creditors, including amounts deferred under the restructuring arrangement, and evaluated the terms and conditions relating to such deferment. • We obtained and reviewed legal notices, petitions and other relevant correspondence received from creditors and examined the status of proceedings filed before the NCLT. • We obtained and evaluated the Company's assessment of the claims made by the creditors and the basis for determining the amounts payable, including consideration of disputes, settlements and negotiations with the respective creditors. • We discussed with management the status of negotiations and settlements with the concerned creditors and evaluated subsequent settlements/payments, where applicable, to assess whether they provided evidence relevant to the amounts and obligations existing at the reporting date.

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

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

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

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

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

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

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

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

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

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

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

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

•Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

• Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) the standalone financial statements dealt with by this report are in agreement with the books of account;

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

(e) on the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 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 2026 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 company has not paid any remuneration to its directors during the year.

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

I. The Company has disclosed the impact of pending litigations on its financial position as at 31st March 2026 in the standalone financial statements in Note no. 43;

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 2026.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("the Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("the Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

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

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

For Gopalaiyer and Subramanian
Chartered Accountants
FRN. 000960S

M. Venkatesh Prasath
Partner
M.No.264906
UDIN: 26264906DVAQAW6200

Place: Coimbatore
Date: 29th May 2026

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in the Independent Auditors' Report of even date to the members of K G Denim Limited on the standalone financial statements for the year ended March 31, 2026.

I. (a)(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible Assets.

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

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

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

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

ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the frequency of such verification is reasonable and no material discrepancies were noticed at the time of verification.

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

***Note**: The difference was on account of different methods of stock valuation adopted in respect of Inventories and pending reconciliation of Trade Receivable and Trade Payable for the purpose of reporting in Quarterly Bank Statements vis-à-vis*

Statement of discrepancy between Quarterly Statement submitted to the Bank and Book of Accounts

Rs. in Lakhs

Quarter ended as on	Inventory		
	As per Stock Statement (A)	As per Books of Accounts (B)	Difference (A -B)
30-06-2025	5725.72	5259.70	466.02
30-09-2025	6905.30	6905.30	0
31-12-2025	9030.00	9031.43	-1.43
31-03-2026	9124.00	9124.96	-0.96

Rs. in Lakhs

Quarter ended as on	Trade Receivables		
	As per Stock Statement (A)	As per Books of Accounts (B)	Difference (A-B)
30-06-2025	6576.75	7106.78	-530.03
30-09-2025	6486.34	6670.90	-184.56
31-12-2025	7207.50	6736.52	470.98
31-03-2026	7636.62	6679.41	957.21

Rs. in Lakhs

Quarter ended as on	Trade Payables		
	As per Stock Statement (A)	As per Books of Accounts (B)	Difference (A-B)
30-06-2025	7375.00	8027.01	-652.01
30-09-2025	7249.00	7097.88	151.12
31-12-2025	7836.00	7405.43	430.57
31-03-2026	7867.87	6351.85	1516.02

books of accounts.

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

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

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

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

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

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

vii. In respect of statutory dues

(a) In our Opinion, the Company has not been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. The amounts payable in respect of the aforesaid undisputed statutory dues which are in arrears as at March 31, 2026 for a period of more than six months from the date they became payable are being listed down below:

Statement of Arrears of Undisputed Statutory Dues Outstanding for More than Six Months

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.

Name of Statue	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Due Date	Date of Payment
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	25.36	Apr-24	15-05-2024	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	24.45	May-24	15-06-2024	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	22.62	Jun-24	15-07-2024	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	21.57	Jul-24	15-08-2024	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	20.72	Aug-24	15-09-2024	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	17.81	Sept-24	15-10-2024	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	16.08	Oct-24	15-10-2024	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	16.08	Nov-24	15-11-2024	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	15.88	Dec-24	15-12-2024	Not paid

Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	12.12	Jan-25	15-01-2025	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	7.34	Feb-25	15-02-2025	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	7.41	Mar-25	15-03-2025	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	6.22	Apr-25	15-05-2025	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	6.88	May-25	15-06-2025	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	6.92	Jun-25	15-07-2025	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	6.86	Jul-25	15-08-2025	Not paid
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employer and Employee Contribution	6.68	Aug-25	15-09-2025	Not paid
Employees' State Insurance Act, 1948	Employer and Employee Contribution	0.75	Jan-25	15-02-2025	Not paid
Employees' State Insurance Act, 1948	Employer and Employee Contribution	0.29	Feb-25	15-03-2025	Not paid
Employees' State Insurance Act, 1948	Employer and Employee Contribution	0.26	Mar-25	15-04-2025	Not paid
Employees' State Insurance Act, 1948	Employer and Employee Contribution	0.10	Apr-25	15-05-2025	Not paid
Employees' State Insurance Act, 1948	Employer and Employee Contribution	0.14	May-25	15-06-2025	Not paid
Employees' State Insurance Act, 1948	Employer and Employee Contribution	0.14	Jun-25	15-07-2025	Not paid
Employees' State Insurance Act, 1948	Employer and Employee Contribution	0.14	Jul-25	15-08-2025	Not paid
Employees' State Insurance Act, 1948	Employer and Employee Contribution	0.14	Aug-25	15-09-2025	Not paid

(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 thepropriate authorities on account of any dispute except for the following;

Statement of Disputed Dues

Name of Statue	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending	Remarks
Customs Act	Custom Duty	112.61	FY 2013-14	Customs Excise and Service Tax appellate tribunal, Chennai.	Rs. 112.61 Lakhs of demand was stayed by CESTAT, Chennai.
	Custom – Duty draw back and Advance License Scheme	222.74	1st April 2005 to 30th September 2006	High Court of Madras (Madurai Bench)	Nil
Income Tax Act	Income Tax	2.68	AY 2020-21	CIT(Appeals), NFAC, Delhi	Rs. 2.64 lacs have been adjusted against the refund receivable of AY 2025-26.
Income Tax Act	Income Tax	12.66	AY 2017-18	CIT(Appeals), NFAC, Delhi	Date of Demand raised 23.02.2026

ix (a) Considering the restructuring scheme as approved by majority of the consortium bankers, the Company has not defaulted in repayment of its interest and principal amount of loans taken from banks and financial institutions. The Company has not taken loans from the Government.

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

(c) In our opinion and according to the information and explanations given to us, the Company has not taken any Term Loan during the year other than Term Loans approved in accordance with the restructuring scheme and hence reporting under clause 3(ix)© does not arise.

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

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

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

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

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

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

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

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

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

xiii In our opinion and according to the information and explanations given to us all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, wherever applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standards 24.

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

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

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

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

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

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

(d) The Group does not have any CICs.

xvii. The Company has incurred cash losses to the extent of Rs.575.04 lacs in the current financial year covered by our audit and Rs.3912.75 lacs in the immediately preceding financial year.

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

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

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

For Gopalaiyer and Subramanian
Chartered Accountants
FRN. 000960S

M. Venkatesh Prasath
Partner
M.No.264906
UDIN: 26264906DVAQAW6200

Place: Coimbatore
Date: 29th May 2026

Annexure - B to the Independent Auditors' Report

Independent Auditor's Report on the Internal Financial Controls with reference to the standalone financial statements

under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of K G Denim Limited ("the Company") as at and for the year ended 31st March 2026, 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 31st March 2026, 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

M. Venkatesh Prasath
Partner
M.No.264906
UDIN: 26264906DVAQAW6200

Place: Coimbatore
Date: 29th May 2026

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2026

(Rs. in Lakhs)

		Particulars		No.	31.03.2026	31.03.2025
					Audited	Audited
I.	ASSETS					
1	Non-current assets					
		(a)	Property, plant and equipment	1	11,996.53	12,833.66
		(b)	Intangible Assets	1	0.45	0.85
		(c)	Non current financial asset			
			Non-current investments	2	332.83	330.98
		(d)	Deferred tax Assets	3	2,519.61	2,462.07
		(e)	Other non current assets	4	277.66	238.56
					15,127.08	15,866.12
2	Current assets					
		(a)	Inventories	5	9,124.96	6,109.63
		(b)	Current financial asset			
			(i)Trade receivables, current	6	6,679.41	6,297.91
			(ii) Cash and cash equivalents	7	15.50	328.78
			(iii) Bank balance other than (ii) above	8	133.49	25.67
		(c)	Current tax assets (net)	9	184.37	199.78
		(d)	Other current asset	10	4,788.42	4,878.29
		(e)	Asset Held for Sale		-	6.97
					20,926.15	17,847.03
					36,053.23	33,713.15
II.	EQUITY AND LIABILITIES					
1	EQUITY					
		(a)	Equity share capital	11	2,564.90	2,564.90
		(b)	Other equity	12	(2,216.25)	(2,164.15)
			Total Equity		348.65	400.75
2	LIABILITIES					
	Non-current liabilities					
		(a)	Non current financial liabilities			
			(i) Borrowings	13	19,381.26	17,663.09
			(ii) Lease Liabilities	15	-	-
		(b)	Long-term provisions	14	524.36	268.67
		(c)	Long-term - Trade Payable		-	-
		(c)	Government grants	17	-	-
					19,905.62	17,931.76
	Current liabilities					
		(a)	Current financial liabilities			
			(i) Borrowings	15	8,307.72	6,085.05
			(ii)Trade payable - Micro and Small Enterprises		698.66	928.53
			(iii)Trade payable - Others	16	5,653.19	7,332.17
		(b)	MSME Interest Payable	17	386.80	315.68
		(b)	Other current financial liabilities	18	707.88	559.92
		(c)	Short-term provisions	19	44.71	28.42
		(d)	Government grants	20	-	130.87
					15,798.96	15,380.64
					36,053.23	33,713.15
	Significant Accounting Policies					
	The notes form an integral part of these financial statements					

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

M. BALAJI
Chief Financial Officer and Company Secretary

UDIN : 26264906DVAQAW6200
Place : Coimbatore
Date : 29.05.2026

M. VENKATESH PRASATH
Partner
Membership No.264906

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2026

(Rs.in Lakhs) Except EPS

	Particulars	Note No.	31.03.2026	31.03.2025
			Audited	Audited
I	INCOME			
	Revenue from operations	21	2,000.37	4,920.66
	Other Income	22	2,062.19	785.19
	Total Income		4,062.56	5,705.85
II	EXPENSES			
	Cost of materials consumed	23	1,123.63	1,102.04
	Purchases of Stock-in-Trade	24	4.73	6.26
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	25	(3,199.00)	2,827.06
	Other Manufacturing Expense	26	1,305.75	1,866.32
	Employee benefits expense	27	1,245.87	2,088.62
	Finance cost	28	2,218.87	2,889.07
	Depreciation and amortization expense	1	809.64	886.69
	Other expenses	29	467.95	760.60
	Total expenses		3,977.44	12,426.66
III	Profit before exceptional items and tax		85.12	(6,720.81)
IV	Exceptional items - DEPB Receipts	30	-	-
	Extraordinary Items - Excise Duty Refund	30	-	2,039.72
V	Profit before tax (III- IV)		85.12	(4,681.09)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(57.54)	(1,192.74)
	(3) Income Tax for earlier years		-	99.62
			(57.54)	(1,093.12)
VII	Profit/(loss) (after tax) (V-VI)		142.66	(3,587.97)
VIII	Other Comprehensive Income (Net of Tax)			
	Items that will not reclassified to Profit or Loss			
	Fair value of Equity Instruments		1.84	0.12
	Gratuity valuations through OCI		(196.59)	451.69
			-	-
			(194.75)	451.81
IX	Total Comprehensive Income for the period (VII+VIII)		(52.09)	(3,136.16)
X	Earnings per equity share:			
	(1) Basic		0.56	(13.99)
	(2) Diluted		0.56	(13.99)
	Weighted Number of Equity Shares		25,637,825	25,637,825
	Significant Accounting Policies			
	The notes form an integral part of these financial statements			

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

UDIN : 26264906DVAQAW6200
Place : Coimbatore
Date : 29.05.2026

M. VENKATESH PRASATH
Partner
Membership No.264906

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

B SRIRAMULU
Managing Director
DIN : 00002560

M. BALAJI
Chief Financial Officer and Company Secretary

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2026

(Rs. In Lakhs)

	PARTICULARS	PERIOD ENDED 31.03.2026 (Rs. In Lakhs) Audited	PERIOD ENDED 31.03.2025 (Rs. In Lakhs) Audited
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net profit before tax and extraordinary Items	85.12	(6,720.81)
	Adjustments for:		
	Depreciation and Amortization expenses	809.64	886.69
	Finance Cost	2,218.87	2,889.07
	Interest Income	(381.35)	(418.03)
	Dividend Income	(0.10)	(0.07)
	Profit/Loss on sale of Fixed Assets	(1,469.82)	(20.52)
	Apportioned on Government Grants	(130.87)	(170.63)
	Remeasurement of Employee Benefits Obligations	1.84	451.69
	Gain on Termination of Lease Liability	-	(0.27)
	Operating Profit before working capital changes	**1,133.33**	**(3,102.89)**
	Adjustments for:		
	(Increase)/Decrease in Trade and other receivables	(381.50)	3,235.50
	(Increase)/Decrease in Inventories	(3,015.33)	3,379.42
	(Increase)/Decrease in Other Non current assets	(39.10)	(1.30)
	(Increase)/Decrease in Other Current assets	105.28	568.05
	Increase/(Decrease) in Trade and other payables	(1,689.77)	(6,119.77)
	Increase/(Decrease) in Provisions and Others	75.36	(366.94)
	Cash generated from operations	**(3,811.74)**	**(2,407.93)**
	Cash flow before extraordinary/Exceptional items	**(3,811.74)**	**(2,407.93)**
	Extraordinary/Exceptional Item	-	**2,039.72**
	Cash flow after extraordinary/Exceptional items	**(3,811.74)**	**(368.22)**
	Net cash (used in)/generated from operating activities	**(3,811.74)**	**(467.83)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Interest Income	381.35	418.03
	Dividend Income	0.10	0.07
	Sale of property, plant and equipment	1,517.22	59.34
	Capital Subsidy Received	-	-
	Purchase of property, plant and equipment	(12.54)	(62.64)
	Proceeds on investment	(1.84)	
	Margin money deposit with bank	(107.81)	297.60
	Net cash (used in)/generated from investing activities	**1,776.48**	**712.41**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds / Repayment from Long term borrowings	1,718.17	14,418.19
	Proceeds / Repayment from short term borrowings	2,222.68	(11,489.16)
	Payment for Equity Dividend		
	Distribution Tax on Equity Dividend		
	Interest paid	(2,218.87)	(2,889.07)
	Net cash (used in)/generated from financing activities	**1,721.97**	**39.96**
	Net Increase in cash and cash equivalents	**(313.29)**	**284.54**
	Cash and cash equivalents as at 1st April, 2025 / 2024 (Opening Balance)	328.78	44.25
	Cash and cash equivalents as at 31st March 2026 / 2025 (Closing Balance)	**15.50**	**328.79**
	Cash and cash equivalents as per above comprises of the following		
	Cash and cash equivalents	**15.50**	**328.79**
	Balance as per Statement of Cash Flows	**15.50**	**328.79**

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

M. BALAJI
Chief Financial Officer and Company Secretary

UDIN : 26264906DVAQAW6200
Place : Coimbatore
Date : 29.05.2026

M. VENKATESH PRASATH
Partner
Membership No.264906

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2026

A. EQUITY SHARE CAPITAL

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

Balance as at 01.04.2025	Changes in equity share capital due to prior period errors	Restated balance as at 01.04.2024	Changes in equity share capital during the current year	Balance as at 31.03.2026
2,564.90	-	2,564.90	-	2,564.90

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

Balance as at 01.04.2024	Changes in equity share capital due to prior period errors	Restated balance as at 01.04.2023	Changes in equity share capital during the current year	Balance as at 31.03.2025
2,564.90	-	2,564.90	-	2,564.90

B. OTHER EQUITY (Rs. in Lakhs)

	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Surplus	Total
Balance as at 31st March, 2024	**1.61**	**444.44**	**1,549.28**	**(1,023.33)**	**972.00**
Profit (loss) for the year				(3,587.97)	(3,587.97)
Other Comprehensive Income for the year				451.81	451.81
Total Comprehensive Income for the year				(3,136.16)	(3,136.16)
Balance as at 31st March, 2025	**1.61**	**444.44**	**1,549.28**	**(4,159.49)**	**(2,164.16)**
Profit (loss) for the year				142.66	142.66
Other Comprehensive Income for the year				(194.75)	(194.75)
Total Comprehensive Income for the year				(52.09)	(52.09)
Balance as at 31st March, 2026	**1.61**	**444.44**	**1,549.28**	**(4,211.58)**	**(2,216.25)**

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

M. VENKATESH PRASATH
Partner
Membership No.264906

UDIN : 26264906DVAQAW6200
Place : Coimbatore
Date : 29.05.2026

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

B SRIRAMULU
Managing Director
DIN : 00002560

M. BALAJI
Chief Financial Officer and Company Secretary

KG DENIM LIMITED - FIXED ASSETS SCHEDULE - 2025-26

Note 1: Property, Plant & Equipment

(Rs. in Lakhs)

Fixed Assets	Land	Buildings	Plant & Equipment	Electrical Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Other (Specify nature)	intangible	Total	Capital Work in Progress
Gross Carrying Value											
Deemed Cost as at April1,2025	1,097.98	6,273.49	16,524.77	773.02	206.30	495.82	223.09	7.74	2.10	25,604.31	
										-	
Additions	-		11.77	0.77						12.54	
(-) IndAs Adjustment										-	
(-) Disposals	12.87		9.54	34.14		52.12				108.67	-
As at March 31, 2025	**1,085.11**	**6,273.49**	**16,527.00**	**739.65**	**206.30**	**443.70**	**223.09**	**7.74**	**2.10**	**25,508.18**	**-**
Depreciation											
As at April, 2025	-	1,908.25	9,627.75	537.27	146.69	360.78	173.48	7.36	1.25	12,762.82	
Depreciation for the year		189.54	546.24	25.02	10.65	26.65	11.14		0.40	809.64	
(-)On Disposals	-		1.24	23.39		36.65				61.28	
As at March 31, 2025	**-**	**2,097.79**	**10,172.75**	**538.90**	**157.34**	**350.78**	**184.62**	**7.36**	**1.65**	**13,511.18**	**-**
Net Carrying Value											
As at March 31, 2026	**1,085.11**	**4,175.70**	**6,354.25**	**200.75**	**48.96**	**92.92**	**38.47**	**0.38**	**0.45**	**11,996.98**	**-**
As at March 31, 2025	1,091.01	4,365.24	6,897.02	235.75	59.61	135.04	49.61	0.38	0.85	12,834.51	-

Note:

1.Building includes Prayer Hall and Gold plating thereon of Rs.109.14 Lakhs in Gross Carrying value, Rs.22.40 Lakhs in Depreciation Block and Rs. 86.74 Lakhs in Net Block (Previous year Rs. 109.14 in Gross Carrying value, Rs.22.40 Lakhs in Depreciation Block and Rs. 86.74 Lakhs in Net Block)

2.Furniture & Fittings includes Prayer Hall of Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block. (Previous year Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block).

3. Title deeds of all the immovable properties are held in the name of the Company only.

4. The Company has not done any revaluation of property, plant & equipment (including right of use assets) during the year.

5. There is no Capital-work-in progress as on the date of the balance sheet as at 31st March 2026. 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 2026.

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

UDIN : 26264906DVAQAW6200
Place : Coimbatore
Date : 29.05.2026

M. VENKATESH PRASATH
Partner
Membership No.264906

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

B SRIRAMULU
Managing Director
DIN : 00002560

M. BALAJI
Chief Financial Officer and Company Secretary

NOTE 2 NON-CURRENT INVESTMENTS

(Rs. In Lakhs)

	PARTICULARS	31.03.2026	31.03.2025
A	NON-TRADE INVESTMENTS		
	Equity (Quoted)		
i	Indian Bank - 605 Equity Shares of Rs.10/- each	5.12	3.27
	TOTAL - A	5.12	3.27
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- Un Quoted (P.Y. 3,31,588 Equity Shares)	-	-
ii	Cotton Sourcing Company Ltd	1.00	1.00
	10,000 Equity Shares of Rs.10/-each-Un quoted		
	Less : Provision for impairment	(0.75)	(0.75)
		0.25	0.25
	SUB TOTAL	327.71	327.71
	TOTAL (B = I+ II)	327.71	327.71
	GRAND TOTAL (A + B)	332.83	330.98

	Particulars	31.03.2026	31.03.2025
	Aggregate amount of quoted investments	4.32	4.32
	Market value of quoted investments	3.27	3.15
	Aggregate amount of unquoted investments at Cost	778.92	778.92
	Aggregate Value of impaired Investments	-451.21	-451.21

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

NOTE 3 DEFERRED TAX ASSETS (NET)

(Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Opening Balance	2,462.07	1,269.33
On account of Business loss & Depreciation as per books of accounts & IT purpose(DTA)	57.54	1,192.74
Deferred Tax Asset on Others		
Carried forward loss (Deferred Tax Assets)		
Add: Adj to Reserve & Surplus for Depreciation*		
Net Deferred Tax Asset	2,519.61	2,462.07

NOTE 4 OTHER NON-CURRENT ASSETS

(Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Advance for Capital Goods - Un secured considered good	216.85	211.26
TOTAL	216.85	211.26
b. Security Deposits		
Security Deposits - Un secured considered good	60.81	27.30
TOTAL	60.81	27.30
GRAND TOTAL	277.66	238.56

NOTE 5 INVENTORIES

(Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
a. Raw Materials and components	1,158.85	1,117.14
	1,158.85	1,117.14
b. Work-in-progress	2,377.39	513.37
	2,377.39	513.37
c. Finished goods	4,601.07	3,266.09
Goods-in transit	-	-
	4,601.07	3,266.09
d. Stores and Spares	986.88	1,199.99
	986.88	1,199.99
e. Others (Specify nature)		
Stock of Waste	0.77	13.04
	0.77	13.04
TOTAL	9,124.96	6,109.63

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

NOTE 6 TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Current Receivables		
Trade receivables Unsecured Considered Good	6,679.41	6,297.91
Trade receivables Unsecured Considered as Doubtful Debts	414.57	414.57
Less: Provision for Doubtful Debts	-414.57	-414.57
TOTAL	6,679.41	6,297.91

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

Trade Receiables Ageing Schedule:

AS AT 31 March 26 - 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	1,149.86	712.99	697.85	3,008.39	695.76	6,264.85
(ii) Undisputed Trade Receivable-which have significant increase in credit risk	-	-	153.60	118.44	142.53	414.57
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered good						
(v) Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired						
TOTAL	1,149.86	712.99	851.45	3,126.83	838.29	**6,679.42**

AS AT 31 March 25 - 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	455.37	378.91	890.02	372.95	3,786.09	5,883.34
(ii) Undisputed Trade Receivable-which have significant increase in credit risk	-	-	153.60	118.44	142.53	414.57
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered good						
(v) Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired						
TOTAL	455.37	378.91	1,043.62	491.39	3,928.62	6,297.91

(Rs. In Lakhs)

NOTE 7 CASH AND CASH EQUIVALENTS

Particulars	31.03.2026	31.03.2025
a. Balances with banks	13.15	326.71
b. Cash on hand	0.81	2.07
c. Cheque in Hand	1.54	-
Total	15.50	328.78

NOTE 8 OTHER BANK BALANCES (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
a. Others Bank Balances		
Unclaimed Dividend Account	9.83	20.67
b. Others		
Margin Money Deposits on LC	123.66	5.00
Total	133.49	25.67

NOTE 9 CURRENT TAX ASSETS (NET) (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Tax Paid in advance (net)		
For Duties & Taxes	184.37	199.78
Total	184.37	199.78

NOTE 10 OTHER CURRENT ASSETS (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
a. Export incentives Receivable	227.97	254.03
b. IGST Refund Receivable	113.85	178.16
c. DEPB Receivable-	50.40	50.40
d. Duty Drawback Receivable	71.91	71.91
e. Dividend Income Receivable	0.09	
f. Interest Receivable	802.92	422.46
g. Input Credit GST Receivable	2,466.84	2,381.58
h. Insurance Claim Receivable	27.19	27.19
i. Advance for Material Purchase	421.47	740.10
j. Advance for Expenses / Others	575.34	741.60
k. Prepaid Expenses	30.44	10.86
Total	4,788.42	4,878.29

NOTE 11 SHARE CAPITAL (Rs. In Lakhs)

Share Capital	31.03.2026	31.03.2025
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	2,563.78	2,563.78
(Previous year 2,56,37,825 Equity shares of Rs. 10 each)		
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	31.03.2026	No. of Shares	31.03.2025
At the beginning of the year	25637825	2,563.78	25637825	2,563.78
Outstanding at the end of the year	25637825	2,563.78	25637825	2,563.78

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having at par value of Rs.10 each. Each shareholder is eligible for one

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

	31.03.2026		31.03.2025	
Name of Shareholder	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	13,34,060	5.20%	25,84,060	10.08%
Shri B Sriramulu	34,58,659	13.49%	22,08,659	8.61%
Shri B Srihari	22,31,859	8.71%	22,31,859	8.71%
Smt T Anandhi	10,15,500	3.96%	10,15,500	3.96%

Disclosure of shareholding of promoters & promoter group as at 31st March 2026 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	25,84,060	-12,50,000.00	13,34,040	5.20%	-4.88
Shri B Sriramulu	22,08,659	12,50,000.00	34,58,659	13.49%	4.88
Shri B Srihari	22,31,859	-	22,31,859	8.71%	-
Smt T Anandhi	10,15,500	-	10,15,500	3.96%	-
Dr G Bakthavathsalam	1,04,609	-	1,04,609	0.41%	-
Ms Nikethana Thulasidharan	5,07,750	-	5,07,750	1.98%	-
Shri Sailendra Thulasidharan	5,07,750	-	5,07,750	1.98%	-
Smt Nirupa Sriramulu	1,96,738	-	1,96,738	0.77%	-
Smt R Vasanthi	1,74,100	-	1,74,100	0.68%	-
Smt Dhanalakshmi B	1,73,400	-	1,73,400	0.68%	-
Smt Deepika Karthikeyan	72,600	-	72,600	0.28%	-
Shri Pranav Sriraman	67,736	-	67,736	0.27%	-
Ms Aadya Srihari	52,050	-	52,050	0.20%	-
M/s Ganapathykumaran Investments (P) Ltd	10,14,255	-	10,14,255	3.96%	-
M/s. Kumaranganapathy Invesments (P) Ltd	8,82,707	-	8,82,707	3.44%	-
Total	1,50,58,956	-	1,50,58,956	58.71%	-

Disclosure of shareholding of promoters & promoter group as at 31st March 2025 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	5,500.00	25,84,060	1008.00%	0.02
Smt B Sathyabama	5,500	-5,500.00	-	0.00%	
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	-10,15,500.00	10,15,500	3.96%	-3.96
Dr G Bakthavathsalam	1,04,609	-	1,04,609	0.41%	-
Ms Nikethana Thulasidharan	-	-	5,07,750	1.98%	-
Shri Sailendra Thulasidharan	-	-	5,07,750	1.98%	-
Smt Nirupa Sriramulu	1,96,738	-	1,96,738	0.77%	-
Smt R Vasanthi	1,74,100	-	1,74,100	0.68%	-
Smt Dhanalakshmi B	1,73,400	-	1,73,400	0.68%	-
Smt Deepika Karthikeyan	72,600	-	72,600	0.28%	-
Shri Pranav Sriraman	67,736	-	67,736	0.27%	-
Ms Aadya Srihari	52,050	-	52,050	0.20%	-
M/s Ganapathykumaran Investments (P) Ltd	10,14,255	-	10,14,255	3.96%	-
M/s. Kumaranganapathy Invesments (P) Ltd	8,82,707	-	8,82,707	3.44%	-
Total	1,50,58,956	-	1,50,58,956	58.71%	-

NOTE 12 OTHER EQUITY - RESERVES AND SURPLUS (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
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		
(-) Written Back in Current Year (Capital Redemption)		
(-) Written Back in Current Year (Share Buy Back Exp)		
Closing Balance	1,549.28	1,549.28
c. Surplus		
Opening balance	(4,159.49)	(1,023.32)
(+) Comprehensive Income For the current year	(52.09)	(3,136.16)
(-) Equity Dividends Paid		
(-) Tax on Equity Dividend		
(-) Arrears of Preference Dividend *		
(-) Tax on Preference Dividend	-	-
Closing Balance	-	-
	(4,211.58)	(4,159.49)
Total	(2,216.25)	(2,164.15)

NOTE 13 FINANCIAL LIABILITIES LONG TERM BORROWINGS (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Secured		
(a) Term loans		
Indian Rupee Loan		
from banks (Secured)	14,956.62	13,982.15
from others -	563.10	592.56
(b) Long term maturities of finance lease obligations		
(Secured By Vehicles on Hire purchase loan)	-	-
b) Long term maturities of finance lease obligations	-	14.89
(Secured by Vehicles on Hire Purchase Loan)		
Unsecured		
i) Long term Loan - Directors	923.14	251.29
ii) Intercorporate deposit	173.75	162.95
iii) Others - NBFC	664.65	559.25
c) Long-term - Trade Payable	2,100.00	2,100.00
There is no case of continuing default as on the balance sheet date in repayment of loans and interest		
Total	19,381.26	17,663.09

NOTE 14 LONG TERM PROVISIONS (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Provision for employee benefits		
Gratuity (unfunded)	524.36	268.67
Total	524.36	268.67

NOTE 15 SHORT TERM BORROWINGS (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Secured		
(a) Loans repayable on demand		
(i) Working Capital Loan from Banks (Secured)	7,973.31	5,699.56
(ii) Working Capital Loan from Other than Banks (Secured)	334.41	384.41
Current Maturities of Long Term Borrowings	-	-
(a) Current Maturities of Long-term debts - Secured		
(b) Current maturities of financial institutions Long-term Debt	-	1.08
Total	8,307.72	6,085.05

Security Clause

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

NOTE 16 TRADE PAYABLES

(Rs. in Lakhs)

Particulars	31.03.2026	31.03.2025
Trade Payables		
For Dues of Micro Enterprises and Small Enterprises	698.66	928.53
For Other Dues	5,653.19	7,332.17
Total	6,351.85	8,260.70

Security Clause

Bank Borrowings of Term Loans

Term Loans from Indian Bank (IB) are secured by first pari passu charge on (a) all immovable properties situated in (i) 77.46 acres of land at Jadayampalayam, Alangombu and Karamadai Villages in Mettupalayam Taluk, Coimbatore District, Peelamedu land, Coimbatore 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, Mumbai Property and Bangalore Property) acquired for the New Capex Plan through Deed of Hypothecation and second pari' passu charge on current assets of the Company

It has been proposed in the restructuring sanction to create subservient charge on the Tata Capital and ICICI Property as disbursement condition

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 and Shri. B Shriramulu, Managing Director.

Term Loan Bank	Outstanding	Previous Year	Repayment quarterly	Commencement from	Last Instalment	Rate of Interest	Previous Rate of interest
	Rs in lakhs						
Indian Bank TL VII	143.97	134.06	16	30.06.2026	31.12.2029	9.05%	9.05%
Indian Bank TL VIII	86.11	80.62	16	30.06.2026	31.12.2029	9.05%	9.05%
Indian Bank Corp. Loan	687.58	645.00	16	30.06.2026	31.12.2029	9.05%	9.05%
Indian Bank GECL	1048.24	972.94	16	30.06.2026	31.12.2029	9.05%	9.05%
Union Bank of India GECL	164.08	134.17	16	30.06.2026	31.12.2029	9.00%	9.00%
State Bank of India GECL	189.55	166.45	16	30.06.2026	31.12.2029	9.50%	9.50%
South Indian Bank GECL	156.77	139.69	16	30.06.2026	31.12.2029	9.20%	9.20%
Indian Bank GECL 2.0	1072.28	998.44	16	30.06.2026	31.12.2029	9.05%	9.05%
Union Bank of India GECL 2.0	211.05	171.99	16	30.06.2026	31.12.2029	9.00%	9.00%
State Bank of India GECL 2.0	181.07	159.17	16	30.06.2026	31.12.2029	9.50%	9.50%
South Indian Bank GECL 2.0	152.26	135.94	16	30.06.2026	31.12.2029	9.25%	9.25%
Indian Bank WCTL	4253.48	4397.00	16	30.06.2026	31.12.2029	9.05%	9.05%
Union Bank of India WCTL	1177.77	1074.19	16	30.06.2026	31.12.2029	9.00%	9.00%
State Bank of India WCTL	1208.52	1147.00	16	30.06.2026	31.12.2029	9.50%	9.50%
Bank of Maharashtra WCTL	897.71	884.06	16	30.06.2026	31.12.2029	9.00%	9.00%
Indian Bank FITL I & II	2132.02	1165.24	16	30.06.2026	31.12.2029	9.05%	9.05%
Union Bank of India FITL I & II	395.26	163.12	16	30.06.2026	31.12.2029	9.00%	9.00%
State Bank of India FITL I	504.30	216.19	16	30.06.2026	31.12.2029	9.50%	9.50%
Bank of Maharashtra FITL I	248.53	101.23	16	30.06.2026	31.12.2029	9.00%	9.00%

Period & Repayment

Door to Door tenor of 20 quarterly installments with moratorium of 4 quarters and principle repayable in 16 equal quartely installments commencing from quarter ending March 2026 and ending on December 2029. Interest to be serviced as and when debited post moratorium period.

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 Instalment	Rate of Interest	Previous Rate of interest
	Rs in lakhs						
ICICI Bank Ltd	46.15	81.94	120	05.05.2017	05.05.2027	8.60%	8.60%
Tata Capital Financial Services Ltd	327.67	333.13	84	15.10.2019	15.09.2026	11.00%	11.00%
Tata Capital Financial Services Ltd 2.0	235.43	218.43	48	01.01.2024	01.01.2027	11.00%	11.00%
Samunatti WCTL	605.40	468.75	16	31.03.2026	31.12.2029	16.00%	16.00%
Samunatti FITL I	59.25	55.55	16	31.03.2026	31.12.2029	16.00%	16.00%

Subsidiary Term Loan

The Subsidiary Company Trigger Apparels Limited availed a Term Loan from Indian Overseas Bank is having exclusive charge on the Mumbai Office Property.

Note 17 OTHER FINANCIAL LIABILITES (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) MSME Interest	386.80	315.68
Total	386.80	315.68

NOTE 18 OTHER CURRENT LIABILITIES (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Customer Credit Balance	264.63	244.90
(b) Land Sale Advance	30.00	
(c) Duties and Taxes	395.39	243.19
(d) Creditors for Capital goods	8.03	51.16
(e) Unpaid Dividend accrued	9.83	20.67
Total	**707.88**	**559.92**

NOTE 19 SHORT TERM PROVISIONS (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Provision for employee benefits		
Gratuity (unfunded)	44.71	28.42
Total	44.71	28.42

NOTE 20 GOVERNMENT GRANTS

Particulars	31.03.2026	31.03.2025
Government Grants	-	130.87
Total	-	130.87

NOTE 21 REVENUE FROM OPERATIONS

Particulars	31.03.2026	31.03.2025
Sale of products	1,798.62	4,541.69
Sale of services - Job work	124.07	245.86
Other operating revenues : Waste Cotton/Yarn /Accessories sales	67.38	35.18
Export Incentives	10.30	97.93
Total	2,000.37	4,920.66

NOTE 22 OTHER INCOME

Particulars	31.03.2026	31.03.2025
Interest Income	381.35	418.03
Other Income - Creditors no longer payable	-	150.00
Apportioned income from Govt Grant	130.87	170.63
Dividend Income	0.10	0.07
Lease Rent Receipts	3.21	2.60
Miscellaneous Income	76.84	5.53
Insurance Claim Received	-	2.91
Profit on sale of fixed assets	1,469.82	20.52
Exchange Difference Gain	-	14.90
Total	2,062.19	785.19

NOTE 23 COST OF MATERIALS CONSUMED (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Opening Stock	1,117.14	1,193.50
Purchases	1,165.34	1,025.68
Sub-total	2,282.48	2,219.18
Less : Closing stock	1,158.85	1,117.14
Raw materials consumed	1,123.63	1,102.04

NOTE 24 PURCHASES OF STOCK-IN-TRADE (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Garments purchase	4.73	6.26
Total	4.73	6.26

NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Opening Stock :		
Work-in-process	513.37	2,017.03
Finished Goods	3,266.09	4,589.49
	3,779.46	6,606.52
Closing Stock :		
Work-in-process	2,377.39	513.37
Finished Goods	4,601.07	3,266.09
	6,978.46	3,779.46
Total	(3,199.00)	2,827.06

NOTE 26 OTHER MANUFACTURING EXPENSES (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Power & Fuel	963.94	1,342.74
(b) Consumptions of Stores & Spare Parts	156.14	245.30
(c) Processing Charges	57.05	188.26
(d) Repairs & Maintenance		
For Plant & Machinery	71.38	52.17
For Buildings	12.05	14.04
For Others	45.19	23.81
Total	1,305.75	1,866.32

NOTE 27 EMPLOYEE BENEFITS EXPENSES (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Salaries & Wages	1,046.76	1,844.53
(b) Salaries - Managing Directors / Whole Time Directors	-	-
(c) Contributions to Provident fund and other funds	110.70	105.19
(d) Gratuity as per actuarial valuations	75.39	85.64
(e) Staff welfare expenses	13.02	53.26
Total	1,245.87	2,088.62

NOTE 28 FINANCE COST (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Interest expense	2,141.96	2,813.79
Other borrowing costs	76.91	72.98
Applicable net (gain) /loss on foreign currency transactions, translation and import reinstatement	-	2.30
Total	2,218.87	2,889.07

NOTE 29 OTHER EXPENSES (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Rent	0.24	15.58
Insurance	118.35	212.23
Rates and taxes, excluding, taxes on income.	17.84	73.36
Payments to the auditor as		
a. as statutory auditor	6.00	6.00
b. for taxation matters	2.40	-
Legal, Professional & Consultancy Charges	82.30	71.18
Printing and Stationery	0.69	3.99
Postage, Telegrams and Telephones	12.18	24.17
Traveling Expenses and Maintenance of Vehicles	121.84	181.75
Director Sitting Fees	-	1.35
Software Maintenance Expenses	0.81	5.88
Commission on Sales	3.04	9.71
Discount on Sales	52.91	21.05
Selling Expenses	6.62	16.45
Freight Outwards	10.32	77.20
Sundry Balance / Bad debts written off	0.02	0.03
Miscellaneous expenses	32.39	26.29
Loss on sale of Export Licenses	-	14.38
Total	467.95	760.60

NOTE 30 EXCEPTIONAL ITEMS - DEPB RECEIPTS (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Extraordinary Items - Excise Duty Refund	-	2,039.72
	-	2,039.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026

Note:-31: STATEMENT OF MATERIAL 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. Material Accounting Policies followed by the Company

Basis of preparation

1. Compliance with Ind AS

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

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

2. Historical cost conventions

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

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. Presentation and Functional Currency

The standalone financial statements and Notes are presented in the Company's functional and presentation currency, Indian rupee (Rs.), rounded off to the nearest rupees in lakhs, unless otherwise stated.

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.

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.

Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognized as income or expense in the statement of profit and loss.

Cost of items of intangible assets not ready for intended use as on the balance sheet date are disclosed as intangible assets under development. Amortisation method and periods Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Non-Current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

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.

Inventories

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

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of tax expenses , transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Lease

Operating Lease

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27. And subject to impairment losses reviewed at the end of each year.

(h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the transaction value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.

(a) Non-derivative Financial Assets

(i) Classification

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

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

(b) 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.

Measurement

Equity instruments at FVTOCI

All equity instruments except Investments in subsidiaries are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to statement of profit and loss.

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.

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset, Profit on sale of land sale and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Statement of Profit and Loss.

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.

Impairment of non-financial assets

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

(b) Derivative financial instruments

The Company uses derivative financial instruments, e.g. foreign currency foreign exchange forward contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Financial liabilities

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

Financial liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

De-recognition of financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Segment Reporting:

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

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.

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.

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.

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.

Sale of goods

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

Revenue from services

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

Export Incentive

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

Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Insurance claims

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

Employee benefits

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.

Defined contribution plans

For certain group of employees, employee benefit in the form of Provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution plans. The Company has no obligation, other than the contribution payable to the respective fund. The Company recognises contribution payable to these funds/ schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date.

The Company recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement is not reclassified to profit or loss in subsequent periods.

Foreign currency translation and translations

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities measured in terms of historical cost in foreign currencies are not retranslated. Foreign currency gains and losses are reported on a net basis.

Income tax

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

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

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

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

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

Earnings Per Share

Basic earnings per share

Basic earnings per share are calculated by dividing:

(1) the profit attributable to owners of the Company

(2) 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.

Government Grants

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

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

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.

Note - 32: 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:

(ii) 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.

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

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

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

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

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

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

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

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

(Rs. In Lakhs)

Financial Assets and Liabilities as at 31st March 2026	Non current	Current	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investments							
Equity instruments	332.83		332.83			332.83	332.83
Other Assets							
Trade Receivables		6,679.41	6,679.41			6,679.41	6,679.41
Cash and cash equivalents		15.50	15.50			15.50	15.50
Other Bank Balances		133.49	133.49			133.49	133.49
Sub – Total	**-**	**6,828.40**	**6,828.40**	**-**	**-**	**6,828.40**	**6,828.40**
Total	**332.83**	**6,828.40**	**7,161.23**	**-**	**-**	**7,161.23**	**7,161.23**
Financial Liabilities							
Borrowings	15,519.72	8,307.72	23,827.44			23,827.44	23,827.44
Lease Liability			-			-	-
Trade payables		6,738.65	6,738.65			6,738.65	6,738.65
Total	**15,519.72**	**15,046.37**	**30,566.09**			**30,566.09**	**30,566.09**

(Rs. In Lakhs)

Financial Assets and Liabilities as at 31st March 2025	Non current	Current	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investments							
Equity instruments	330.98		330.98			330.98	330.98
Other Assets							
Trade Receivables		6,297.91	6,297.91			6,297.91	6,297.91
Cash and cash equivalents		328.78	328.78			328.78	328.78
Other Bank Balances		25.67	25.67			25.67	25.67
Sut-Total	**-**	**6,652.36**	**6,652.36**	**-**	**-**	**6,652.36**	**6,652.36**
Total	**330.98**	**6,652.36**	**6,983.34**	**-**	**-**	**6,983.34**	**6,983.34**
Financial Liabilities							
Borrowings	15,519.41	6,097.94	21,617.35			21,617.35	21,617.35
Lease Liability	-	-	-			-	-
Trade payables		8,576.38	8,576.38			8,576.38	8,576.38
Total	**15,519.41**	**14,674.32**	**30,193.73**			**30,193.73**	**30,193.73**

Note - 33: FINANCIAL RISK MANAGEMENT

Credit risk

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

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

(i) Actual or expected significant adverse changes in business,

(ii) Actual or expected significant changes in the operating results of the counterparty,

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

(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 serveral jurisdictions and industries and operate in largely independent markets.

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

Trade Receivables Ageing Schedule:

AS AT 31 March 25 - 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	1,149.86	712.99	697.85	3,008.39	695.76	6,264.85
(ii) Undisputed Trade Receivable-which have significant increase in credit risk	-	-	153.60	118.44	142.53	414.57
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered good						
(v) Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired						
TOTAL	1,149.86	712.99	851.45	3,126.83	838.29	**6,679.42**

AS AT 31 March 25 - 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	455.37	378.91	890.02	372.95	3,786.09	5,883.34
(ii) Undisputed Trade Receivable-which have significant increase in credit risk	-	-	153.60	118.44	142.53	414.57
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered good						
(v) Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired						
TOTAL	455.37	378.91	1,043.62	491.39	3,928.62	6,297.91

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.

Financing arrangements

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

Maturity patterns of borrowings

(Rs. In Lakhs)

	As at 31st March, 2026				As at 31st March, 2025			
	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)		15,519.72		15,519.72		15,519.41		15,519.41
Short term borrowings	8,307.72			8,307.72	6,097.94			6,097.94
Total	8,307.72	15,519.72	-	23,827.44	6,097.94	15,519.41	-	21,617.35

Maturity Patterns of other Financial Liabilities

AS AT 31st March 2026 Rs. In lakhs

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	698.66				698.66
Others	719.94	928.10	4426.67	1678.48	7753.19
Disputed MSME					0.00
Disputed Others					0.00
TOTAL	1418.60	928.10	4426.67	1678.48	8451.85

AS AT 31st March 2025 Rs. In lakhs

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	928.53				928.53
Others	1446.20	4599.93	2601.72	784.31	9432.16
Disputed MSME					0.00
Disputed Others					0.00
TOTAL	**2374.73**	**4599.93**	**2601.72**	**784.31**	**10360.69**

Note-34 : CAPITAL RISK MANAGEMENT

Risk Management

The Company aim to manage 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 judgment 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-35: DIVIDEND

Dividend	31st March, 2026	31st March, 2025
	-	-

Note-36 : EARNINGS PER SHARE

(Rs. In Lakhs), Except EPS

	31 Mar 26	31 Mar 25
Earnings per share has been computed as under:		
Profit / (Loss) for the year	142.66	-3587.97
Weighted average number of equity shares outstanding	25637825	25637825
Earnings per share - Basic (Face Value of Rs.10 per share)	0.56	-13.99
Diluted earning per share is same as basic earning per share	0.56	-13.99

Note-37 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-38: DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE
The Provisions of Section 135 of the Companies Act 2013 are not applicable to the Company during the Financial Year 2025-26.

Note 39 – LOAN RESTRUCTURING ARRANGEMENT WITH CONSORTIUM LENDERS

The Company has entered into a loan restructuring arrangement with its consortium lenders under the Reserve Bank of India's framework for areas affected by natural calamities. While the arrangement was approved by the majority of lenders, one bank representing approximately 7% of the debt exposure dissented, and one NBFC with an outstanding loan of ₹625 lakh did not participate.

The Company has initiated legal proceedings against the dissenting/non-participating lenders and obtained an injunction from the Hon'ble High Court of Madras. The matter remains sub judice. Repayments under the restructured arrangement commenced in the quarter ended June 2026.

The Company is also mobilising funds through the proposed sale of non-core assets and promoters' contribution, expected to generate approximately ₹50 crore by 30 June 2026. Management continues to engage with the lenders and assess appropriate measures. The terms of the restructuring, legal proceedings and expected funding sources have been considered in determining the classification, measurement and presentation of borrowings and related disclosures under Ind AS.

NOTE 40: CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

1. Contingent Liabilities

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

	2025- 2026	2024-2025
Disputed Excise / Customs duties	335.35	335.35
Income Tax	15.34	2.53

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)

	2025-2026	2024 -2025
Guarantees given to Bank for loan to subsidiary	500.00	500.00

c) Other Money for which the company is contingently liable

	2025 -2026	2024 -2025
Bills discounted with banks	-	-

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: TRADE PAYABLE

Trade payable referred under current liability to Micro and Small Industrial units is compiled on the information made available to the company.

AS AT 31st March 2026 Rs. In lakhs

	0-3 Months	3-6 Months	6 to 12 Months	Beyond 12 Months	Total
Trade payable	202.87	624.00	591.73	7,033.25	8,451.85
					-
Total	202.87	624.00	591.73	7,033.25	8,451.85

1418.6

-

AS AT 31st March 2025 Rs. In lakhs

	0-3 Months	3-6 Months	6 to 12 Months	Beyond 12 Months	Total
Trade payable	272.86	357.06	1,744.80	7,985.97	10,360.69
					-
Total	272.86	357.06	1,744.80	7,985.97	10,360.69

Note: As at the reporting date, certain amounts due to trade creditors remained overdue. Trade creditors aggregating to ₹268 lakh have initiated proceedings before the National Company Law Tribunal (NCLT) in respect of alleged outstanding dues. The Company is actively engaged in discussions and negotiations with the concerned creditors for settlement of the aforesaid claims.

Further, trade creditors aggregating to Rs. 2,100 lakh have outstanding amounts which have been deferred for a period exceeding one year pursuant to the restructuring arrangement entered into by the Company with its creditors.

The management is taking necessary steps to address the overdue obligations and is pursuing settlement of the claims with the concerned creditors. The Company has considered the aforesaid matters in assessing its obligations towards trade creditors and in making the necessary disclosures in the financial statements.

Note - 43 : GRATUITY

I. **PRINCIPAL ACTUARIAL ASSUMPTIONS** [Expressed as weighted averages]	**31-03-2025**	**31-03-2026**
Discount Rate	**6.43%**	**7.07%**
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	6,64,02,562	**2,97,08,379**
Interest Cost	46,25,135	19,10,249
Service Cost-Current service cost	39,38,835	12,65,439
Service Cost - Past Service Cost-Past service cost for the reporting period 2025 has arisen from the regulatory requirement to calculate gratuity based on the definition of "wages" under the Code on Social Security notified with effect from November 21,2025- determined as of 31-03-2026	0	43,63,804
Benefits paid and Charges deducted	-89,639	0
Actuarial loss/(gain) on obligation (balancing figure)	-4,51,68,514	1,96,59,352
PVO as at the end of the period	2,97,08,379	**5,69,07,223**

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	89,639	0
Benefits paid and Charges deducted	-89,639	0
Actuarial gain/(loss) on plan assets [balancing figure]	0	0
Fair value of plan assets as at the end of the period	0	0

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

V. ACTUARIAL GAINS AND LOSSES RECOGNIZED		
Actuarial gain (loss) for year - obligation	4,51,68,514	-1,96,59,352
Actuarial gain (loss) for year - plan assets	0	0
Subtotal	4,51,68,514	-1,96,59,352
Actuarial (gain) / loss recognized	-4,51,68,514	1,96,59,352
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	2,97,08,379	5,69,07,223
Fair value of plan assets	0	0
Amount determined under para 63 of Ind AS19	2,97,08,379	5,69,07,223
Net Defined Benefit Liability recognized in the balance sheet	2,97,08,379	5,69,07,223
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:		
Service Cost-Current service cost	39,38,835	12,65,439
Net Interest on Net Defined Benefit Obligations	46,25,135	19,10,249
Net actuarial (gain)/loss recognised during the period	0	0
Service Cost - Past Service Cost-Past service cost for the reporting period 2025 has arisen from the regulatory requirement to calculate gratuity based on the definition of "wages" under the Code on Social Security notified with effect from November 21,2025- determined as of 31-03-2026	0	43,63,804
Expenses recognized in the statement of profit and loss	85,63,970	75,39,492

VIII. AMOUNT RECOGNIZED FOR THE CURRENT PERIOD IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME [OCI]		
Actuarial (gain)/loss on Plan Obligations	-4,51,68,514	1,96,59,352
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-	-
Effect of Balance Sheet asset limit	-	-
Amount recognized in OCI for the current period	-4,51,68,514	1,96,59,352

IX. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability adjusted for effect of balance sheet limit	6,64,02,562	2,97,08,379
Amount recognised in Profit and Loss	85,63,970	75,39,492
Amount recognised in OCI	-4,51,68,514	1,96,59,352
Contribution paid	-89,639	0
Closing net liability	2,97,08,379	5,69,07,223

X. AMOUNT FOR THE CURRENT PERIOD		
Present Value of obligation	2,97,08,379	5,69,07,223
Plan Assets	0	0
Surplus (Deficit)	-2,97,08,379	-5,69,07,223
Experience adjustments on plan liabilities -(loss)/gain	4,59,48,001	-2,18,32,052
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	-7,79,487	21,72,700
Experience adjustments on plan assets -(loss)/gain	0	0

NOTE - 44 : RELATED PARTY DISCLOSURES AS PER Ind AS 25

(Rs. In Lakhs)

Particulars	2025-2026				2024-2025			
	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					0.65			
Sri Kannapiran Mills Limited		118.98				416.35		
Other related party						0.59		
Sale of Goods								
Trigger Apparels Ltd	148.76				78.89			
KG Denim (USA) Inc								
Sri Kannapiran Mills Limited						23.09		
Other related party								
Processing / other Charges Paid								
Trigger Apparels Ltd								
Sri Kannapiran Mills Limited		1.58				0.18		
Other related party								
Processing / other Charges Received								
Sri Kannapiran Mills Limited								
Other related party								
Remuneration			42.06	24.00			19.32	24.00

NOTE :- 44.1 : Outstanding

Particulars	as on 31.03.2026				as on 31.03.2025			
	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	3,652.98	68.45			3,570.38	41.36		-
Trade Payable		2264.60				2393.04		-
Investments	450.46	328.46			450.46	328.69		-
Guarantee	500.00				500.00			
Loans and Advances		150.00				150.00		-

NOTE:- 44.2

Subsidiary	Trigger Apparels Limited
	KG Denim (USA) Inc
Other Related Party	Sri Kannapiran Mills Limited
	Sri Balamurugan Textile Processing Limited
	Danalakshmi Paper Mills Private Limited
	Crocodile India Pvt Ltd
Key Management Personnel	Shri KG Baalakrishnan, Executive Chairman
	Shri B Sriramulu, Managing Director
	Shri.M.Balaji, Company Secretary &Chief Financial Officer
Relative of Key Management Personnel	Shri Pranav Sriraman (Son of Shri B Sriramulu)

NOTE:-45: 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:-46: Capital-work-in progress.
There is no Capital-work-in progress as on the date of balance sheet as at 31st March 2026. There is no project which is temporarily suspended.

NOTE:-47: Intangible Assets under development.
There are no any intangible assets under development as on the date of balance sheet as at 31st March 2026.

NOTE:-48: Relationship with strike off companies.
Company does not have any transactions with the companies "Striken off" or in the process of strike off.

NOTE:-49: Scheme of arrangements
The company has not entered into any "Scheme of Arrangements" during the year ended 31st Mar 2026.

NOTE - 50: Details of Benami Property Held
The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

NOTE - 51: 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 - 52: The Company has not traded or invested in crypto currency or virtual currency.

NOTE:-53: 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:-54: The Company has not done any revaluation of Property, Plant & Equipment or Intangible assets.

NOTE:-55: The Company was not declared as "willful defaulter" by any bank or financial Institution or other lender.

Note : 56 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 57: 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:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 58: 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:

1.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

2.Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 59: Approved Financial Statements:

The Board of Directors of the company has reviewed the realizable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 29th May 2026.

Note 60: 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 in agreement with books of accounts. Summary of reconciliation as at 31st March 2026 is given below.

(Rs. In Lakhs)

Particulars	As at March 2026	As at March 2025
Inventories as per declaration with Bank	9,124.00	6,109.46
Trade Receivable as per declaration with Bank	7,222.38	6,297.91
TOTAL (A)	**16,346.38**	**12,407.37**
Inventories as per Books	9,124.96	6,109.63
Trade Receivables as per Books	6,679.41	6,297.91
TOTAL (B)	**15,804.37**	**12,407.54**
Difference in Inventories	-0.96	-0.17
Difference in Receivables	542.97	-
TOTAL DIFFERENCE (A)-(B)	**542.01**	**-0.17**

NOTE: 61 Ratios

Sno	Ratios	2025-26	2024-25	% of Change	Reason for variance (for change more than 25%)
1	Current Ratio	1.32	1.16	14%	Not applicable
2	Debt Equity Ratio	79.39	59.26	34%	Significant decline in business due to adverse market conditions
3	Debt Service coverage ratio	0.84	-0.27	-412%	Drop in turnover due to adverse market conditions
4	Return on Equity Ratio	0.38	-1.82	-121%	Drop in turnover due to adverse market conditions
5	Inventory Turnover Ratio	0.26	0.62	-58%	Drop in turnover due to adverse market conditions
6	Trade Receivables turnover ratio	0.31	0.62	-50%	Drop in turnover due to adverse market conditions
7	Trade payables turnover ratio	0.12	0.08	47%	Reduction in Purchase during the year due to decrease in demand
8	Net capital turnover ratio	0.53	-1.77	-130%	Due to drop in the turnover and increase in funds borrowed on short term basis.
9	Net profit ratio	0.07	-0.73	-110%	Drop in turnover due to adverse market conditions
10	Return on Capital employed	0.15	-0.10	-242%	Not applicable
11	Return on Investment	0.67	0.63	7%	Growth in the return of investment funds

Explanations to items included in computing the above ratios

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

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

As per our report of even date
For Gopalaiyer and Subramanian
Chartered Accountants

M. VENKATESHPRASATH
Partner
Membership No.264906

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DN: 00002174

B SRIRAMULU
Managing Director
DN: 00002560

UDIN: 26264906DVAQAW6200
PLACE: COIMBATORE
DATE : 29th May 2026

M. BALAJI
COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITOR'S REPORT
To the Members of K G Denim Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

1. We have audited the accompanying Consolidated financial statements of K G Denim Limited ('the Holding Company') and its subsidiary companies – KG Denim (USA) Inc. and Trigger Apparels Limited (together referred to as 'the Group') which comprise the Consolidated Balance sheet as at 31st March 2026, 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 31st March 2026, 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.	**Litigations - Contingencies** As disclosed in Note 57 to the consolidated financial statements, the Holding Company has certain disputed statutory dues, including matters relating to Custom Duty and Income-tax, which are pending before various appellate authorities/forums. The amounts involved in certain of these matters are significant and the application of Indian accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective. Claims against the Holding 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.	**Principal Audit Procedures** • We obtained an understanding of the Holding Company's process for identifying, evaluating and accounting for litigations and disputed statutory dues and assessed the design and implementation of relevant controls in this regard. • We obtained and reviewed the details of the significant disputed statutory dues relating to Custom Duty and Income-tax and reconciled the amounts involved with the underlying records and the disclosures in the standalone financial statements. • We examined relevant assessment/ appellate orders, notices, demand orders, appeal documents and other correspondence with the respective statutory authorities/forums for significant matters. • We evaluated the basis of management's assessment of the likelihood of an adverse outcome and the consequent requirement for recognition of a provision or disclosure of a contingent liability under Ind AS 37. • We also considered developments subsequent to the reporting date, including orders or communications received from the relevant authorities, where applicable, to assess whether they provided evidence relevant to the assessment of the matters as at the reporting date. • We assessed the adequacy and appropriateness of the related disclosures in the standalone financial statements with reference to the requirements of Ind AS 37 and other applicable Ind AS requirements.
2.	**Loan Restructuring Arrangement with Consortium Lenders** As disclosed in Note 55 to the consolidated financial statements, the Holding Company has entered into a loan restructuring arrangement with its consortium lenders pursuant to the Reserve Bank of India's framework for relief measures in areas affected by natural calamities. The restructuring plan has been approved by the majority of the consortium lenders. However, one bank, representing approximately 7% of the debt exposure, has dissented from the restructuring plan and one Non-Banking Financial Company (NBFC), having an outstanding loan of Rs. 625 lakh, has not participated in the restructuring arrangement. The Holding Company has initiated legal proceedings in respect of the dissenting/non-participating lenders and has obtained an injunction order from the Hon'ble High Court of Madras, with the matter being sub judice. The repayment obligations under the restructured arrangement commenced from the quarter ended June 2026. Further, as part of the restructuring arrangement, the Company has undertaken measures for mobilisation of funds, including proposed sale of noncore assets and contribution by the promoters.	**Principal Audit Procedures** • We obtained and reviewed the loan restructuring agreements, correspondence and confirmations from the consortium lenders and minutes/resolutions of the Board of Directors relating to the restructuring arrangement. • We evaluated the terms of the restructuring arrangement and assessed management's accounting treatment, including the classification and measurement of the borrowings and the application of the requirements of Ind AS 109 relating to modification of financial liabilities. We evaluated the terms of the restructuring arrangement and assessed management's accounting treatment, including the classification and measurement of the borrowings and the application of the requirements of Ind AS 109 relating to modification of financial liabilities. • We evaluated management's assessment of the impact of the dissenting lender and the non-participation of the NBFC on the Company's obligations under therestructuring arrangement and the consequential accounting and disclosures. • We assessed management's evaluation of the Holding Company's ability to meet its repayment obligations under the restructured arrangement, including the proposed/actual mobilisation of funds through sale of non-core assets and promoters' contribution. • We evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements in respect of the loan restructuring arrangement, borrowings, legal proceedings, liquidity/financial risks and related matters with reference to the applicable requirements of Ind AS and the Companies Act, 2013.

3.	Trade Creditors – Claims and Proceedings before the National Company Law Tribunal As disclosed in Note No.56 to the consolidated financial statements, as at the reporting date, certain trade creditors had initiated legal proceedings against the Holding Company before the National Company Law Tribunal (NCLT) seeking recovery of alleged outstanding dues aggregating to Rs. 268 lakh. The Company is engaged in discussions and negotiations with the concerned creditors towards settlement of these claims. The Holding Company also has certain amounts overdue to trade creditors, including amounts which have remained outstanding for more than one year pursuant to the restructuring arrangement. Certain creditors have issued legal notices demanding settlement of their dues. The significant level of overdue trade payables and the proceedings initiated by creditors before the NCLT indicate liquidity pressures faced by the Company.	Principal Audit Procedures • We obtained and reviewed the ageing of trade payables and reconciled significant outstanding balances with the underlying accounting records and supporting documentation. • We examined the details of overdue trade creditors, including amounts deferred under the restructuring arrangement, and evaluated the terms and conditions relating to such deferment. • We obtained and reviewed legal notices, petitions and other relevant correspondence received from creditors and examined the status of proceedings filed before the NCLT. • We obtained and evaluated the Holding Company's assessment of the claims made by the creditors and the basis for determining the amounts payable, including consideration of disputes, settlements and negotiations with the respective creditors. • We discussed with management the status of negotiations and settlements with the concerned creditors and evaluated subsequent settlements/payments, where applicable, to assess whether they provided evidence relevant to the amounts and obligations existing at the reporting date.

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 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 Group 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 Matters

13. We did not audit the financial statements of wholly owned Foreign subsidiary KG Denim (USA) Inc., included in the consolidated financial results, whose financial statements reflect total assets of Rs.137.40 lakhs as at March 31, 2026 and total revenues of Rs. 0 Lakhs for the year ended March 31, 2026, total net loss after tax of Rs. 4.01 lakhs for the year ended March 31, 2026 and net cash outflows of Rs. 4.11 Lakhs for the year ended March 31, 2026 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 financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

(e) On the basis of the written representations received from the directors of the Group as on 31st March 2026, 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 31st March 2026 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 both the Holding company and its subsidiary companies have not paid any remuneration to its directors during the year.

(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 31st March 2026 on the consolidated financial position of the Group. Refer Note No. 60 to the consolidated Financial Statements.

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 have not declared or paid any dividend during the year.

vi. Based on our examination which included test checks, both the Holding Company and the Subsidiary Company incorporated in India, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Holding company and the Subsidiary Company incorporated in India as per the statutory requirements for record retention.

(I) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding company, to which reporting under CARO is applicable, the details regarding the qualifications or adverse remarks in these CARO reports are as follows:

S. No.	Name	CIN	Clause number of the CARO report which is qualified or adverse
1	K G Denim Limited	L17115TZ1992PLC003798	(ii)(b), (vii)(a)

However, CARO reporting is not applicable to the Subsidiary Company incorporated in India.

For Gopalaiyer and Subramanian
Chartered Accountants
(Firm Regn. No:000960S)

M. Venkatesh Prasath
Partner
M.No.264906
UDIN: 26264906YUCRSH4695

Place: Coimbatore
Date: 29th May 2026

Annexure - A to the Independent Auditors' Report

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

1. In conjunction with our audit of the Consolidated Ind AS financial statements of K G Denim Limited (the 'Holding Company') as of and for the year ended 31st March 2026, we have audited the internal financial controls with reference to financial statements of the holding company and its Indian subsidiary covered under the Act, (the Holding Company and its Indian subsidiary together referred to as "the Group"),as on that date.

Responsibilities of Management and those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

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

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

6. A Group's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the 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 refence 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, 2026, 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)

M. Venkatesh Prasath
Partner
M.No.264906
UDIN: 26264906YUCRSH4695

Place: Coimbatore
Date: 29th May 2026

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2026 (Rs. In Lakhs)

	Particulars	Note No.	31.03.2026	31.03.2025
			Audited	Audited
I.	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	1	12,073.41	12,919.85
	(b) Intangible Assets	1A	0.46	0.86
	(d) Financial Assets			
	Non-current investments	2	332.83	330.98
	(e) Deferred Tax Assets	3	2,857.21	2,942.51
	(f) Other non current assets	4	277.73	238.63
	TOTAL		**15,541.19**	**16,431.98**
2	**Current assets**			
	(a) Inventories	5	10,741.21	7,714.82
	(b) Financial Assets			
	(i)Trade receivables, current	6	4,748.35	3,885.85
	(ii)Cash and cash equivalents	7	38.59	355.91
	(iii)Bank balance other than (ii) above	8	134.47	26.65
	(c) Current tax assets (net)	9	184.37	199.78
	(d) Other current assets	10	5,294.38	5,437.48
	(e) Assets Held for Sale		0.00	6.97
	TOTAL		**21,141.37**	**17,627.46**
	TOTAL ASSETS		**36,682.56**	**34,059.44**
II.	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity share capital	11	2,564.90	2,564.90
	(b) Other equity	12	(3,565.92)	(3,405.57)
	Equity attributable to shareholders of the Company		**(1,001.02)**	**(840.67)**
	Non-Controlling Interest		150.00	150.00
	Other Equity		(581.06)	(546.32)
	Non-Controlling Interest Equity		(431.06)	(396.32)
	TOTAL EQUITY		**(1,432.08)**	**(1,236.99)**
2	**LIABILITIES**			
	NON-CURRENT LIABILITIES			
	(a) **Financial liabilities**			
	(i) Borrowings	13	19,429.26	17,759.05
	(iii) Other non current financial liabilities	14	310.10	321.14
	(b) Long-term provisions	15	539.16	282.26
	(c) Government grants			
	TOTAL		**20,278.52**	**18,362.45**
	CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	16	9,110.26	6,785.63
	(iii)Trade payable - Micro and Small Enterprises	17	698.66	928.53
	(iv)Trade payable - Others	17A	6,853.60	8,133.68
	(v)Other financial liabilities		386.80	315.68
	(b) Other current financial liabilities	18	741.19	608.49
	(c) Short-term provisions	19	45.61	31.10
	(d) Government grants	20	-	130.87
	TOTAL		**17,836.12**	**16,933.98**
	TOTAL EQUITY AND LIABILITIES		**36,682.56**	**34,059.44**
	Significant Accounting Policies			
	The notes form an integral part of these financial statements			

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

UDIN : 26264906YUCRSH4695
Place : Coimbatore
Date : 29.05.2026

M. VENKATESH PRASATH
Partner
Membership No.264906

M. BALAJI
Chief Financial Officer and Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2026

(Rs. In Lakhs)

	Particulars	Note No.	31.03.2026	31.03.2025
			Audited	Audited
I	**INCOME**			
	Revenue from operations	21	4,203.60	6,546.79
	Other income	22	2,062.23	785.42
	Total Income		**6,265.83**	**7,332.21**
II	**EXPENSES**			
	Cost of materials consumed	23	1,137.77	1,114.35
	Purchases of Stock-in-Trade	24	1,250.26	953.31
	Changes in inventories of finished goods , work-in-progress and Stock-in-Trade	25	(3,196.64)	2,708.95
	Other Manufacturing Expenses	26	1,328.72	1,896.42
	Employee benefits expense	27	1,581.98	2,333.12
	Finance costs	28	2,301.73	3,014.76
	Depreciation and amortization expense		818.92	897.99
	Other expenses	29	962.27	1,134.65
	Total expenses		**6,185.01**	**14,053.55**
III	**Profit before exceptional items and tax**		**80.82**	**(6,721.34)**
IV	Exceptional items		0.00	0.00
	Extraordinary Items - Excise Duty Refund	30	0.00	2039.72
V	**Profit before tax (III- IV)**		**80.82**	**(4,681.62)**
VI	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) MAT Credit Entitlement		-	-
	(3) Deferred tax		85.31	(1,202.09)
	(4) Income Tax for earlier years		0.00	99.62
			85.31	**(1,102.47)**
VII	**Profit (Loss) for the period from continuing operations (V-VI)**		**-4.49**	**(3,579.15)**
VIII	Other Comprehensive Income			
	Items that will not reclassified to Profit or Loss			
	Fair value of Equity Instruments		1.84	0.12
	Gratuity valuations through OCI		-192.45	453.64
	Profit/(loss) (after tax) (VII)		-190.61	453.76
IX	**Total Comprehensive Income for the year (VII + VIII) comprising profit or (loss) and other comprehensive income for the period**		**(195.10)**	**(3,125.39)**
	Profit for the year attributable to:			
	Share holder of the Company		31.29	(3581.81)
	Non-controllable interest		(35.79)	2.66
			(4.49)	**(3,579.15)**
	Other Comprehensive Income for the year attributable to:			
	Share holder of the Company		(191.65)	453.27
	Non-controllable interest		1.04	0.49
			(190.61)	**453.76**
	Total Comprehensive Income for the year attributable to:			
	Share holder of the Company		**(160.36)**	**(3,128.55)**
	Non-controllable interest		(34.74)	3.15
			(195.10)	**(3,125.39)**
X	Earnings per equity share:			
	(1) Basic		0.12	(13.97)
	(2) Diluted		0.12	(13.97)
	Weighted Number of Equity Shares		25,637,825	25,637,825
	Significant Accounting Policies	31		
	The notes form an integral part of these financial statements		-	

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

UDIN : 26264906YUCRSH4695
Place : Coimbatore
Date : 29.05.2026

M. VENKATESH PRASATH
Partner
Membership No.264906

M. BALAJI
Chief Financial Officer and Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.03.2026

(Rs. In Lakhs)

	PARTICULARS	YEAR ENDED 31.03.2026 Audited	YEAR ENDED 31.03.2025 Audited
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net profit before tax and extra ordinary items	80.82	(6,721.34)
	Adjustments for:		
	Depreciation and Amortization expenses	818.92	897.99
	Provision for Doubtful Debts	-.00	-.00
	Loss/(Profit) on Sale of Fixed Assets	(1,482.69)	(20.52)
	Interest Income	(381.39)	(418.26)
	Dividend Income	(0.10)	(0.07)
	Apportioned on Government Grants	(130.87)	(170.63)
	Remeasurement of Employee Benefit Obligations	(192.45)	453.64
	Gain on Termination of Lease	-.00	(0.27)
	Finance cost	2,301.73	3,014.76
	Operating Profit before working capital changes	**1,013.97**	**(2,964.70)**
	Adjustments for:		
	(Increase)/Decrease in Trade and other receivables	(862.50)	2,895.70
	(Increase)/Decrease in Inventories	(3,026.39)	3,261.54
	(Increase)/Decrease in Other Non current assets	(50.14)	9.15
	(Increase)/Decrease in Other Current assets	158.51	552.99
	Increase/(Decrease) in Trade and other payables	(1,306.13)	(5,504.51)
	Increase/(Decrease) in Provisions	318.78	(366.10)
	Cash generated from operations	**(3,753.90)**	**(2,115.93)**
	Cash flow before extraordinary items	**(3,753.90)**	**(2,115.93)**
	Exceptional items	-.00	2,039.72
	Cash flow after extraordinary items	**(3,753.90)**	**(76.21)**
	Income Tax	-	(99.62)
	Net cash (used in)/generated from operating activities	**(3,753.90)**	**(175.83)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Sale Proceeds of property, plant and equipment	1,482.69	59.35
	Purchase of property, plant and equipment	(12.90)	(62.64)
	Interest Income	381.39	418.26
	Dividend Income	0.10	0.07
	Capital Subsidy received	-.00	-.00
	Margin money deposit with bank	(107.82)	297.43
	Net cash (used in)/generated from investing activities	**1,743.46**	**712.47**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds/ (Repayment) from Long term borrowings	1,670.21	14,370.19
	Proceeds / (Repayment) from short term borrowings	2,324.63	(11,643.90)
	Interest paid	(2,301.73)	(3,014.77)
	Repayment to lease libilities	-	-.00
	Net cash (used in)/generated from financing activities	**1,693.11**	**(288.48)**
	Net Increase in cash and cash equivalents	**(317.32)**	**248.17**
	Cash and cash equivalents as at 1st April, 2025 / 2024 (Opening Balance)	**355.91**	**107.74**
	Cash and cash equivalents as at 31st Mar, 2026 / 2025 (Closing Balance)	**38.59**	**355.91**
	Cash and cash equivalents as per above comprises of the following		
	Cash and cash equivalents	**38.59**	**355.91**
	Balance as per Statement of Cash Flows	**38.59**	**355.91**
		0.00	-0.00

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

UDIN : 26264906YUCRSH4695
Place : Coimbatore
Date : 29.05.2026

M. VENKATESH PRASATH
Partner
Membership No.264906

For and on behalf of the Board of Directors

KG BAALAKRISHNAN
Executive Chairman
DIN : 00002174

B SRIRAMULU
Managing Director
DIN : 00002560

M. BALAJI
Chief Financial Officer and Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2025

A. EQUITY SHARE CAPITAL

(1) Current Reporting Period

Balance as at 01.04.2024	Changes in equity share capital due to prior period errors	Restated balance as at 01.04.2024	Changes in equity share capital during the current year			Balance as at 31.03.2025
2,564.90		2,564.90				2,564.90

(2) Previous Reporting Period

(Rs. In Lakhs)

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

13. OTHER EQUITY

	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	Retained Earning in Jointly Controlled Entities	Total Equity	Non Controlling Interest	Total
Balance as at 31st March, 2023	1.61	444.44	1,549.28	2,368.09	410.06	2,076.96	-389.30	1,687.66
On Allotment of Shares by Subsidiary Company					539.30	539.30	-389.30	150.00
Profit (loss) for the year				-2,526.20	-34.90	-2,561.10	-11.64	-2,572.74
Other Comprehensive Income for the year				202.70	4.42	207.12	1.47	208.59
Total Comprehensive Income for the year				-2,323.50	-30.48	-2,353.98	-10.17	-2,364.15
Balance as at 31st March, 2024	1.61	444.44	1,549.28	44.59	379.58	-277.02	-399.47	-676.49
On Allotment of Shares by Subsidiary Company					549.47	549.47	-399.47	150.00
Profit (loss) for the year				-3,587.97	7.97	-3,580.00	2.66	-3,577.34
Other Comprehensive Income for the year				451.70	1.46	453.16	0.49	453.65
Total Comprehensive Income for the year				-3,136.27	9.43	-3,126.84	3.15	-3,123.69
Balance as at 31st March, 2025	1.61	444.44	1,549.28	-3,091.68	389.01	-3,403.86	-396.32	-3,800.18

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

UDIN : 26264906YUCRSH4695
Place : Coimbatore
Date : 29.05.2026

M. VENKATESH PRASATH
Partner
Membership No.264906

M. BALAJI
Chief Financial Officer and Company Secretary

KG DENIM LIMITED -

Note 1: Property, Plant & Equipment - Consolidated

(Rs. In Lakhs)

Fixed Assets	Land	Buildings	Plant & Equipment	Electrical Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Other (Specify nature)	Total	Capital Work in Progress
Gross Carrying Value										
Deemed Cost as at April 1,2024	1,097.98	6,273.54	16,611.39	777.49	316.10	497.59	301.25	10.37	25,885.71	-
Additions	-	-	11.77	0.77	-	-	0.36		12.90	-
(-) IndAs Adjustment	-								-	
(-) Disposals	12.87		9.54	34.14	-	52.12	-		108.67	-
As at March 31, 2025	**1,085.11**	**6,273.54**	**16,613.62**	**744.12**	**316.10**	**445.47**	**301.61**	**10.37**	**25,789.94**	-
Depreciation										
As at April 1, 2024	-	1,908.40	9,704.98	539.70	202.01	361.20	234.82	7.77	12,958.88	
Depreciation for the year		189.54	546.51	25.49	15.56	26.70	3.57	0.40	818.91	
(-)On Disposals	-		1.24	23.39		37.80			62.43	
As at March 31, 2025	-	**1,908.40**	**9,704.98**	**539.70**	**202.01**	**361.20**	**234.82**	**7.77**	**13,715.36**	-
Net Carrying Value										
As at March 31, 2025	**1,085.11**	**4,365.14**	**6,908.64**	**204.42**	**114.09**	**84.27**	**66.79**	**2.60**	**12,073.41**	-
As at March 31, 2024	1,097.98	4,365.14	6,906.41	237.79	114.09	136.39	66.43	2.60	12,926.83	-

Note:

1. Building includes Prayer Hall and Gold plating thereon of Rs.109.14 Lakhs in Gross Carrying value, Rs.22.40 Lakhs in Depreciation Block and Rs. 86.74 Lakhs in Net Block (Previous year Rs. 109.14 in Gross Carrying value, Rs.20.28 Lakhs in Depreciation Block and Rs. 88.86 Lakhs in Net Block)
2. Furniture & Fittings includes Prayer Hall of Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block. (Previous year Rs. 4.47 Lakhs in Gross Carrying value, Rs. 3.78 Lakhs in Depreciation Block and Rs. 0.69 Lakhs in Net Block).
3. Title deeds of all the immovable properties are held in the name of the Company only.
4. The Company has not done any revaluation of property, plant & equipment (including right of use assets) during the year.
5. There is no Capital-work-in progress as on the date of the balance sheet as at 31st March 2026. 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 2026

Note 1 A : Intangible Assets

(Rs. In Lakhs)

	Others	Total
Gross Carrying Amount		
Balance as at 31st March 2024	**0.01**	**0.01**
Additions	-	-
Disposals	-	-
Balance as at 31st March 2025	**0.01**	**0.01**
Accumulated Depreciation		
Balance as at 31st March 2024	-	-
Additions	-	-
Disposals	-	-
Balance as at 31st March 2025	-	-
Net Carrying Amount		
Balance as at 31st March 2025	**0.01**	**0.01**
Balance as at 31st March 2024	**0.01**	**0.01**

Note 2 Investments-Non current (Rs. In Lakhs)

	Particulars	31.03.2026	31.03.2025
A	**Non-Trade Investments**		
	Equity (Quoted)		
i	Indian Bank - 605 Equity Shares of Rs.10/- each	5.12	3.27
	Total - A	**5.12**	**3.27**
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)	**332.83**	**330.98**
	Less : Provision for diminution in the value of investments	-	-
	Total	**332.83**	**330.98**

Note 3 Other Non Current Assets (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
a. Capital Advances		
Advance for Capital Goods - Un secured considered good	216.85	211.26
Others	-	
	216.85	211.26
b. Security Deposits		
Security Deposits - Un secured considered good	60.88	27.37
	60.88	27.37
Total	**277.73**	**238.63**

Note 4 Deferred Tax Assets (Net)

Particulars	31.03.2026	31.03.2025
Deferred Tax Asset / (Liabilities)		
Opening balance	2,942.52	1,740.42
On account of business loss & Depreciation as per books of accounts & IT purpose (DTA)	-85.31	1,202.09
Net Deferred tax asset	**2,857.21**	**2,942.51**

Note 5 Inventories (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
a. Raw Materials and components	1,161.48	1,118.99
	1,161.48	**1,118.99**
b. Work-in-progress	2,377.39	513.37
	2,377.39	**513.37**
c. Finished goods	6,214.69	4,869.43
Goods-in transit	-	-
	6,214.69	**4,869.43**
d. Stores and Spares	986.88	1,199.99
	986.88	**1,199.99**
e. Others (Specify nature)		
Stock of Waste	0.77	13.04
	0.77	**13.04**
Total	**10,741.21**	**7,714.82**

Note 6 Trade Receivables (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Current Receivables		
Trade receivables Unsecured Considered Good	4,647.76	3,785.26
Trade receivables Unsecured - Doubtful Debts	515.16	515.16
Less: Provision for Doubtful Debts	-414.57	-414.57
Total	**4,748.35**	**3,885.85**

Note 7 Cash and cash equivalents (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
a. Balances with banks	35.99	353.74
b. Cash on hand	1.06	2.17
c. Cheque in hand	1.54	
Total	**38.59**	**355.91**

Note 8 Other Bank balances (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
a. Others Bank Balances		
Unclaimed Dividend Account	9.83	20.67
b. Others		
Margin Money Deposits on LC	124.64	5.98
Total	**134.47**	**26.65**

Note 9 Current Tax Assets (net) (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
For Duties & Taxes	184.37	199.78
Total	**184.37**	**199.78**

Note 10 Other Current Assets (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
a. Export incentives Receivable	229.17	271.01
b. IGST Refund Receivable	113.85	178.16
c. DEPB Receivable- Court Order	50.40	50.40
d. Duty Drawback Receivable - Court Order	71.91	71.91
e. Dividend Income Receivable	0.09	-
f. Interest Receivable	802.92	422.46
g. Input Credit GST Receivable	2,684.49	2,602.90
h. Insurance Claim Receivable	27.19	27.19
i Advance for Material Purchase	557.14	865.78
j Advance for Expenses / Others	720.63	921.32
k Prepaid Expenses	36.59	26.35
Total	**5,294.38**	**5,437.48**

Note 11 Share capital (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Authorised		
3,10,00,000 Equity Shares of Rs.10 each	3,100.00	3,100.00
10,00,000 10% Cumulative Redeemable Preference shares of Rs.100 each	1,000.00	1,000.00
Issued, Subscribed & Paid up sharecapital		
2,56,37,825 Equity Shares of Rs.10 each	2,563.78	2,563.78
(Previous year 2,56,37,825 equity share of Rs. 10 each)		
ADD:		
37,400 Fforfeited 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	31.03.2026	No. of Shares	31.03.2025
At the beginning of the year	25637825	2,563.78	25637825	2,563.78
Outstanding at the end of the year	25637825	2,563.78	25637825	2,563.78

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having at par value of Rs.10 each. Each shareholder is eligible for one

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

	31.03.2026		31.03.2025	
Name of Shareholder	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	13,34,060	5.20%	25,84,060	10.08%
Shri B Sriramulu	34,58,659	13.49%	22,08,659	8.61%
Shri B Srihari	22,31,859	8.71%	22,31,859	8.71%
Smt T Anandhi	10,15,500	3.96%	10,15,500	3.96%

Disclosure of shareholding of promoters & promoter group as at 31st March 2026 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	25,84,060	-12,50,000.00	13,34,040	5.20%	-4.88
Shri B Sriramulu	22,08,659	12,50,000.00	34,58,659	13.49%	4.88
Shri B Srihari	22,31,859	-	22,31,859	8.71%	-
Smt T Anandhi	10,15,500	-	10,15,500	3.96%	-
Dr G Bakthavathsalam	1,04,609	-	1,04,609	0.41%	-
Ms Nikethana Thulasidharan	5,07,750	-	5,07,750	1.98%	-
Shri Sailendra Thulasidharan	5,07,750	-	5,07,750	1.98%	-
Smt Nirupa Sriramulu	1,96,738	-	1,96,738	0.77%	-
Smt R Vasanthi	1,74,100	-	1,74,100	0.68%	-
Smt Dhanalakshmi B	1,73,400	-	1,73,400	0.68%	-
Smt Deepika Karthikeyan	72,600	-	72,600	0.28%	-
Shri Pranav Sriraman	67,736	-	67,736	0.27%	-
Ms Aadya Srihari	52,050	-	52,050	0.20%	-
M/s Ganapathykumaran Investments (P) Ltd	10,14,255	-	10,14,255	3.96%	-
M/s. Kumaranganapathy Invesments (P) Ltd	8,82,707	-	8,82,707	3.44%	-
Total	1,50,58,956	-	1,50,58,956	58.71%	-

Disclosure of shareholding of promoters & promoter group as at 31st March 2025 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	5,500.00	25,84,060	1008.00%	0.02
Smt B Sathyabama	5,500	-5,500.00	-	0.00%	
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	-10,15,500.00	10,15,500	3.96%	-3.96
Dr G Bakthavathsalam	1,04,609	-	1,04,609	0.41%	-
Ms Nikethana Thulasidharan	-	-	5,07,750	1.98%	-
Shri Sailendra Thulasidharan	-	-	5,07,750	1.98%	-
Smt Nirupa Sriramulu	1,96,738	-	1,96,738	0.77%	-
Smt R Vasanthi	1,74,100	-	1,74,100	0.68%	-
Smt Dhanalakshmi B	1,73,400	-	1,73,400	0.68%	-
Smt Deepika Karthikeyan	72,600	-	72,600	0.28%	-
Shri Pranav Sriraman	67,736	-	67,736	0.27%	-
Ms Aadya Srihari	52,050	-	52,050	0.20%	-
M/s Ganapathykumaran Investments (P) Ltd	10,14,255	-	10,14,255	3.96%	-
M/s. Kumaranganapathy Invesments (P) Ltd	8,82,707	-	8,82,707	3.44%	-
Total	1,50,58,956	-	1,50,58,956	58.71%	-

Note 12 :Other Equity (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
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	-	
(-) Written Back in Current Year (Capital Redemption)	-	
(-) Written Back in Current Year (Share Buy Back Exp)	-	
Closing Balance	1,549.28	1,549.28
c. Surplus		
Opening balance	-5,947.21	-2,821.82
(+) Comprehensive Income For the current year	-195.10	-3,125.39
(-) Fair Valuation of Receivables		
Closing Balance	-6,142.31	-5,947.21
Total	-4,146.98	-3,951.88

Note 13 : Financial Liabilities (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Secured		
(a) Term loans		
Indian Rupee Loan		
from banks (Secured)	15,004.62	14,078.11
from Others	563.10	592.56
(b) Long Term maturities of finance lease obligations		
from Others - Vehicle Hire Purchase	-	14.89
c) Long term Loan - Directors	923.14	251.29
d) Intercorporate deposit	173.75	162.95
e) Others - NBFC	664.65	559.25
f) Long-term - Trade Payable	2,100.00	2,100.00
There is no case of continuing default as on the balance sheet date in repayment of loans and interest		
Total	19,429.26	17,759.05

Security Clause

Bank Borrowings of Term Loans

Term Loans from Indian Bank (IB) are secured by first pari passu charge on (a) all immovable properties situated in (i) 77.46 acres of land at Jadayampalayam, Alangombu and Karamadai Villages in Mettupalayam Taluk, Coimbatore District, Peelamedu land, Coimbatore 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, Mumbai Property and Bangalore Property) acquired for the New Capex Plan through Deed of Hypothecation and second pari' passu charge on current assets of the Company

It has been proposed in the restructuring sanction to create subservient charge on the Tata Capital and ICICI Property as disbursement condition

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 and Shri. B Sharamulu, Managing Director.

Term Loan Bank	Outstanding	Previous Year	Repayment quarterly	Commencement from	Last Instalment	Rate of Interest	Previous Rate of interest
	Rs.in lakhs						
Indian Bank TL -VII	143.97	134.06	16	30.06.2026	31.12.2029	9.05%	9.05%
Indian Bank TL -VIII	86.11	80.62	16	30.06.2026	31.12.2029	9.05%	9.05%
Indian Bank Corp. Loan	687.58	645.00	16	30.06.2026	31.12.2029	9.05%	9.05%
Indian Bank GECL	1048.34	972.94	16	30.06.2026	31.12.2029	9.05%	9.05%
Union Bank of India GECL	164.08	134.17	16	30.06.2026	31.12.2029	9.00%	9.00%
State Bank of India GECL	189.55	166.45	16	30.06.2026	31.12.2029	9.50%	9.50%
South Indian Bank GECL	156.77	139.69	16	30.06.2026	31.12.2029	9.20%	9.20%
Indian Bank GECL-2.0	1072.28	998.44	16	30.06.2026	31.12.2029	9.05%	9.05%
Union Bank of India GECL-2.0	211.05	171.99	16	30.06.2026	31.12.2029	9.00%	9.00%
State Bank of India GECL-2.0	181.07	159.17	16	30.06.2026	31.12.2029	9.50%	9.50%
South Indian Bank GECL-2.0	152.26	135.94	16	30.06.2026	31.12.2029	9.25%	9.25%
Indian Bank WCTL	4253.48	4397.00	16	30.06.2026	31.12.2029	9.05%	9.05%
Union Bank of India WCTL	1177.77	1074.19	16	30.06.2026	31.12.2029	9.00%	9.00%
State Bank of India WCTL	1208.52	1147.00	16	30.06.2026	31.12.2029	9.50%	9.50%
Bank of Maharashtra WCTL	897.71	884.06	16	30.06.2026	31.12.2029	9.00%	9.00%
Indian Bank FITL-I & II	2132.02	1165.34	16	30.06.2026	31.12.2029	9.05%	9.05%
Union Bank of India FITL-I & II	395.26	163.12	16	30.06.2026	31.12.2029	9.00%	9.00%
State Bank of India FITL-I	504.30	216.19	16	30.06.2026	31.12.2029	9.50%	9.50%
Bank of Maharashtra FITL-I	248.53	101.23	16	30.06.2026	31.12.2029	9.00%	9.00%

Period & Repayment

Door to Door tenor of 20 quarterly installments with moratorium of 4 quarters and principle repayable in 16 equal quartely installments commencing from quarter ending March 2026 and ending on December 2029. Interest to be serviced as and when debited post moratorium period.

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

Term Loan Bank	Outstanding	Previous Year	Repayment months	Commencement from	Last Instalment	Rate of Interest	Previous Rate of interest
	Rs.in lakhs						
ICICI Bank Ltd	46.15	81.94	120	05.05.2017	05.05.2027	8.60%	8.60%
Tata Capital Financial Services Ltd	327.67	333.13	84	15.10.2019	15.09.2026	11.00%	11.00%
Tata Capital Financial Services Ltd-2.0	235.43	218.43	48	01.01.2024	01.01.2027	11.00%	11.00%
Samunatti - WCTL	605.40	468.75	16	31.03.2026	31.12.2029	16.00%	16.00%
Samunatti- FITL-I	59.25	55.55	16	31.03.2026	31.12.2029	16.00%	16.00%

Subsidiary Term Loan

The Subsidiary Company Trigger Apparels Limited availed a Term Loan from Indian Overseas Bank is having exclusive charge on the Mumbai Office Property.

Note 14 : Other Financial Liabilities (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Others - Security Deposit	310.10	321.14
Total	**310.10**	**321.14**

Note 15 : Long Term Provisions (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Provision for employee benefits		
Gratuity (unfunded)	539.16	282.26
Total	**539.16**	**282.26**

Note 16: Short Term Borrowings (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Secured		
(a) Loans repayable on demand		
Working Capital Loan from Banks (Secured)	8,775.85	6,400.14
Working Capital Loan from other than Banks (Secured)	334.41	384.41
Unsecured		
Working Capital Loan from other than Banks (Unsecured)	-	-
(b) Current Maturities of Long Term Borrowings		
Current Maturities of Long-term Debit - Secured	-	-
Current maturities of financial institutions	-	1.08
There are no case of default in repayment of loan and interest as on date of balance sheet.		
Total	**9,110.26**	**6,785.63**

Note 17: Trade payable - Micro and Small Enterprises (Rs. In Lakhs)

Particulars	31.03.2025	31.03.2024
Trade Payables		
For Dues of Micro Enterprises and Small Enterprises	698.66	928.53
For Other Dues	-	-
Total	**698.66**	**928.53**

Note 17 A: Trade Payables (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Trade Payables		
For Other Dues	6,853.60	8,133.68
Total	**6,853.60**	**8,133.68**

Particulars	31.03.2026	31.03.2025
(a) MSME Interest Payable	386.80	315.68
Total	**386.80**	**315.68**

AS AT 31st March 2026 Rs. in lakhs

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	699.79				699.79
Others	1,419.73	1,220.77	2,417.38	1,794.59	6,852.47
Others- Long Term Payable			2,100.00		2,100.00
Disputed MSME					-
Disputed Others					-
TOTAL	2,119.52	1,220.77	4,517.38	1,794.59	9,652.26

AS AT 31st March 2025 Rs. in lakhs

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	928.53				928.53
Others	2,073.88	2,629.20	2,639.81	790.79	8,133.68
Others- Long Term Payable		2,100.00			2,100.00
Disputed MSME					-
Disputed Others					-
TOTAL	3,002.41	4,729.20	2,639.81	790.79	11,162.21

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.

Note 18: Other Current Liabilities (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Land Sale Advance	30.00	
(a) Customer Credit Balance	296.40	290.29
(b) Duties and Taxes	396.93	246.37
(c) Creditors for Capital goods	8.03	51.16
(d) Unpaid Dividend Accrued	9.83	20.67
Total	**741.19**	**608.49**

Note 19: Short Term Provisions (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Provision for employee benefits		
Gratuity (unfunded)	45.61	31.10
Total	**45.61**	**31.10**

Note 20: Government Grants (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Government Grants	-	130.87
	-	**130.87**

Note 21: Revenue from operations (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Sale of products	4,001.85	6,167.82
Sale of services - Job work	124.07	245.86
Other operating revenues : Waste Cotton/Yarn /Accessories sales	67.38	35.18
Export Incentives	10.30	97.93
Total	**4,203.60**	**6,546.79**

Note 22: Other Income (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Interest Income	381.39	418.26
Other Income - Creditors no longer payable	-	150.00
Apportioned Income from Govt. Grant	130.87	170.63
Dividend Income	0.10	0.07
Lease Rent Receipt	3.21	2.60
Miscellaneous Income	76.84	5.53
Insurance Claim Received	-	2.91
Profit/Loss on sale of Fixed Assets	1,469.82	20.52
Exchange Difference Gain	-	14.90
Total	**2,062.23**	**785.42**

Note 23: Cost of materials consumed (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Opening Stock	1,118.99	1,195.76
Purchases	1,180.26	1,037.58
sub-total	**2,299.25**	**2,233.34**
Less : Closing stock	1,161.48	1,118.99
Raw materials consumed	**1,137.77**	**1,114.35**

Note 24: Purchases of Stock-in-Trade (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Garments purchase	1,162.13	947.05
Yarn Purchase	8.67	-
Fabric Purchase	79.47	6.26
Total	**1,250.27**	**953.31**

Note 25: Changes in inventories of finished goods work-in-progress and Stock-in-Trade (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Opening Stock :		
Work-in-process	513.37	2,017.03
Finished Goods	4,869.43	6,074.72
	5,382.80	**8,091.75**
Closing Stock :		
Work-in-process	2,377.39	513.37
Finished Goods	6,202.05	4,869.43
	8,579.44	5,382.80
Total	**-3,196.64**	**2,708.95**

Note 26: Other Manufacturing Expenses (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Power & Fuel	976.22	1,356.97
(b) Consumptions of Stores & Spare Parts	156.14	245.30
(c) Processing Charges	57.05	188.26
(d) Repairs & Maintenance		
For Plant & Machinery	71.38	52.17
For Buildings	12.05	14.04
For Others	55.88	39.68
Total	**1,328.72**	**1,896.42**

Note 27 : Employee Benefits Expense (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
(a) Salaries and Wages	1,372.11	2,077.42
(b) Salaries - Managing Directors / Whole Time Directors	-	-
(c) Contributions to Provident fund and other funds	111.25	105.74
(d) Gratuity as per actuarial valuations	78.96	88.43
(e) Staff welfare expenses	19.66	61.53
Total	**1,581.98**	**2,333.12**

Note 28 : Finance costs (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Interest expense	2,210.71	2,939.48
Other borrowing costs	91.02	72.98
Applicable net gain/loss on foreign currency transactions, translation and import reinstatement	-	2.30
Total	**2,301.73**	**3,014.76**

Note 29 : Other expenses (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Rent	38.97	57.54
Insurance	141.26	239.13
Rates and taxes, excluding, taxes on income.	20.00	76.53
Payments to the auditor as		
a. as statutory auditor	7.10	7.10
b. for other services	2.40	0.50
Legal, Professional & Consultancy Charges	99.08	84.66
Printing and Stationery	1.15	5.65
Postage, Telegrams and Telephones	16.09	26.51
Traveling Expenses and Maintenance of Vehicles	140.58	203.43
Director Sitting Fees	-	1.35
Software Maintenance Expenses	1.96	8.13
Commission on Sales	185.81	213.15
Discount on Sales	52.91	21.05
Selling Expenses	172.49	39.14
Freight Outwards	39.11	107.42
Sundry Balance / Bad debts written off	0.02	0.03
Miscellaneous expenses,	43.34	28.95
Loss on sale of DEPB Licenses	-	14.38
Total	**962.27**	**1,134.65**

NOTE 30 EXCEPTIONAL ITEMS - DEPB RECEIPTS (Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Extraordinary Items - Excise Duty Refund	-	2,039.72
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026

Note :- 31: STATEMENT OF MATERIAL ACCOUNTING POLICIES

31.1. Principles of Consolidation:

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The subsidiary companies considered in the consolidated financial statements are

Name of the Company	Country of Incorporation	Proportion of voting power as on 31.03.2026
Trigger Apparels Limited	India	75%
KG Denim (USA) Inc.	Delaware USA	100%

31.2 Other Material Accounting policies:

(a) Basis of preparation

(i) Compliance with Ind AS

These consolidated 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) Presentation and Functional Currency

The Consolidated financial statements and Notes are presented in the Company's functional and presentation currency, Indian rupee (Rs.), rounded off to the nearest rupees in lakhs, unless otherwise stated.

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.

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 derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

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

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

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

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

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Capital Work-in-Progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognized as income or expense in the statement of profit and loss.

Cost of items of intangible assets not ready for intended use as on the balance sheet date are disclosed as intangible assets under development.

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Non-Current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

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.

Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Cost comprises 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.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of tax expenses, transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Lease

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

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

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the transaction value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.

(a) Non-derivative Financial Assets

(I) Classification

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

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

(b) 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.

Measurement

Equity instruments at FVTOCI

All equity instruments except Investments in subsidiaries are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently reclassified to statement of profit and loss.

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.

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the tOther income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in Statement of Profit and Loss.

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.

Impairment of non-financial assets

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

(b) Derivative financial instruments

The Group uses derivative financial instruments, e.g. foreign currency foreign exchange forward contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each period. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Financial liabilities

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

Financial liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Segment Reporting:

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

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.

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.

Provisions and contingent liabilities

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

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

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

Revenue recognition

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

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

Sale of goods

The Group earns revenue primarily from sale of manufactured goods (fabric, home textiles and garments). It has applied the principles laid down in Ind AS 115 and determined that there is no change require in the existing revenue recognition methodology. In case of sale to domestic customers, sale is made on ex-factory basis and revenue is recognized when the goods are dispatched from the factory gate. In case of export sales, revenue is recognized on shipment date, when performance obligation is met.

Revenue from services

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

Export Incentive

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

Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Insurance claims

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

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.

(i) **Defined contribution plans**

For certain group of employees, employee benefit in the form of Provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution plans. The Company has no obligation, other than the contribution payable to the respective fund. The Company recognises contribution payable to these funds/ schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date.

The Company recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Foreign currency translation and translations

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities measured in terms of historical cost in foreign currencies are not retranslated. Foreign currency gains and losses are reported on a net basis.

Income tax

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

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

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

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

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

Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

(i) the profit attributable to owners of the Group

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

Diluted earnings per share

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

Government Grants

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

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

Critical estimates and judgements

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

Management also need to exercise judgement in applying the Group's accounting policies.

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

The areas involving critical estimates or judgment are:

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

Note: 32: FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

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

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

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

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

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

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

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation cheque: Level 1: quoted (unadjusted) prices in active markets for identical Assets or Liabilities.

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

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

(Rs. In Lakhs)

Financial Assets and Liabilities as at 31st March 2026	Non current	Current	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investments							
Equity instruments	332.83		332.83			332.83	332.83
Other Assets							
Trade Receivables		4,748.35	4,748.35			4,748.35	4,748.35
Cash and cash equivalents		38.59	38.59			38.59	38.59
Other Bank Balances		134.47	134.47			134.47	134.47
Sut-Total		**4,921.41**	**4,921.41**	-	-	**4,921.41**	**4,921.41**
Total	**332.83**	**4,921.41**	**5,254.24**	-	-	**5,254.24**	**5,254.24**
Financial Liabilities							
Borrowings	17,329.96	9,110.28	26,440.24			26,440.24	26,440.24
Trade payables		7,552.26	7,552.26			7,552.26	7,552.26
Other Financial Liabilities	310.10		310.10			310.10	310.10
Total	**17,640.06**	**16,662.54**	**34,302.60**	-	-	**34,302.60**	**34,302.60**

(Rs. In Lakhs)

Financial Assets and Liabilities as at 31st March 2025	Non current	Current	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Investments							
Equity instruments	330.98		330.98	3.27		327.71	330.98
Other Assets							
Trade Receivables		3,885.85	3,885.85			3,885.85	3,885.85
Cash and cash equivalents		355.91	355.91			355.91	355.91
Other Bank Balances		26.65	26.65			26.65	26.65
Sub-total		**4,268.41**	**4,268.41**	-	-	**4,268.41**	**4,268.41**
Total	**330.98**	**4,268.41**	**4,599.39**	**3.27**	-	**4,596.12**	**4,599.39**
Financial Liabilities							
Borrowings	15,615.37	6,798.52	22,413.89			22,413.89	22,413.89
Trade payables		9,062.21	9,062.21			9,062.21	9,062.21
Other current liabilities	321.14		321.14			321.14	321.14
Total	**15,936.51**	**15,860.73**	**31,797.24**	-	-	**31,797.24**	**31,797.24**

Note :-33 - 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:

1. Actual or expected significant adverse changes in business,

2. Actual or expected significant changes in the operating results of the counterparty,

3.Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

4. Significant increase in credit risk on other financial instruments of the same counterparty,

5.Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

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

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

AS AT 31 MAR 26 (Rs. In Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i) Un Disputed Trade Receivable- Considered Goods	1,786.24	996.77	543.14	52.00	955.63	4,333.78
(ii) Un Disputed Trade Receivable- Considered Doubtful			121.68	148.79	144.10	414.57
(iii) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
TOTAL	1,786.24	996.77	664.82	200.79	1,099.73	4,748.35

AS AT 31 MAR 25 (Rs. In Lakhs)

Particulars	< 6 months	6M-1 Yrs	1-2Yrs	2-3 Yrs	>3 yrs	Total
(i)Un Disputed Trade Receivable- Considered Goods	863.74	373.45	782.38	704.19	747.52	3,471.28
(ii) Un Disputed Trade Receivable- Considered Doubtful	-	-	121.68	148.79	144.10	414.57
(iii)Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(iv)Disputed Trade Receivables Considered Doubtful	-	-	-	-	-	-
TOTAL	863.74	373.45	904.06	852.98	891.62	3,885.85

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) M ... **vings**

(Rs. In Lakhs)

	As at 31st March, 2026				As at 31st March, 2025			
	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)		17329.3	0	17,329.26	13.97	15615.37		15,629.34
Short term borrowings	9110.26		0	9,110.26	6784.55			6,784.55
Total	9110.26	17329.3	0	26439.52	6798.52	15615.37	0	22413.89

Maturity patterns of other Financial Liabilities

AS AT 31st March 2026 Rs. In lakhs

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	699.79				699.79
Others	1,419.73	1,220.77	2,417.38	1,794.59	6,852.47
Others- Long Term Payable			2,100.00		2,100.00
Disputed MSME					-
Disputed Others					-
TOTAL	2,119.52	1,220.77	4,517.38	1,794.59	9,652.26

AS AT 31st March 2025 Rs. In lakhs

Trade payable	< 1Year	1-2 Yrs	2-3Yrs	>3 Yrs	Total
MSME	928.53				928.53
Others	2,073.88	2,629.20	2,639.81	790.79	8,133.68
Others- Long Term Payable		2,100.00			2,100.00
Disputed MSME					-
Disputed Others					-
TOTAL	3,002.41	4,729.20	2,639.81	790.79	11,162.21

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.

Note 34: GRATUITY

Gratuity is provided as per actuarial valuation of the holding company and its subsidiaries.

(Rs. In Lakhs)

	2025-2026			2024-2025		
Particulars	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	118.98			416.35		
Other related party				0.59		
Sale of Goods						
Sri Kannapiran Mills Limited				23.09		
Other related party						
Processing / other Charges Paid						
Sri Kannapiran Mills Limited	1.58			0.18		
Other related party						
Processing / other Charges Received						
Sri Kannapiran Mills Limited						
Other related party						
Remuneration		42.06	24.00		19.32	24.00

(Rs. In Lakhs)

	as on 31.03.2026			as on 31.03.2025		
Particulars	Other Related Party	Key Management Personnel	Relatives of Key Management Personnel	Other Related Parties	Key Management Personnel	Relatives of Key Management Personnel
Trade Receivable	69.80		-	41.36	-	-
Trade payable	2,245.27			2,393.04		
Investments	328.46			328.69		
Loans and Advances	150.00		-	150.00	-	-

Other Related Party	Sri Kannapiran Mills Limited Sri Balamurugan Textile Processing Limited Danalakshmi Paper Mills Private Limited Crocodile India Pvt Ltd
Key Management Personnel	Shri KG Baalakrishnan, Executive Chairman Shri B Sriramulu, Managing Director Shri.M.Balaji, Company Secretary & CFO
Relative of Key Management Personnel	Shri Pranav Sriraman (Son of Shri B Sriramulu)

NOTE - 36: Title deeds of Properties
Titles deeds of all the immovable properties in the Financial Statements are held in the name of the Group only.

NOTE - 37: Capital-work-in progress.
There is no Capital-work-in progress as on the date of balance sheet as at 31st March 2025. There is no project which is temporarily suspended.

NOTE - 38: Intangible Assets under development.
There are no any intangible assets under development as on the date of balance sheet as at 31st March 2026.

NOTE - 39: Relationship with strike off companies.
Group does not have any transactions with the companies "Striken off" or in the process of strike off.

NOTE - 40: Scheme of arrangements
The Group has not entered into any "Scheme of Arrangements" during the year ended 31st Mar 2026.

NOTE - 41: Details of Benami Property Held
The Group 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 Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under.

NOTE - 42: Compliance with number of layer of companies.
The Group is in compliance with the number of layers prescribed und
er clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

NOTE - 43: The Group has not traded or invested in crypto currency or virtual currency.

NOTE -44: Registration of charges or satisfaction with Registrar of Companies.
The Group does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

NOTE - 45: The Group has not done any revaluation of Property, Plant & Equipment or Intangible assets.

NOTE - 46: The Group was not declared as "willful defaulter" by any bank or financial Institution or other lender.

Note : 47 The Group 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 - 48: 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:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note - 49: 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 Group shall:

1. 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
2. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note - 50: Approved Financial Statements:
The Board of Directors of 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 disclosures made, has approved these financial statements in its meeting held on 30th May 2025.

NOTE - 51 CAPITAL RISK MANAGEMENT

Risk Management
The Group aim to manage 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 Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group'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 Group will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

(Rs. In Lakhs)

		31-Mar-26	31-Mar-25
NOTE	Earnings Per Share has been computed as under :		
	Profit / (Loss) for the year	-4.49	-3579.15
	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)	-0.02	-13.96
	Diluted earning per share is same as basic earning per share	-0.02	-13.96

NOTE - 53: 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 - 54: DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The Provisions of Section 135 of the Companies Act 2013 are not applicable to the Holding company and the subsidiary Company incorporated in India during the Financial Year 2025-26.

Note 55 – LOAN RESTRUCTURING ARRANGEMENT WITH CONSORTIUM LENDERS

The Holding Company has entered into a loan restructuring arrangement with its consortium lenders under the Reserve Bank of India's framework for areas affected by natural calamities. While the arrangement was approved by the majority of lenders, one bank representing approximately 7% of the debt exposure dissented, and one NBFC with an outstanding loan of Rs.625 lakh did not participate.

The Holding Company has initiated legal proceedings against the dissenting/nonparticipating lenders and obtained an injunction from the Hon'ble High Court of Madras. The matter remains sub judice. Repayments under the restructured arrangement commenced in the quarter ended June 2026.

The Holding Company is also mobilising funds through the proposed sale of non-core assets and promoters' contribution, expected to generate approximately ₹50 crore by 30 June 2026. Management continues to engage with the lenders and assess appropriate measures. The terms of the restructuring, legal proceedings and expected funding sources have been considered in determining the classification, measurement and presentation of borrowings and related disclosures under Ind AS.

Note No. 56 – Trade Creditors – Overdue Dues and Proceedings before NCLT

As at the reporting date in the books of Holding Company, certain amounts due to trade creditors remained overdue. Trade creditors aggregating to Rs. 268 lakh have initiated proceedings before the National Company Law Tribunal (NCLT) in respect of alleged outstanding dues. The Holding Company is actively engaged in discussions and negotiations with the concerned creditors for settlement of the aforesaid claims.

Further, trade creditors aggregating to Rs. 2,100 lakh have outstanding amounts which have been deferred for a period exceeding one year pursuant to the restructuring arrangement entered into by the Company with its creditors.

The management is taking necessary steps to address the overdue obligations and is pursuing settlement of the claims with the concerned creditors. The Company has considered the aforesaid matters in assessing its obligations towards trade creditors and in making the necessary disclosures in the financial statements

NOTE - 57: CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(Rs.in lakhs)

	2025 -26	2024-25
Disputed Excise / Customs duties	335.35	335.35
Legal Case – Claim of Security Deposit	9.68	9.68
Income Tax	15.23	2.53

In respect of disputed excise / custom duties and Income tax demands, the Group feels that there will be no financial
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	2025-26	2024-25
Guarantees given to Bank for loan to subsidiary	500.00	500.00

	2025-26	2024-25
Bills discounted with banks	-	-

II. Commitments
There is no contract remaining to be executed in Capital Account

Note -58: SEGMENT REPORTING:

Operating Segments:

(I) Textile
(ii) Power
(iii) Garment

Identification of segments:

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets /liabilities

(Rs. In Lakhs)

S.No.	Particulars	Consolidated	
		Audited 31.03.2026	Audited 31.03.2025
1	Segment Revenue (Net Sales / Income from Operations)		
	(a) Textiles	1945	4705
	(b) Power	69	428
	(c) Garments	2203	1626
	Total	**4217**	**6759**
	Add: Other Unallocable Income		
	Less: Inter Segment Sales	13	212
	Net Sales / Income from operations	**4204**	**6547**
2	Segment Results (Profit before Interest & Tax)		
	(a) Textiles	3398	-723
	(b) Power	-1093	-1068
	(c) Garments	79	125
	Total	**2384**	**-1666**
	Less:		
	* Interest & Finance Charges (Net)	2302	3015
	* Other Unallocable expenditure (Net of Unallocable Income)		
	Profit Before Extra Ordinary Items & Tax	**82**	**-4681**
3	**Segment Assets**		
	(a) Textiles	27532	25619
	(b) Power	4969	4624
	(c) Garments	4182	3816
	Total Segment Assets	**36683**	**34059**
4	Segment Liabilities		
	(a) Textiles	15557	12778
	(b) Power	242	2602
	(c) Garments	2037	1554
	Total Segment Liabilities	**17836**	**16934**

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

HOLDING COMPANY

(Rs. In Lakhs)

Particulars	As at March 2026	As at March 2025
Inventories as per declaration with Bank	9,124.00	6,109.46
Trade Receivable as per declaration with Bank	7,222.38	6,297.91
TOTAL (A)	**16,346.38**	**12,407.37**
Inventories as per Books	9,124.96	6,109.63
Trade Receivables as per Books	6,679.41	6,297.91
TOTAL (B)	**15,804.37**	**12,407.54**
Difference in Inventories	0.96	0.17
Difference in Receivables	542.97	

inter segment transfer are

NOTE - 59 HOLDING AND SUBSIDIARY COMPANY STOCK STATEMENT SUBMISSION WITH BANKS

The Group has borrowed from banks on the basis of security of current assets. Quarterly returns or statements of current assets filed by the Group are not in agreement with books of a ccounts. Summary of reconciliation and reasons for material discrepancies as at 31st March 2026 is given below.

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

SUBSIDIARY COMPANY – TRIGGER APPAREL LIMITED STOCK STATEMENT SUBMISSION WITH BANKS

(Rs. In Lakhs)

Particulars	31.03.2026	31.03.2025
Inventories as per declaration with Bank	1,500.06	1,499.80
Trade receivables as per declaration with Bank	1,667.47	1,003.65
Total (A)	**3,167.53**	**2,503.45**
Inventories(Finished) as per Books	1,500.07	1,501.65
Trade receivables as per Books	1,610.05	1,047.41
Total (B)	**3,110.12**	**2,549.06**
Difference in inventories	0.01	1.85
Difference in receivables	-57.42	43.76
Total Difference (A)-(B)	**-57.41**	**45.61**

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

(Amount Rs.in Lakhs) 2025-26

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	-22.75	348.65	-3,177.28	142.66	102.17	-194.75	27.26	-52.09
Subsidary- Indian Trigger Apparels Ltd	112.50	-1,724.05	3,187.97	-143.14	-2.17	4.14	72.74	-139.00
Subsidary - Foreign KG Denim (USA) Inc	10.25	-157.07	89.31	-4.01				
Sub Total	-	**-1,532.47**	-	**-4.49**	-	**-190.61**	-	**-191.09**
Intercompany elimination and consolidated adjustments	-37.11	531.45						
Non controlling interest in subsidaries	30.10	-431.06		-143.14		1.04		-34.74
Grand Total		**-1,432.08**		**-147.63**		**-189.57**		**-225.83**

2024-25

Name of the entity in the Group	Net Assets i.e., total assets minus total		Share in profit or loss		Share in other Comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other Comprehensive Income	Amount	As % of total comprehensive income	Amount
Parent K G Denim Limited	-29.96	400.75	100.25	-3,587.97	99.57	451.81	100.34	-3,136.16
Subsidiary- Indian Trigger Apparels Ltd	118.52	-1,585.26	-0.30	10.63	0.43	1.95	-0.40	12.58
Subsidiary - Foreign KG Denim (USA) Inc	11.44	-153.06	0.05	-1.81			0.06	-1.81
Sub Total	-	-1,337.57	-	-3,579.15	-	453.76	-	-3,125.39
Intercompany elimination and consolidated adjustments	-40.53	500.06						
Non controlling interest in subsidaries	32.12	-396.32		10.63		0.49		3.15
Grand Total		-1,233.83		-3,568.52		454.25		-3,122.24

Part 'A' Subsidiaries (Rs. In Lakhs)

Sno	Name of the Subsidary	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	-2,324.25	4,044.32	5,768.57	-	2,344.84	-0.29	142.85	-143.14	-	75%
2	KG Denim (USA) Inc		Exchange rate Rs.93.48 per USD	0.46	-157.53	137.40	294.47	-	-4.01	-4.01	-	-4.01	-	100%

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

As per our report of even date
For Gopalaiyer and Subramanian
Chartered Accountants

For and on behalf of the Board of Directors

M. VENKATESH PRASATH
Partner
Membership No.264906
UDIN: 25027497BMNBAQ7347
PLACE: COIMBATORE
DATE : 29th May 2026

KG BAALAKRISHNAN
Executive Chairman
DN: 00002174

B SRIRAMULU
Managing Director
DN: 00002560

M.BALAJI
COMPANY SECRETARY & CHIEF FINANCIAL OFFICER