

# **All Colour Garments Private Limited**

No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur,  
Bangalore - 560 022

CIN: U17111KA2004PTC034055

## **All Colour Garments Private Limited**

**Annual Report  
2020-21**

# **All Colour Garments Private Limited**

No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur,  
Bangalore – 560 022

CIN: U17111KA2004PTC034055

## **Board of Directors**

Mr. Sathyamurthy A, Director  
Mr. P. Viswanath, Director  
Mr. Prabhat Kumar Singh, Director

## **Registered Office:**

No. 25, Second Cross,  
Third Main, Industrial Suburb,  
Yeshwantpur,  
Bangalore – 560 022

## **Auditors**

M/s Durga Krishnamurti  
Chartered Accountants  
MF 2/10, BDA Flats,  
Cambridge Layout,  
Bangalore - 560008

## **Bankers**

Canara Bank  
"Avenue Plaza"  
Avenue Road Branch  
Bangalore - 560002



# All Colour Garments Private Limited

No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur,  
Bangalore – 560 022

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of the company will be held at the registered office of the Company at No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bangalore – 560 022 on September 15<sup>th</sup>, 2021 at 9:30 AM to transact the following business:


### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint M/s Durga Krishnamurti & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 read with relevant rules made there under from time to time, the members of the Company be and is hereby accorded to appoint Mr. Durga Krishnamurti & Co., Chartered Accountants, as the Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 18<sup>th</sup> Annual General Meeting at a remuneration to be fixed by the Board of Directors in consultation with the Auditors".

3. To appoint a Director in the place of Mr. Prabhat Kumar Singh (08275987), Director, who retires by rotation and being eligible offers himself for re-appointment.

For and on behalf of the Board of Directors  
of All Colour Garments Private Limited

  
Sathyamurthy A  
Director

Bangalore  
July 27<sup>th</sup>, 2021



# All Colour Garments Private Limited

No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur,  
Bangalore – 560 022

CIN: U17111KA2004PTC034055

## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy must be a member of the Company. Proxies in order to be effective must be received at the company's registered office not later than forth-eight hours before the commencement of the meeting.

For and on behalf of the Board of Directors  
of All Colour Garments Private Limited

  
Sathyamurthy A  
Director



Bangalore  
July 27<sup>th</sup>, 2021



# All Colour Garments Private Limited

No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur,  
Bangalore – 560 022

CIN: U17111KA2004PTC034055

## BOARD'S REPORT

Your Directors take great pleasure in presenting the Seventeenth Annual Report of your Company together with the audited accounts for the period ended March 31, 2021.

### 1. FINANCIAL RESULTS:

The company primarily derives its income from the holding company, viz., Gokaldas Exports Limited by way of Job Work charges, etc and the financial results for the period ended March 31, 2021 are given below:

(in Rupees)		
Particulars	31.03.2021	31.03.2020
Total Income	Nil	Nil
Total Expenses	79,902	30,080
Profit Before Tax	(79,902)	(30,080)
Taxation	Nil	Nil
Profit /(Loss) After Tax	(79,902)	(30,080)

### 2. PERFORMANCE:

During the year the company's total income is Rs. Nil and Loss after Tax Rs. 79,902.

### 3. AMOUNTS TRANSFERRED TO RESERVES:

No amounts were transferred to Reserves.

### 4. DIVIDEND:

No dividend has been declared

### 5. AUDITORS

M/s. Durga Krishnamurti & Co, Chartered Accountants is appointed as Statutory Auditor of the Company and will continue to hold office till the conclusion of the next Annual General Meeting.

### 6. QUALIFICATIONS IN THE AUDIT REPORT, IF ANY:

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors.

# **All Colour Garments Private Limited**

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## **7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors of the Company is duly constituted.

Composition of the Board as on March 31, 2021:

1. Mr. Sathyamurthy A – Director
2. Mr. P. Viswanath – Director
3. Mr. P.K.Singh - Director

## **8. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS:**

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

## **9. CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Not applicable.

## **10. PARTICULARS OF EMPLOYEES:**

The human capital has been recognized as a vital factor in achieving the goals and objectives of the organization. Emphasis is placed to build a network of dedicated and experienced professionals who would strive for organizational growth by maximizing the effectiveness while the policies and practices would foster employees' satisfaction, retention and productivity.

There are no employees posted and working in a country outside India, not being Directors or relatives, or employees in India who are drawing more than One Crore and Two Lakh rupees per financial year or Eight Lakh and Fifty Thousand rupees per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

## **11. EXTRACT OF ANNUAL RETURN:**

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT -9** as a part of this Annual Report is annexed to this report as Annexure.



# **All Colour Garments Private Limited**

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## **12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

In Terms of Section 134 of the Companies Act, 2013, the particulars of Loans, Guarantees and Investments given by the Company under Section 186 of the Companies Act, 2013 is detailed in Notes to Accounts of the Financial Statements.

## **13. RELATED PARTY TRANSACTIONS:**

The details of the related party transactions are given in Form AOC-2 as annexure pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

## **14. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

Section 135 of the Companies Act, 2013 does not apply to the Company

## **15. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

There are adequate internal financial controls in place with reference to the financial statements. During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls.

## **16. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of directors' state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a "going concern" basis.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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## **17. ACKNOWLEDGEMENTS:**

Your Directors express their thanks to Gokaldas Exports Ltd, the holding company, its bankers and employees for their support and look forward to their continued co-operation in the ensuing year.

For and on behalf of the Board of Directors  
**All Colour Garments Private Limited**

  
**Sathyamurthy A**  
Director

Bangalore  
July 27<sup>th</sup>, 2021





# All Colour Garments Private Limited

No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur,  
Bangalore – 560 022

CIN: U17111KA2004PTC034055

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

1.	CIN	U17111KA2004PTC034055
2.	Registration Date	01/06/2004
3.	Name of the Company	ALL COLOUR GARMENTS PVT LTD
4.	Category/Sub-category of the Company	PRIVATE
5.	Address of the Registered office & contact details	NO. 25, SECOND CROSS, THIRD MAIN, INDUSTRIAL SUBURB, YESHWANTPUR, BANGALORE – 560 022
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Apparel and Clothing	14101	100%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1.	Gokaldas Exports Ltd NO. 25, SECOND CROSS, THIRD MAIN, INDUSTRIAL SUBURB, YESHWANTPUR, BANGALORE – 560 022	L18101KA2004PLC033475	Holding	100%	2(46)

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## VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2020]				No. of Shares held at the end of the year[As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian	0	0	0	-	0	0	0	-	-
a) Individual/ HUF	0	0	0	-	0	0	0	-	-
b) Central Govt	0	0	0	-	0	0	0	-	-
c) State Govt(s)	0	0	0	-	0	0	0	-	-
d) Bodies Corp.	0	19994	199940	99.97%	0	19994	199940	99.97%	0
e) Banks / FI	0	0	0	-	0	0	0	-	-
f) Any other	0	0	0	-	0	0	0	-	-
<b>Sub-total (A) (1) :-</b>	0	19994	199940	99.97%	0	19994	199940	99.97%	0
(2) Foreign	0	0	0	-	0	0	0	-	-
a)NRIs- Individuals	0	0	0	-	0	0	0	-	-
b) Other- Individuals	0	0	0	-	0	0	0	-	-
c) Bodies Corp.	0	0	0	-	0	0	0	-	-
d) Banks/ FI	0	0	0	-	0	0	0	-	-
e) Any Other	0	0	0	-	0	0	0	-	-
<b>Sub-total (A) (2) :-</b>	0	0	0	-	0	0	0	-	-
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	0	19994	199940	99.97%	0	19994	199940	99.97%	0



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<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	-	0	0	0	-	-
b) Banks / FI	0	0	0	-	0	0	0	-	-
c) Central Govt	0	0	0	-	0	0	0	-	-
d) State Govt(s)	0	0	0	-	0	0	0	-	-
e) Venture Capital Funds	0	0	0	-	0	0	0	-	-
f) Insurance Companies	0	0	0	-	0	0	0	-	-
g) FIIs	0	0	0	-	0	0	0	-	-
h) Foreign Venture Capital Funds	0	0	0	-	0	0	0	-	-
i) Others (specify)	0	6	60	0.03	0	6	60	0.03	0
<b>Sub-total (B)(1):-</b>	0	6	60	0.03	0	6	60	0.03	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.(Indian and Overseas)	0	0	0	-	0	0	0	-	-
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	-	0	0	0	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	-	0	0	0	-	-

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c) Others (specify)	0	0	0	-	0	0	0	-	-
Non Resident Indians	0	0	0	-	0	0	0	-	-
Overseas Corporate Bodies	0	0	0	-	0	0	0	-	-
Foreign Nationals	0	0	0	-	0	0	0	-	-
Clearing Members	0	0	0	-	0	0	0	-	-
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	0	0	0	-	0	0	0	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	6	60	0.03	0	6	60	0.03	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	-	0	0	0	-	-
<b>Grand Total (A+B+C)</b>	0	20000	200000	100	0	20000	200000	100	0



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## B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledge d / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledge d / encumbered to total shares	
1	Gokaldas Exports Ltd	19994	99.97	0	19994	99.97	0	0

## C) Change in Promoters' Shareholding (please specify, if there is no change)

No Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gokaldas Exports Ltd	19994	99.97	19994	99.97

## D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Gokaldas Exports Ltd	19994	99.97	19994	99.97
2.	Viswanath. P	1	0.005	1	0.005
3.	P. Ramababu	1	0.005	1	0.005
4.	Sathyamurthy A	1	0.005	1	0.005
5.	Sunil Mon Nair	1	0.005	1	0.005
6.	Ramya K	1	0.005	1	0.005

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7.	M P Vijayan	1	0.005	1	0.005
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## E) Shareholding of Directors and Key Managerial Personnel:

SN	Name of the Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sathyamurthy A	1	0.005	1	0.005
2	Mr. Vishwanath P	1	0.005	1	0.005
3	Mr. P.K.Singh	0	0.000	0	0.000

SN	Name of the Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

In Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-



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iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

There is no Managing Director, WTD or manager

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration					Total Amount
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

The details of remuneration to other directors is not applicable

SN.	Particulars of Remuneration	Name of Directors				Total Amount

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1	Independent Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)						
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB NO KMP

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary and allowances	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Bonus paid in fiscal year				
	(d) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	others, specify...				
5	Incentive	-	-	-	-
	Total	-	-	-	-



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## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board of Directors  
of All Colour Garments Private Limited

Bangalore  
July 27<sup>th</sup>, 2021

  
Sathyamurthy A  
Director



# All Colour Garments Private Limited

No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur,

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## FORM NO. AOC.2

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

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

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

SL. NO.	PARTICULARS	DETAILS	
		Name	Relationship
(a)	Name(s) of the related party and nature of relationship	Gokaldas Exports Limited	Holding Company
		SNS Clothing Private Limited	Fellow Subsidiary
		Vignesh Apparels Private Limited	Fellow Subsidiary
(b)	Nature of contracts/arrangements/transactions	NA	
(c)	Duration of the contracts/arrangements/transactions	NA	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA	
(e)	Justification for entering into such contracts or arrangements or transactions	NA	
(f)	date(s) of approval by the Board	NA	
(g)	Amount paid as advances, if any:	NA	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	NA	

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

SL. NO.	PARTICULARS	DETAILS	
	Refer RPT schedule in FS		



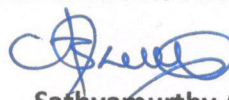
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(a)	Name(s) of the related party and nature of relationship		
(b)	Nature of contracts/arrangements/transactions	NA	
(c)	Duration of the contracts/arrangements/transactions	NA	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	NA	
(e)	Date(s) of approval by the Board, if any:	NA	
(f)	Amount paid as advances, if any:	NA	

For and on behalf of the Board of Directors  
All Colour Garments Private Limited

  
Sathyamurthy A  
Director



Bangalore  
July 27<sup>th</sup>, 2021



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF ALL COLOUR GARMENTS PRIVATE LIMITED**

**Report on the Ind AS standalone Financial Statements**

**Opinion**

1. We have audited the accompanying standalone Ind AS financial statements of **All Colour Garments Private Limited** (the “**Company**”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as “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 Ind AS financial statements for the year ended 31<sup>st</sup> March, 2021 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March, 2021, its losses, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion:**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





**Information Other than the Financial Statements and Auditor's Report Thereon**

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon. The board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the report containing other information if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's Responsibility for the Ind AS Financial Statements:**

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ( "the Act" ) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements:**

8. 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of our responsibilities for the audit of the financial statements is as follows:
  - A. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
    - (i) 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.





**Durga Krishnamurthi & Co**  
**Chartered Accountants**

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- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
  - (v) 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.
- B. 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.
- C. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Report on Other Legal and Regulatory Requirements:**

10. As required by the Companies (Auditor's Report) Order, 2016 ( "the Order" ), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable.
11. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the board of directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2021 from being appointed as directors in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" . Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company' s internal financials controls with reference to financial statements.





**Durga Krishnamurthi & Co**  
**Chartered Accountants**

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- g) 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 does not have any pending litigations which would impact its financial position, other than those disclosed in financial statements;
  - ii. The Company did not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

PLACE: CHENNAI  
DATE: May 11, 2021

FOR DURGA KRISHNA MURTHI & Co.  
Chartered Accountants  
ICAI Firm Registration No: 008653S

Durga  
Krishnamurthi

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Krishnamurthi  
Date: 2021.05.11 13:42:06 +05'30'

per Durga Krishnamurthi  
Proprietor  
Membership No: 206962  
UDIN: 21206962AAADB5594



**Durga Krishnamurthi & Co**  
**Chartered Accountants**

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**Annexure I**

**Annexure referred to in clause 1 of paragraph on Report on Other Legal and Regulatory Requirements of our report of even date**

Re: All Colour Garments Private Limited

- I. (a) There are no fixed assets in the books of the company and as such clause (b) and (c) are not applicable.
- II. (a) The Company has neither purchased nor sold any raw material or finished goods during the year. Further the Company is not holding any stock of inventory at the year end. Hence the physical verification of inventories and maintenance of inventory records are not applicable to the Company.  
  
b) The Company has not maintained the records for inventory, as the Company has not purchased nor sold any raw material or finished goods during the year. Further the Company is not holding any stock of inventory at the year end.
- III. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to the companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- IV. In our opinion and according to the information and explanation given to us the company has not granted any loan, made any investments, gave any guarantee or provided security in connection with a loan to any other body corporate or person in contravention of section 185 and 186 of the Companies Act, 2013.
- V. According to the information and explanation given to us the company has not accepted deposits from the public during the year. Accordingly clause 3 (V) of the order is not applicable.
- VI. According to the information and explanation given to us the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act, 2013 for the activities carried out by the Company, and hence Clause 3 (VI) of the order is not applicable.
- VII. a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the provisions of Provident Fund, employees' state insurance, Sales tax, GST, Service Tax, Value added Tax, Cess are not applicable to the company for the current year. However income tax dues collected are remitted with appropriate authorities in time. We are informed by the company that the Excise, Customs and Wealth Tax are not applicable. According to the information and explanations given to us, no undisputed





**Durga Krishnamurthi & Co**  
**Chartered Accountants**

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amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.

b. According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, cess and other material statutory dues were outstanding, at the year end, except in the cases as follows.

Name of Statute	Nature of dues	Demand Amount (Rs.)	Amount paid	Period to which the amount relates	Forum where dispute is pending
The employees Provident Funds and Misc Provision Act , 1952	Interest and penal damages on PF dues	580,880	200,000 (Paid in 2013-14)	April 2005-2008	Employees provident Fund Tribunal

- VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that, the company has not taken any loan from a financial institution or bank or Government or are there any dues to debenture holders. Accordingly reporting requirement under this clause is not applicable
- IX. The company did not raise any money by way of initial public offer or further public offer(Including debt instrument) or has taken term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- X. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud by the company or on the company by its officers or employees of the company during the year.
- XI. According to the information and explanation given to us and the records of the company examined by us the Company has not paid or provided any managerial Remuneration. Accordingly, paragraph 3 (xi) of the order is not applicable.



**Durga Krishnamurthi & Co**  
**Chartered Accountants**

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- XII. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the order is not applicable.
- XIII. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that all the transaction with the related parties are in compliance with section 177 and 188 of Companies Act.2013 and the details of the transactions have been disclosed in the Financial Statements as per applicable accounting Standards.
- XIV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the Company has not made any preferential allotment or private placement of shares or fully or partly debentures during the year under review.
- XV. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company has not entered into any noncash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable.
- XVI. According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that that the Company is not required to be Registered under Section 45-IA of the Reserve Bank of India.

PLACE: CHENNAI  
DATE: May 11, 2021

FOR DURGA KRISHNA MURTHI & Co.  
Chartered Accountants  
ICAI Firm Registration No: 008653S  
Durga  
Krishnamurthi  
per Durga Krishnamurthi  
Proprietor  
Membership No: 206962  
UDIN: 21206962AAADB5594

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Krishnamurthi  
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**Durga Krishnamurthi & Co**  
**Chartered Accountants**

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**Annexure II to Auditors' Report of even date**

Report on the Internal Controls on Financial Controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ("the Act")

Re: All Colour Garments Private Limited

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We have audited the internal financial controls over financial reporting of All Colour Garments Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.



**Durga Krishnamurthi & Co**  
**Chartered Accountants**

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai  
Date: May 11, 2021

FOR DURGA KRISHNA MURTHI & Co.  
Chartered Accountants

ICAI Firm Registration No: 008653S

Durga  
Krishnamurthi

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Durga Krishnamurthi  
Date: 2021.05.11  
13:44:22 +05'30'

per Durga Krishnamurthi  
Proprietor  
Membership No: 206962  
UDIN: 21206962AAADBD5594



**ALL COLOUR GARMENTS PRIVATE LIMITED**  
**Standalone Balance Sheet as at March 31, 2021**  
*All amounts in Indian Rupees, except stated otherwise*

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non- current assets</b>			
Property, plant and equipment		-	-
<b>Financial assets</b>			
Loans	3	201,000	201,000
Non current tax assets (net)	4	-	-
<b>Total non-current assets</b>		<b>201,000</b>	<b>201,000</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7	17,819	38,064
Other financials assets	5	36,856,824	36,881,223
Other current assets	6	-	10,750
<b>Total current assets</b>		<b>36,874,643</b>	<b>36,930,037</b>
<b>Total assets</b>		<b>37,075,643</b>	<b>37,131,037</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	8	200,000	200,000
Other equity	9	36,796,182	36,876,084
<b>Total equity</b>		<b>36,996,182</b>	<b>37,076,084</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	10	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		79,461	54,953
Other current financial liabilities	11	-	-
<b>Total current liabilities</b>		<b>79,461</b>	<b>54,953</b>
<b>Total liabilities</b>		<b>79,461</b>	<b>54,953</b>
<b>Total equity and liabilities</b>		<b>37,075,643</b>	<b>37,131,037</b>

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements

As per our even report

**For DURGA KRISHNAMURTHI & Co.**  
ICAI Firm Registration Number.: 008653S  
Chartered Accountants

Durga  
Krishnamurthi

per Durga Krishnamurthi  
Partner  
Membership No.: 206962

Place: Chennai  
Date: May 11, 2021

**For and on behalf of the Board of Directors of  
ALL COLOUR GARMENTS PRIVATE LIMITED**

Pujari  
Vishwanath

P Viswanath  
Director  
DIN: 07410446

Place: Bengaluru  
Date: May 11, 2021

SATHYAM  
URTHY A

Sathyamurthy A  
Director  
DIN: 07425034

Place: Chennai  
Date: May 11, 2021

**ALL COLOUR GARMENTS PRIVATE LIMITED****Standalone Statement of Profit and Loss for the year ended March 31, 2021***All amounts in Indian Rupees, except stated otherwise*

	Notes	31-Mar-21	31-Mar-20
<b>I Income</b>			
Other income		-	-
<b>Total income</b>		-	-
<b>II Expenses</b>			
Other expenses	12	79,902	30,080
<b>Total expenses</b>		<b>79,902</b>	<b>30,080</b>
<b>III Profit/(Loss) before tax for the period (I-II)</b>		<b>(79,902)</b>	<b>(30,080)</b>
<b>IV Tax expenses</b>			
Current tax		-	-
Adjustment of tax relating to earlier years		-	-
Deferred tax (credit)/charge		-	-
		-	-
<b>V Profit/(Loss) after tax for the period (III-IV)</b>		<b>(79,902)</b>	<b>(30,080)</b>
<b>VI Other comprehensive income/ (loss) (net of tax)</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan		-	-
Income tax effect		-	-
Items that will be reclassified to profit or loss in subsequent periods		-	-
Total other comprehensive income/ (loss) for the year, net of tax		-	-
<b>VII Total comprehensive income for the period attributable to equity holders</b>		<b>(79,902)</b>	<b>(30,080)</b>
<b>VIII Earnings per equity share [nominal value of Rs. 10 ( March 31, 2020- Rs. 10)]</b>			
Basic and diluted		(4.00)	(1.50)
Weighted average number of shares - Basic and diluted		20,000	20,000

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For DURGA KRISHNAMURTHI & Co.**

ICAI Firm Registration Number.: 008653S

Chartered Accountants

Durga  
Krishnamurthi

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Durga Krishnamurthi  
Date: 2021.05.11  
13:34:16 +05'30'

per Durga Krishnamurthi

Partner

Membership No.: 206962

**For and on behalf of the Board of Directors of****ALL COLOUR GARMENTS PRIVATE LIMITED**

Pujari  
Vishwanath

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by Pujari  
Vishwanath  
Date: 2021.05.11  
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P Viswanath

Director

DIN: 07410446

SATHYAM  
URTHY A

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SATHYAMURTHY A  
Date: 2021.05.11  
12:01:43 +05'30'

Sathyamurthy A

Director

DIN: 07425034

Place: Chennai

Date: May 11, 2021

Place: Bengaluru

Date: May 11, 2021

Place: Chennai

Date: May 11, 2021



**ALL COLOUR GARMENTS PRIVATE LIMITED****Standalone statement of changes in equity for the year ended March 31, 2021***All amounts in Indian Rupees, except stated otherwise***a. Equity share capital**

	No of Shares
Equity shares of Rs. 10 each issued, subscribed and fully paid	
At April 1, 2019	20,000
At March 31, 2020	20,000
At March 31, 2021	20,000

**b. Other equity****For the year ended March 31, 2021**

	Reserves and Surplus			Total
	Securities premium reserve	Capital Reserve	Retained earnings	
<b>As at April 1, 2020</b>	33,198,000	191,446	3,486,638	36,876,084
Profit / (loss) for the year	-	-	(79,902)	(79,902)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	<b>(79,902)</b>	<b>(79,902)</b>
<b>At March 31, 2021</b>	<b>33,198,000</b>	<b>191,446</b>	<b>3,406,736</b>	<b>36,796,182</b>

**For the year ended March 31, 2020**

	Reserves and Surplus			Total
	Securities premium reserve	Capital Reserve	Retained earnings	
<b>As at April 1, 2019</b>	33,198,000	191,446	3,516,718	36,906,164
Profit / (loss) for the period	-	-	(30,080)	(30,080)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	<b>(30,080)</b>	<b>(30,080)</b>
<b>At March 31, 2020</b>	<b>33,198,000</b>	<b>191,446</b>	<b>3,486,638</b>	<b>36,876,084</b>

Refer note 2.2 for summary of significant accounting policies.

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For DURGA KRISHNAMURTHI & Co.**

ICAI Firm Registration Number.: 008653S

Chartered Accountants

**Durga Krishnamurthi**Digitally signed by Durga Krishnamurthi  
Date: 2021.05.11 13:35:10 +05'30'**per Durga Krishnamurthi**

Partner

Membership No.: 206962

**For and on behalf of the Board of Directors of****ALL COLOUR GARMENTS PRIVATE LIMITED****Pujari Vishwanath**Digitally signed by Pujari Vishwanath  
Date: 2021.05.11 12:02:14 +05'30'**P Viswanath**

Director

DIN: 07410446

**SATHYAM MURTHY A**Digitally signed by SATHYAMURTHY A  
Date: 2021.05.11 12:02:41 +05'30'**Sathyamurthy A**

Director

DIN: 07425034

Place: Chennai

Date: May 11, 2021

Place: Bengaluru

Date: May 11, 2021

Place: Chennai

Date: May 11, 2021

**ALL COLOUR GARMENTS PRIVATE LIMITED**  
**Standalone cash flow statement for the year ended March 31, 2021**  
*All amounts in Indian Rupees, except stated otherwise*

	Notes	March 31, 2021	March 31, 2020
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>(79,902)</b>	<b>(30,080)</b>
Adjustments to reconcile profit before tax to net cash flows		-	-
<i>Working capital adjustments:</i>			
(Increase)/ decrease in other financial and non-financial assets		35,149	300
Increase/ (decrease) in trade payables		24,508	29,780
Increase/ (decrease) in other financial and non-financial liabilities		-	-
		(20,245)	-
Income tax paid (net of refund)		-	-
<b>Net cash flows from/ (used in) operating activities (A)</b>		<b>(20,245)</b>	<b>-</b>
<b>Cash flow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Net cash flows from/ (used in) investing activities (B)</b>		<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net cash flows from/ (used in) financing activities (C)</b>		<b>-</b>	<b>-</b>
		(20,245)	-
Net increase/ (decrease) in cash and cash equivalents (A+B+C)			
Cash and cash equivalents at the beginning of the year	7	38,064	38,064
<b>Cash and cash equivalents at the end of the year</b>		<b>17,819</b>	<b>38,064</b>

**Components of cash and cash equivalents**

Balance with banks			
- on current account		17,819	38,064
<b>Total cash and cash equivalents</b>	<b>7</b>	<b>17,819</b>	<b>38,064</b>

Summary of significant accounting policies 2.2

As per our report of even date

**For DURGA KRISHNAMURTHI & Co.**  
ICAIA Firm Registration Number.: 008653S  
Chartered Accountants

Durga  
Krishnamurthi  
per Durga Krishnamurthi  
Partner  
Membership No.: 206962

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Durga Krishnamurthi  
Date: 2021.05.11  
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**For and on behalf of the Board of Directors of**  
**ALL COLOUR GARMENTS PRIVATE LIMITED**

Pujari  
Vishwanath  
th  
P Viswanath  
Director  
DIN: 07410446

Digitally signed  
by Pujari  
Vishwanath  
Date: 2021.05.11  
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SATHYAM  
URTHY A  
Sathyamurthy A  
Director  
DIN: 07425034

Digitally signed by  
SATHYAMURTHY A  
Date: 2021.05.11  
12:05:33 +05'30'

Place: Chennai  
Date: May 11, 2021

Place: Bengaluru  
Date: May 11, 2021

Place: Chennai  
Date: May 11, 2021

## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

### **1 Corporate information**

All Colour Garments Private Limited ('the Company') was incorporated on June 1, 2004. The Company took over all the assets and liabilities of M/s Hinduja Fashions and M/s Balaji Finishing House as a going concern on July 1, 2004. The Company became a subsidiary of Gokaldas Exports Limited (formerly known as Gokaldas India Private Limited) on December 1, 2004.

### **2 Significant accounting policies**

The significant accounting policies applied by the Company in the preparation of its standalone financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these standalone financial statements.

#### **2.1 Statement of Compliance with Ind AS**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 1, 2016. The standalone financial statements of the Company, have been prepared and presented in accordance with Ind AS.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which are measured at fair value.

The functional and presentation currency of the Company is Indian Rupee (Rs.) which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

#### **2.2 Summary of significant accounting policies**

##### **a. Current versus non-current classification**

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.



## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

### **b. Fair value measurement of financial instruments**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- > In the principal market for the asset or liability, or
- > In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

### **c. Foreign currencies**

In preparing the standalone financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period

### **d. Revenue recognition**

#### **i. Revenue from Contracts with Customers:**

The following is a summary of significant accounting policies related to revenue recognition.

##### *Performance obligations and timing of revenue recognition:*

The Company derives its revenue primarily from export of garments and related products, with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer/ agent nominated by the customer.

There is limited judgement needed in identifying the point when control passes:

- once physical delivery of the products has occurred to the location as per agreement,
- the Company no longer has physical possession,
- usually will have a present right to payment (as a single payment on delivery) and
- retains none of the significant risks and rewards of the goods in question

The Company also derives some revenue from job work contracts. In these cases, revenue is recognised as and when services are rendered i.e. the products on which job work is performed is delivered to the customer at agreed location.

##### *Determining the transaction price:*

The Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no significant variable consideration involved.

##### *Allocating amounts to performance obligations*

For most contracts, there is a fixed unit price for each unit sold, therefore, there is no judgement involved in allocating the contract price to each unit.

##### *Costs of fulfilling contracts:*

The costs of fulfilling contracts do not result in the recognition of a separate asset because such costs are included in the carrying amount of inventory for contracts involving the sale of goods.

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

#### **iii. Revenue from export incentives:**

Export incentives are recognised on accrual basis in accordance with the applicable schemes formulated, by the Government of India and where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

### **iv. Interest income:**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income ('OCI'), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

### **v. Dividends:**

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend.

### **vi. Others:**

Insurance / other claims are recognized on acceptance basis.

### **e. Non-current assets held for sale**

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

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- a) The appropriate level of management is committed to a plan to sell the asset,
- b) An active programme to locate a buyer and complete the plan has been initiated,
- c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

### **f. Government grants**

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the statement of profit and loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.



## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

Export incentives are recognized on accrual basis in accordance with the applicable schemes formulated, by the Government of India and where there is reasonable assurance that the enterprise will comply with the conditions attached to them.

### **g. Taxes**

#### **Current income tax**

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred income tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## ALL COLOUR GARMENTS PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

### **h. Property, plant and equipment (PPE) and Intangible assets and Depreciation / amortization**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 1, 2016.

Freehold land is carried at historical cost and is not depreciated. Capital work in progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, 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 assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component / part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Depreciation is provided using the written down value method as per the useful lives of the assets estimated by the management with residual value at 5%, which is equal to the corresponding rates prescribed under schedule II of the Companies Act, 2013.

<b><u>Category of asset</u></b>	<b><u>Estimated useful life (in years)</u></b>
Buildings	30 years
Plant and Machinery	15 years
Electrical Equipment	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalized at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

## ALL COLOUR GARMENTS PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (2.5 years)	WDV	Acquired

### **i. Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

### **j. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### Company as a lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.



## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

### **k. Inventories**

Inventories are valued as follows:

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work in progress and finished goods are valued at lower of cost or net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis. These are valued at lower of cost and net realisable value after considering provision for obsolescence and other anticipated loss, wherever considered necessary.

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

### **l. Provisions and contingent liabilities**

#### **i. Provisions:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **ii. Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet.

### **m. Retirement and other employee benefits**

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting 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.

All employee benefits payable/available within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, allowances and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India('LIC') and liability (net of fair value of investment in LIC) is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each balance sheet date. Every employee who has completed 4 years 240 days or more of the service gets a gratuity on departure at 15 days' salary (last drawn salary) of each completed year of service. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

Re-measurements, 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 standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a. The date of the plan amendment or curtailment, and
- b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b. Net interest expense or income

### **n. Share- based payments**

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### **Equity-settled transactions:**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the service / performance conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.



## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (except for anti-dilution).

### **o. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

### **(a) Financial assets**

#### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Impairment of financial assets excluding investments in subsidiary**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

### **De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

## **(b) Financial liabilities and equity instruments**

### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

### **Financial Liabilities**

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **i. Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **ii. De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **p. Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

##### **a. Financial assets or financial liabilities, at fair value through profit or loss**

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in the statement of profit and loss.



## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

### **b. Cash flow hedge accounting**

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

### **q. Impairment of non-financial assets**

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary companies to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the net selling price and the value in use; and
- (ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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

**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

**r. Corporate social responsibility ('CSR') expenditure**

The Company charges its CSR expenditure to the statement of profit and loss.

**s. Cash and Cash equivalent**

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise***3 Non current Loans**

	31-Mar-21	31-Mar-20
<b>Unsecured, considered good</b>		
Security and other deposits	201,000	201,000
	<b>201,000</b>	<b>201,000</b>

**4 Non current tax assets (net)**

	31-Mar-21	31-Mar-20
Advance tax	-	-
	<b>-</b>	<b>-</b>

**5 Other financial assets**

	31-Mar-21	31-Mar-20
<b>Unsecured, considered good</b>		
<b>Current</b>		
Advance to holding company	36,856,824	36,881,223
	<b>36,856,824</b>	<b>36,881,223</b>

**6 Other current assets**

	31-Mar-21	31-Mar-20
<b>Current</b>		
<b>Unsecured, considered good</b>		
Balances with statutory / government authorities	-	10,750
	<b>-</b>	<b>10,750</b>

**7 Cash and cash equivalent**

	31-Mar-21	31-Mar-20
<b>Current</b>		
Balances with banks		
On current accounts	17,819	38,064
	<b>17,819</b>	<b>38,064</b>



**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

All amounts in Indian Rupees, except stated otherwise

**8 Share Capital**

	Number of shares	Amount
<b>Authorised share capital</b>		
At April 1, 2019	20,000	200,000
At March 31, 2020	20,000	200,000
At March 31, 2021	20,000	200,000
<b>Issued equity capital</b>		
Equity shares of Rs 10 each issued, subscribed and fully paid		
At April 1, 2019	20,000	200,000
At March 31, 2020	20,000	200,000
At March 31, 2021	20,000	200,000

**Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates**

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	31-Mar-21	31-Mar-20
Gokaldas Exports Limited, Holding company		
20,000 (31 March 2020: 20,000) equity shares	200,000	200,000

**Details of shareholders holding more than 5% shares in the Company**

	31-Mar-21	31-Mar-20
Gokaldas Exports Limited, Holding company		
Number of shares	200,000	200,000
% holding in the class	100%	100%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

All amounts in Indian Rupees, except stated otherwise

**9 Other equity**

	31-Mar-21	31-Mar-20
<b>Reserves and Surplus</b>		
<b>Securities premium reserve</b>		
Balance at the beginning of the year	33,198,000	33,198,000
Balance at the end of the year	<b>33,198,000</b>	<b>33,198,000</b>
<b>Capital Reserve</b>		
Balance as per last financial statements	<b>191,446</b>	<b>191,446</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	3,486,638	3,516,718
Loss for the year	(79,902)	(30,080)
Add: Remeasurement of post employment benefits obligations, net of deferred tax	-	-
Balance at the end of the year	<b>3,406,736</b>	<b>3,486,638</b>
<b>Total other equity</b>	<b>36,796,182</b>	<b>36,876,084</b>

**10 Financial liabilities - Trade payables**

	31-Mar-21	31-Mar-20
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	79,461	54,953
	<b>79,461</b>	<b>54,953</b>

**11 Other current financial liabilities**

	31-Mar-21	31-Mar-20
Employee related payables	-	-
	<b>-</b>	<b>-</b>

**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

All amounts in Indian Rupees, except stated otherwise

**12 Other expenses**

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Rates and taxes	54,657	4,800
Auditors remuneration (Audit fees)	25,000	25,280
Bank charges	245	-
	<b>79,902</b>	<b>30,080</b>

**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise***13 Income tax**

The major components of income tax expenses are:

**Income tax expenses in the statement of profit and loss consist of the following:**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>(a) Profit or loss section</b>		
Current income tax charge	-	-
Adjustment of tax relating to earlier years	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>-</b>	<b>-</b>
<b>(B) OCI section</b>		
Deferred tax related to items recognised in OCI		
Net loss/(gain) on remeasurements of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Accounting profit / (loss) before taxes	(79,902)	(30,080)
Applicable tax rates in India	25.00%	25.00%
<b>Computed tax charge (a)</b>	<b>(19,976)</b>	<b>(7,520)</b>
Tax effect on exempted / taxable income (b)	19,976	7,520
<b>Current income tax charge (a+b)</b>	<b>-</b>	<b>-</b>

**14 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit / loss for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Face value of equity shares (Rs. per share)	10	10
Profit/ (loss) after tax attributable to equity holders of the Company	(79,902)	(30,080)
Weighted average number of equity shares used for computing	20,000	20,000
EPS (basic and diluted)		
EPS - basic and diluted (Rs.)	(4.00)	(1.50)



**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise***15 Segment information***a) Primary business segment*

The Company is engaged in a single business segment of sale of garment, and hence, no additional disclosures are required, other than those already given in the financial statements.

*b) Secondary business segment (by geographical area based on location of customers):*

	Segment revenue	
	March 31, 2021	March 31, 2020
India	-	-
Rest of world	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**16 Commitments and contingencies****I. Leases****Operating lease: Company as lessee**

The Company has entered into operating lease arrangements in respect of its office, factory and residential premises. These leasing arrangements, which are usually cancellable at the option of the lessee any time.

**II. Contingencies**

	As at	
	March 31, 2021	March 31, 2020
Claims against the Company not acknowledged as debts	580,880	580,880

The Company does not have any further pending litigations which would impact its financial position.

**III. Commitments****Capital commitments**

	As at	
	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

## **ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise*

### **17 Significant accounting estimates and assumptions**

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimate and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which an estimate is revised and future periods affected.

Significant judgements and the estimates relating to the carrying values of assets and liabilities include impairment of investments in subsidiaries, joint ventures and associates, provision for employee benefits and others provisions, recoverability of deferred tax assets, commitments and contingencies and fair value measurements of investments.

#### **i. Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### **a. Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

##### **b. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

##### **c. Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

##### **d. Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

All amounts in Indian Rupees, except stated otherwise

**18 Related party transactions****a. Names of related parties and description of relationships:**

<b>Immediate Holding Company</b>	Gokaldas Exports Limited
<b>Fellow Subsidiaries</b>	Vignesh Apparels Private Limited SNS Clothing Private Limited
<b>Key management personnel</b>	
Director:	Satyamurthy A P Viswanath

**b. Transactions with related parties**

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020 : Rs. Nil).

The following table provides the closing balances of related parties as at the end of relevant financial year:

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Trade receivables</b>		
Gokaldas Exports Limited	36,856,824	36,881,223
	<b>36,856,824</b>	<b>36,881,223</b>

**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise***19 Disclosures on Financial instruments**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in the accounting policies to the financial statements.

**(a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

The carrying value of financial instruments by categories is as follows:

**As at March 31, 2021**

	<b>Amortised cost</b>
<b>Financial assets</b>	
(i) Investments	-
(ii) Loans	201,000
(iii) Other financial assets	36,856,824
(iv) Cash and cash equivalents	17,819
(v) Bank balances other than cash and cash equivalent	-
(vi) Other financials assets	-
	<b>37,075,643</b>
<b>Financial liabilities</b>	
(ii) Trade payables	79,461
(iii) Other financial liabilities	-
	<b>79,461</b>

**As at March 31, 2020**

	<b>Amortised cost</b>
<b>Financial assets</b>	
(i) Investments	-
(ii) Loans	201,000
(iii) Other financial assets	36,881,223
(iv) Cash and cash equivalents	38,064
(v) Bank balances other than cash and cash equivalent	-
(vi) Other financials asset	-
	<b>37,120,287</b>
<b>Financial liabilities</b>	
(ii) Trade payables	54,953
(iii) Other financial liabilities	-
	<b>54,953</b>

## ALL COLOUR GARMENTS PRIVATE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2021

All amounts in Indian Rupees, except stated otherwise

### (b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

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

- (i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- (ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- (iv) There have been no transfers between Level 1, Level 2 and Level 3 during the period ended March 31, 2021 and March 31, 2020.

### (c) Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

### Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy

#### (i) Market risk - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### (ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities.



**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

*All amounts in Indian Rupees, except stated otherwise***Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, investments, cash and cash equivalents and financial guarantees provided by the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 37,075,643 and Rs. 37,120,287 as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of Investments, Loans, other financial assets, Cash and cash equivalents, Bank balances.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

With respect to Trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

**Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings, sale of assets and strategic partnership with investors, etc. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be below.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

Particulars	On demand	0 to 1 year	1 to 5 years	> 5 years	Total
<b>March 31, 2021</b>					
Trade payables	-	79,461	-	-	79,461
Other financial liabilities	-	-	-	-	-
	-	79,461	-	-	79,461
<b>March 31, 2020</b>					
Trade payables	-	54,953	-	-	54,953
Other financial liabilities	-	-	-	-	-
	-	54,953	-	-	54,953

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

**ALL COLOUR GARMENTS PRIVATE LIMITED**

Notes to the standalone financial statements for the year ended March 31, 2021

All amounts in Indian Rupees, except stated otherwise

**20 Capital management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long term and short term bank borrowings and strategic partnership with investors.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	March 31, 2021	March 31, 2020
Borrowings	-	-
<b>Total debt</b>	<b>-</b>	<b>-</b>
<b>Capital components</b>		
Equity share capital	200,000	200,000
Other equity	36,796,182	36,876,084
<b>Total capital</b>	<b>36,996,182</b>	<b>37,076,084</b>
<b>Capital and borrowings</b>	<b>36,996,182</b>	<b>37,076,084</b>
<b>Gearing ratio</b>	<b>0%</b>	<b>0%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no material breaches in the financial covenants of any interest-bearing loans and borrowing for all the periods presented.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

**21** The financial statements are digitally signed in view of Covid-19 pandemic.

**22** Previous year figures have been regrouped/ rearranged wherever necessary to conform to the current year presentation.

As per our report of even date

**For DURGA KRISHNAMURTHI & Co.**  
ICAI Firm Registration Number.: 008653S  
Chartered Accountants

Durga  
Krishnamurthi  
per Durga Krishnamurthi  
Partner  
Membership No.: 206962

Digitally signed by  
Durga Krishnamurthi  
Date: 2021.05.11  
13:38:15 +05'30'

**For and on behalf of the Board of Directors of  
ALL COLOUR GARMENTS PRIVATE LIMITED**

Pujari  
Vishwanath  
P Viswanath  
Director  
DIN: 07410446

Digitally signed by  
Pujari Vishwanath  
Date: 2021.05.11  
12:06:17 +05'30'

SATHYAM  
URTHY A  
Sathyamurthy A  
Director  
DIN: 07425034

Digitally signed by  
SATHYAMURTHY A  
Date: 2021.05.11  
12:06:39 +05'30'

Place: Chennai  
Date: May 11, 2021

Place: Bengaluru  
Date: May 11, 2021

Place: Chennai  
Date: May 11, 2021