GOKALDAS EXPORTS LIMITED

Reconfigured for growth

Annual Report
2021-22

Contents

Further informantion can be found online by visiting
gokaldasexports.com

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects','intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward- looking statements, whether as a result of new information, future events or otherwise.

Reconfigured for growth

The pandemic ushered in unprecedented times. It steered the world in a direction that we weren't quite prepared for. There is always a lesson to be learned, particularly in the most difficult of times and businesses had to learn to adapt, become flexible and rejig strategies. At Gokaldas Exports Limited, we too imbibed this very important lesson and reconfigured ourselves for long-term growth and success.

How did we do it? By taking umpteen internal measures that streamlined our operations. The most crucial of these initiatives was our people management. We developed and initiated multiple programs to enrich our team members, both professionally and personally. We empowered our people to lead us to a stronger self. We also cared for them and nurtured them during these difficult times, extended help whenever they sought it. But why people initiatives? We are a 32,000 people strong company, and they are the pillars on which Gokaldas Exports stands tall and proud.

We were confident that investing in our people first is the right thing to do. Parenthetically, we are changing, embracing continual transformation. The transformation is not just limited to processes and technologies. We put people at the centre of our organizational transformation.

We also invested in our manufacturing facilities and upgraded them to strengthen our capabilities. We started digitalising our manufacturing processes, to improve productivity, reduce waste and optimise the inventory. We are confident that our efforts will yield positive results for us in the near future. Moreover, we are also geared to capitalise on the tailwinds to reinforce our position in the apparel and textile trade industry.

We remain agile, resilient and flexible so as to anticipate the future change and pivot as necessary to remain relevant. It is safe to say that Gokaldas exports is reconfigured for growth and is willing and eager to unleash its internal strengths to capitalise on available opportunities.

ABOUT US

About Gokaldas Exports Limited

Incorporated in 1979, Gokaldas Exports Limited ('Gokaldas Exports') is one of the leading apparel manufacturers and exporters in India. The Company deals in a broad range of apparel products that include outerwear, activewear and fashion wear for all weather and seasons. Present across all continents and within a delivery network of 50+ countries, Gokaldas Exports exports to some of the most prominent fashion brands and retailers across the globe.

The Company has worked tirelessly and relentlessly to make a mark for itself, and its years of excellence in service and quality delivery has enabled it to become a leader in its industry.

What sets Gokaldas Exports apart is its world-class manufacturing facilities which are supplemented by its integrated ancillary units that provide value added services such as laundry, embroidery, printing, quilting, and poly wadding among others. Gokaldas Exports'manufacturing prowess is heightened by certifications across all its units, for superior environmental and social/labour compliance. Gokaldas Exports is easily one of the largest organised apparel manufacturers in the country, with a total manufacturing capacity of 36 million apparel pieces per annum. Moreover, being a labour-intensive business, Gokaldas Exports is proud to have a workforce of ~32,000 people, of whom a vast majority are women. The Company is listed on the Bombay Stock Exchange (BSE) Limited and National Stock Exchange (NSE) Limited.

Gokaldas Exports' years of experience, expertise and commitment to serving the absolute best to its client has brought it this far, and going forward, the Company aims to build on its goodwill and reputation.

Our goal is to emerge as a lean operational entity delivering superior engagement with customers. The company has the confidence and resilience to leverage the opportunity provided by the market and take appropriate steps in line with Government directives to manage and grow the business.

Gokaldas Exports is focused on being a leading manufacturer that is sought-after by top global apparel brands for its product capability, quality and consistency, with a strong commitment to sustainability, while delivering profitable year on year growth.

4+ decades
of manufacturing experience

50+
Brands from 50+ countries catered to

32,000
A dedicated workforce of about 32,000 people with a vast majority of them being women

20+
20+ state-of-the-art fully integrated production units

15,000+
Advanced machines

250
About USD 250 million annualised turnover

Strong Commitment
To sustainability and community initiatives

05
Value-added service units

03
New units commercialised

OUR CLIENTELE

Harbouring long-term relationships with our clientele

Gokaldas Exports has marked its presence across all 6 continents of the globe and is one of the most reliable and trusted suppliers to some of the world's leading and most prominent brands. These relationships have been carefully nurtured over the years, through innovation, product development, superior quality, on-time delivery and excellent customer service.

We have consistently shipped on time, thereby demonstrating commitment to our strong principles of delivering on our promise. This strong performance in client serving matrix makes us the preferred choice of business partner for brands accross the globe.

Customer Service Indicators

TRUST ESTABLISHED WITH EMINENT GLOBAL BRANDS

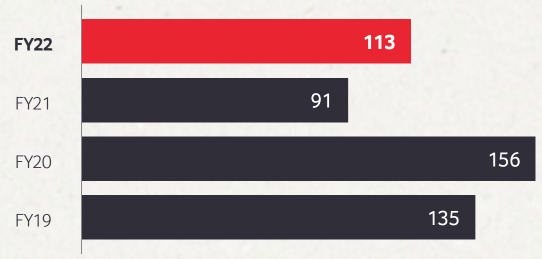
We prioritise and focus on providing a seamless customer experience, and are dedicated to building and maintaining long-lasting relationships with our clients. Over the years, we have innovated and upskilled ourselves to always ensure that our clients remain satisfied with our products - and that's how we have become the preferred supplier to some of the leading global brands from across the globe.

REVENUE CONTRIBUTION FROM CUSTOMERS ADDED IN THE LAST 5 YEARS

We have proactively worked towards expanding our customer base, and in the last five years, their share of contribution to our revenue has steadily increased. As we continue to add more brands and geography to our esteemed list of clientele, we have also focused on delivering superior customer service to all our existing clients. During the year we balanced our capacities well and utilized those at its maximum and efficiently executed, shipped well on time to ensure year-round customer satisfaction.

Revenue contribution
(IN %)

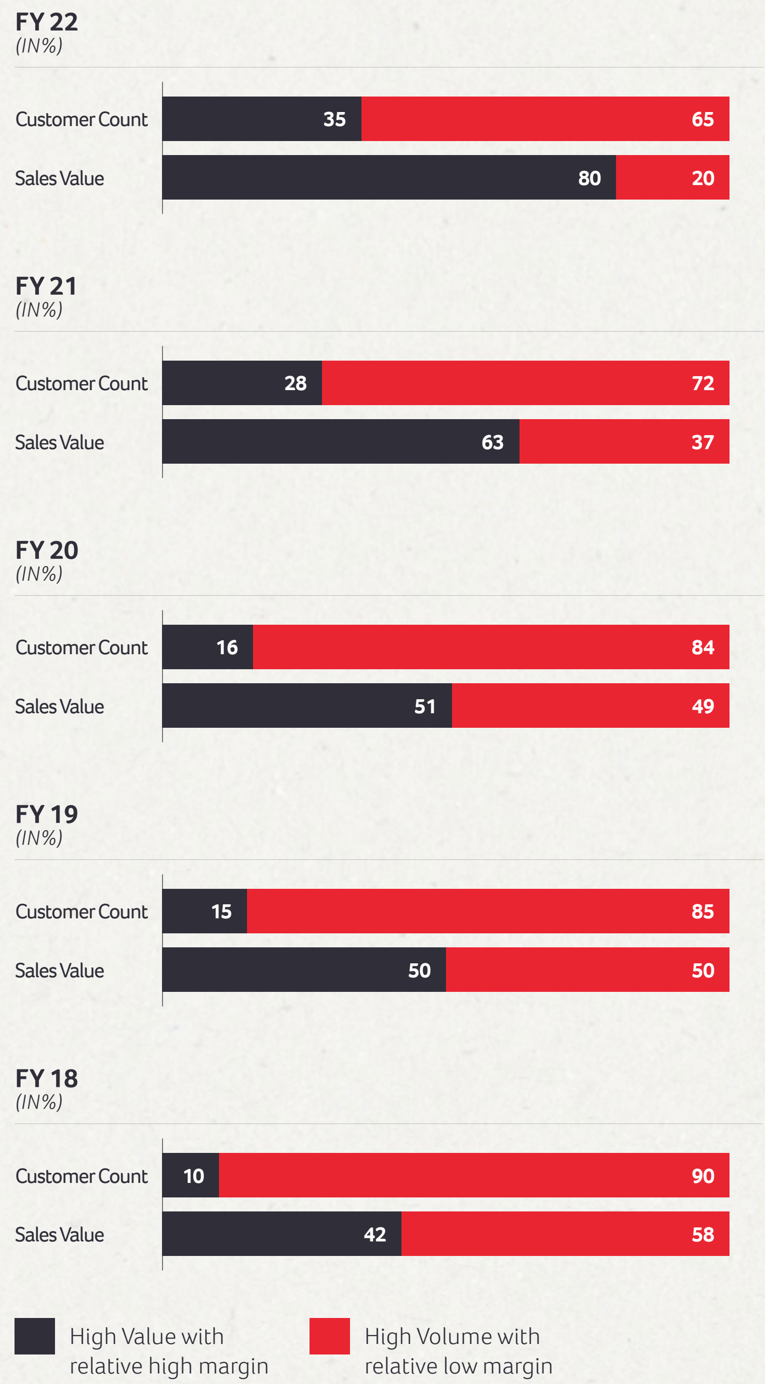
Export Sales under 40 PLI MMF Codes
(₹ IN CRORES)



Globally MMF contributes to over 60% of apparel trade. Indian exports hitherto have been focused on cotton based apparels. With increasing shift of business from China and other places, the need to focus on MMF segment has increased. The Government of India announced a Production Linked Incentive (PLI) for textiles sector to support exports in the MMF category. Gokaldas Exports already has a large portfolio of MMF based products. Specifically, the PLI applies to 40 HS codes consisting of MMF based apparel. Our current revenue from these HS codes are as under.

VALUE/VOLUME CUSTOMER LEVEL

Over the years, Gokaldas Exports has witnessed its revenue contribution from better value added products.



GLOBAL FOOTPRINT

Making the world a fashionable place

Gokaldas Exports' global presence, its well-known global clientele and its steadfast commitment to quality is what sets it apart. While we supply to countries across all the continents of the globe, we solidified our base in North America. We hope to continue on this trajectory and once again strengthen our presence in Europe and other geographies.

NORTH AMERICA
The most valued geography

EUROPE
The geography with a strong prospect, especially with FTAs expected in the near future

ASIA
Upcoming and high potential geography

Revenue Contributions
region wise (%)

01 North America **84.3%**
No. of touch points in each region 06

02 South America **0.1%**
No. of touch points in each region 07

03 Europe **4.2%**
No. of touch points in each region 23

04 Africa **0.02%**
No. of touch points in each region 04

05 Asia **11.3%**
No. of touch points in each region 19

06 Australia **0.1%**
No. of touch points in each region 02

BUSINESS MODEL

Robust platform for long- term value creation

The Company's ability to churn out fashion-forward apparel in record time, superior client servicing, and willingness to invest in world-class manufacturing technology make it a preferred supplier.

However, the Company's keen focus on corporate governance, engaging with its people, communities, and environmental initiatives truly distinguish it. All these facets align to uphold Gokaldas Exports as a responsible and trustworthy partner for all its stakeholders.

Inputs

Superior Client Servicing

- Diverse product offerings
- On time & in full deliveries
- Strong in-house capabilities
- integrated manufacturingoperations

Relentless Execution

- Net worth: ₹ **708.2** crores
- Capital employed: ₹ **783** crores
- Net debt: ₹ **(119)** crores

Willing to invest

- ₹ **84** crores of CAPEX in FY22
- **15,000+** machines including automated machines
- **3** new units commissioned
- **5** value-added service units
- **17** state-of-the-art sewing units

People first approach

- Employees: **~32,000**
- Women employees: **~75%** of the workforce
- Employee-focused development programmes
- Special programs for women employees

Community and environment driven

- Incorporated Gokaldas Exports Charitable Foundation to achieve sustainable development
- Treatment of waste before discharge
- ₹ **4.7** mn spend towards uplifting communities

Value creation

Services we offer

01 *Laying*
02 *Cutting*
03 *Sewing*
04 *Checking*
05 *Labs*
06 *Washing*
07 *Ironing*
08 *Finishing*
09 *Design*
10 *Embroidery*
11 *Printing*
12 *Laser*
13 *Fusing*
14 *Scraping*
15 *Quilting*
16 *Polyfill*

Strengths

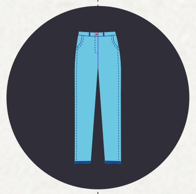
- *Well diversified, products and clients*
- *Sustainability focused operations*
- *Globally recognized supplier of complex value-added garments*
- *Professional management*
- *Adhering to high standards of EHS compliance*

Outputs

Products

High fashion garments

Outerwear



Bottomwear

Casualwear

Sportswear

Outcomes

Enduring relationships

- **86%** of our clientele have been engaged with us for over five years
- Most of the above relationships are time-tested and have matured well over ten years

Superior performance

- Revenue: ₹ **1,801.0** crores
- PAT: ₹ **117.1** crores
- EBITDA: ₹ **216.2** crores
- EPS: ₹ **23.08**

World-class manufacturing units

- Monthly production: **3.0** million pieces
- Annual capacity: **36** million pieces of garments per year
- Catering to brands in **50+** countries across all six continents

A dedicated and satisfied workforce

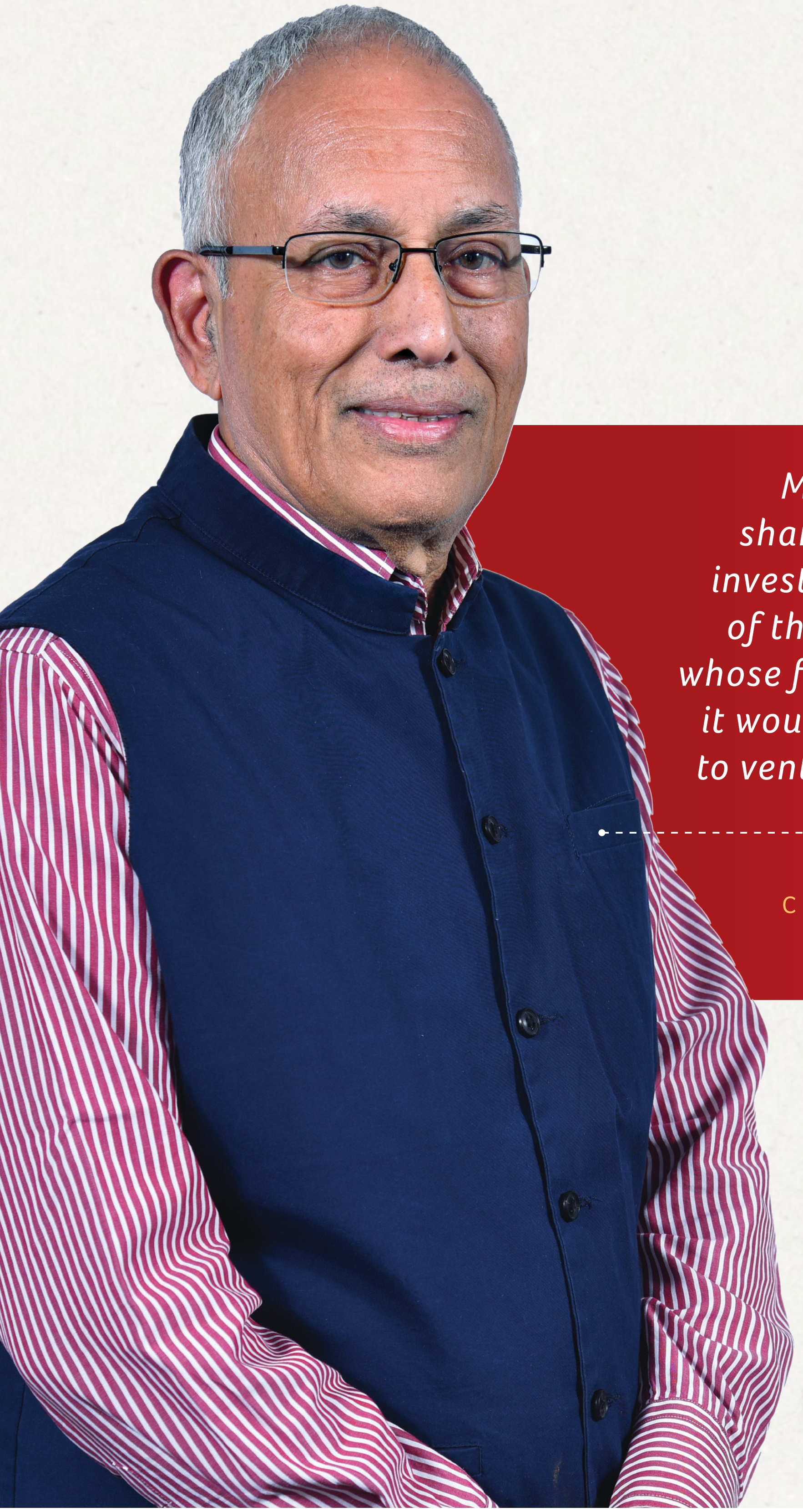
- Improved people productivity
- Overall sustainable growth of the Company
- Controlled attrition rate
- Well defined career progression path for employees

Community development and Environmental Stewardship

- Empowerment of lives
- Social license to operate
- Reduced carbon footprint
- Consistently achieving better scores across all sustainability parameters

CHAIRMAN'S LETTER

Progressing on the path of excellence



My heartfelt gratitude to the shareholders, new institutional investors and other stakeholders of the Company as well, without whose faith and continued support it would be nigh impossible for us to venture forward in our journey.

Mr. Richard B. Saldanh
CHAIRMAN AND NON-EXECUTIVE INDEPENDENT DIRECTOR

Dear Shareholders,

It is a matter of great pride for me to present to you the Company's annual report for FY22. This annual report presents nothing short of a saga of resilience on part of the Gokaldas Exports in navigating the choppy waters of international trade.

The spirit of the Company of continuously evolving and finding opportunity in an environment of turmoil is perhaps best personified by its people.

The past year has been marked by the ebbs and tides of various externalities of the industry as also the vagaries of the global supply chains in the face of successive crises. The ongoing effects of the pandemic, major international conflicts and severe economic factors such as inflation have thrown multiple challenges to businesses globally and in India. Yet, the journey of the Company has been one of maximizing its potential and continually striving to add value to its investors and deliver excellence to its customers.

The exceptional financial performance of the Company has shown that we have been able to effectively capitalize on the opportunities presented in these times of tumult. The Company's revenues clocked a 47.3% year-on-year growth and stood at ₹ 1,801 Crores, reflecting a growing order book coupled with optimal capacity utilization. Despite various hurdles in logistics, we grew well past the pre-pandemic levels of volume, especially courtesy of a strong recovery of the North American markets. Our EBIDTA grew by 90.1% to ₹ 216.2 Crores on account of the Company's ability to efficiently maximize production and operations. So, we continued our extraordinary growth trajectory while simultaneously delivering the margin improvements with scale. As a result, we witnessed an approximately fourfold increase in profitability over the previous year, with the adjusted net profits standing at ₹ 105.3 Crores. These healthy figures are testament to the fact that, despite competition from other key producers like China, Vietnam and Sri Lanka, the Indian industry in general and the Company, in particular, has been able to cope with the pressures from externalities like war, successive waves of the pandemic and serious global logistics disruptions.

The costs of logistics and freight were at an all-time high in this financial year, which was coupled with the fact that raw material prices of both raw cotton and cotton yarn grew manifold. However, being positioned towards the customer end of the value chain helped the Company in mitigating these hikes.

While inflation and market volatility remain areas of concern, the Company has been highly agile in its efforts to optimise its supply chain seeking viable and long-term alternatives. The Company's ₹ 84 Crores capital expenditure during this year is aimed at ensuring that it is well-positioned to make the most of the prospects that the global industry presents. The growth of our export revenues by 58%, is in contrast to India's apparel export growth of 30% during this year, buttresses our belief that the Company is making the right moves.

This spirit of the Company of continuously evolving and finding opportunity in an environment of turmoil is perhaps best personified by its people. While the Company took effective steps to ensure that the health and well-being of its personnel were prioritized through preventive steps such as on-site vaccination as well as assistance in accessing healthcare on account of COVID-19, the people of the Company doubled down on their commitment to the cause of making the Company and its processes operate as efficiently as possible. It is a matter of great pride for us that, through these endeavours, all the existing employees of the Company have been fully vaccinated and that a precaution dose program has also been started.

Parallelly, the Company also continued its efforts to ensure a better quality of life for the members of the community and promote sustainability. The Company was instrumental in providing clean drinking water to 350+ students and staff members of Government Higher Primary School in Belavadi near Mysore. The Company also contributed to providing education, scholarship and mentoring to economically disadvantaged students. The Company continues to be on track on its initiatives to reduce its environmental footprint by promoting conservation of water, energy, and chemical waste.

While concluding, I would like to thank the team at the Company and our customers for the steadfast trust reposed on us. My heartfelt gratitude to the shareholders, new institutional investors and other stakeholders of the Company as well, without whose faith and continued support it would be nigh impossible for us to venture forward in our journey. I thank you all for enabling us to dream big and empowering us to achieve those visions.

Mr. Richard B. Saldanha
CHAIRMAN AND NON-EXECUTIVE INDEPENDENT DIRECTOR

MD'S LETTER

Strongly positioned for the future

I thank our entire workforce for their unstinted effort and our stakeholders for their support, as we deftly steered through some of the most challenging business conditions the world has seen, to deliver a strong financial result in FY22.

Sivaramakrishnan Ganapathi
MANAGING DIRECTOR

Dear Shareholders,

What an amazing year it has been for Gokaldas Exports! In a year replete with challenges precipitated by macro-economic factors and the Covid pandemic, we delivered a strong growth.

Western markets that were recovering from a severe bout of Covid are now teetering with inflation, a by-product of economic measures taken to combat Covid and the war in Europe. Fresh outbreak and stringent Covid control measures in Asian countries held back the growth in those markets.

The year certainly wasn't kind to us. It started with the ferocious Delta wave of Covid in the first quarter, and ended with the mild but nevertheless fast spreading Omicron wave in the early fourth quarter. Shipping logistics stayed disrupted through the year 2021-22, raising costs and building an inventory of goods in the supply pipeline. Supply chain disruption increased factor costs, compromising availability and price of raw material. Cotton, a key agricultural commodity was also in short supply globally resulting in an extraordinary price inflation impacting Indian textile industry.

India

has a well-developed textiles eco-system which needs to be nurtured to grow.

We faced the challenges squarely, leveraged our strong relations with customers, ramped up our capacity, and streamlined our operations to deliver a revenue growth of 47%. We achieved a significant growth in net profit for the year crossing the ₹ 100 crores milestone.

We ramped up production capacity in our existing facilities, upgraded our machinery for productivity and ensured optimal utilisation of capacity while relentlessly focusing on product quality and customer service, emerging as an indispensable part of the global value chain for our key customers.
We commissioned three new units in Karnataka and Tamil Nadu during the year, which are ramping up well and initiated project work on a new factory in Madhya Pradesh.

We are in the process of setting up an apparel manufacturing unit in Madhya Pradesh, a fabric processing unit in Tamil Nadu and working on entering Bangladesh for apparel manufacturing. We incurred a capital expenditure of ₹ 84 crores this year and plan to invest ₹ 280 crores over the next few years to sustain our growth.

All our business segments continued to grow in FY22. Our two key markets, the USA and Europe saw diverging recovery trends. Our focus on the US market paid off, as it was not only quick to bounce back but also showed the most amount of recovery, while the European markets were yet to reach the pre-pandemic levels. We incurred a capital expenditure of ₹ 84 crores in the financial year and expect to continue with our investments trajectory in FY23 as well.

In October 2021, we successfully raised equity capital of ₹ 300 crores through QIP, to support our ambitious growth plan.
We repaid long term high interest-bearing loans, deployed the funds in working capital, and ended the year with net surplus cash.

We maintained a vigorous growth momentum throughout the year generating substantial operating cash flows. I thank our entire workforce for their unstinted effort and our stakeholders for their support, as we deftly steered through some of the most challenging business conditions the world has seen, to deliver a strong financial result in FY22.

Looking ahead, there are headwinds and tailwinds for global trade. Inflation and war-volatility remains a key threat to the global economy and textiles and apparel business in no exception to this concern. Though such situations increase business risk, it almost always brings in huge opportunities to the stronger players in the industry. Many of the macro-economic factors are expected to benefit apparel production in India.

1. Global sourcing moving away from China driven by costs and political considerations,
2. Supplier consolidation towards efficient and well capitalised players
3. Rapid roll out of vaccination across the country, resulting in our supply side bouncing back quickly vis-à-vis other competing countries. Witness the supply side instabilities in key producing countries like China, Vietnam, Sri Lanka and Pakistan
4. Post Covid demand surge, particularly in the US, led by reopening of the economy and back to work programs
5. Strengthening Dollar
6. Central Government initiatives like PLI scheme supporting new investments in MMF segment
7. State Government initiatives to support job creation by supporting capital investments in labour intensive sectors
8. Bilateral initiatives like Free Trade Agreements (FTAs) with key several countries.

Other than India, there is hardly any country to take up the available opportunity that is being vacated by China. India has a well-developed textiles eco-system which needs to be nurtured to grow. Growth of apparel manufacturing encourages participation of more women in the labour force not only providing a rich social dividend to the country, but also making more labour accessible to the industry. Supporting the industry with FTA will provide an ***"extra advantage"*** that is critical to its continued export competitiveness. India has no bilateral agreements signed with the developed world that are the major importers. The EU and the US have high autonomous tariffs on apparel imports, but they offer zero or preferential tariffs in their trade agreements. Unlike India, most apparel exporting countries have trade agreements with major importers of apparels.
The FTAs that are being entered into or negotiated with will provide the much needed competitive advantage to the country driving up growth for the sector.

While no one can predict the events that will unfold, we remain optimistic of our long term future.

Sivaramakrishnan Ganapathi
MANAGING DIRECTOR

KEY PERFORMANCE INDICATORS

Recording healthy progress across parameters

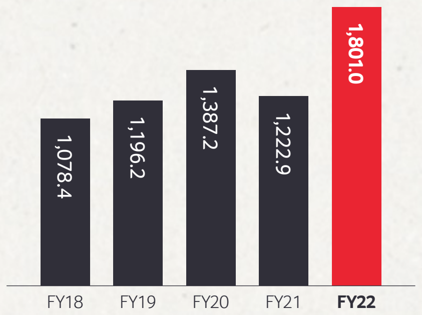
While Gokaldas Exports did have a rocky start at the beginning of the year, witnessing lockdowns and a severe health crisis in India with the second wave of the pandemic, the Company bounced back soon enough and ended on a very high note.

Even during the testing times, Gokaldas Exports did not lose hope and kept pushing for growth on all fronts. This strong belief in its abilities helped the Company surge ahead - and that too in style.

FY22 has been a year filled with uncertainties and nervous excitement for everyone at Gokaldas Exports, as it stood boldly and delivered on its promises.

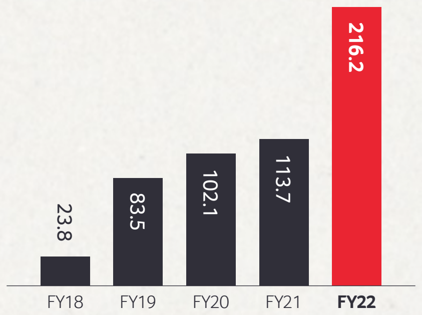
Revenue
(₹ IN CRORES)

1,801 — 13.7% *% 5 year CAGR*



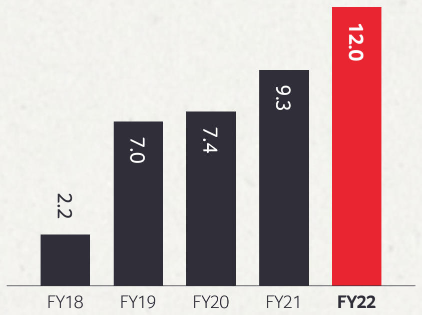
EBITDA
(₹ IN CRORES)

216.2 — 73.6% *% 5 year CAGR*



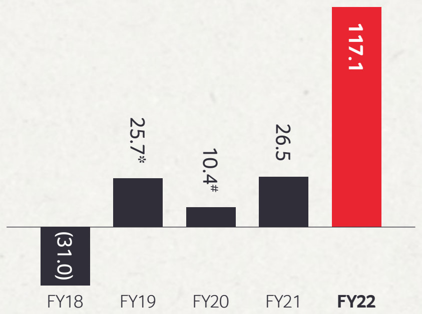
EBITDA Margin
(IN %)

12.0 — 980 bps *5 year growth*



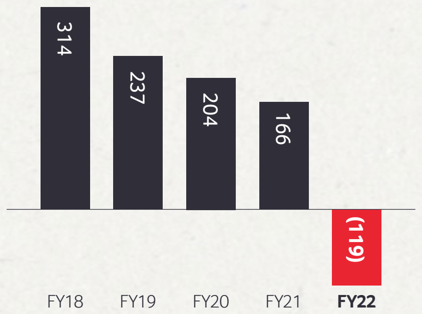
Net Profit
(₹ IN CRORES)

117.1



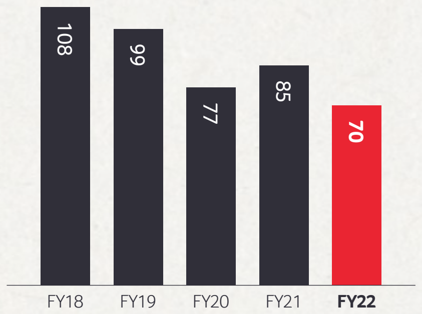
Net Debt
(₹ IN CRORES)

(119)



Working Capital Days
(IN DAYS)

70

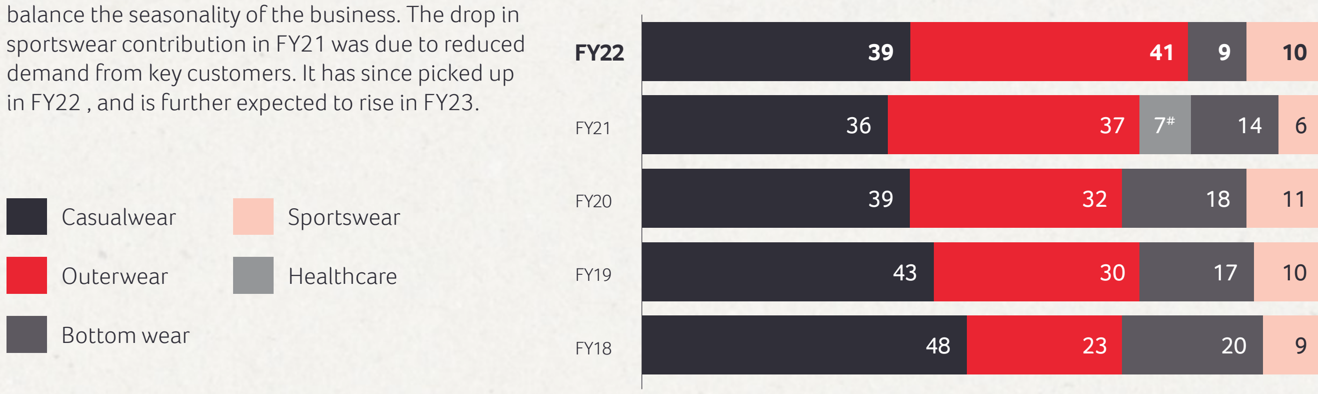


* Adjusted for 4% MEIS income of FY2019 reversed pursuant to the Govt. notification
# Declined due to series of headwinds like retrospective reversal of 4% MEIS, revision of minimum wage in Karnataka retrospectively, and one-off expense.

PRODUCT CATEGORY SALES

Steady growth in the outerwear segment helped balance the seasonality of the business. The drop in sportswear contribution in FY21 was due to reduced demand from key customers. It has since picked up in FY22 , and is further expected to rise in FY23.

Category Sales

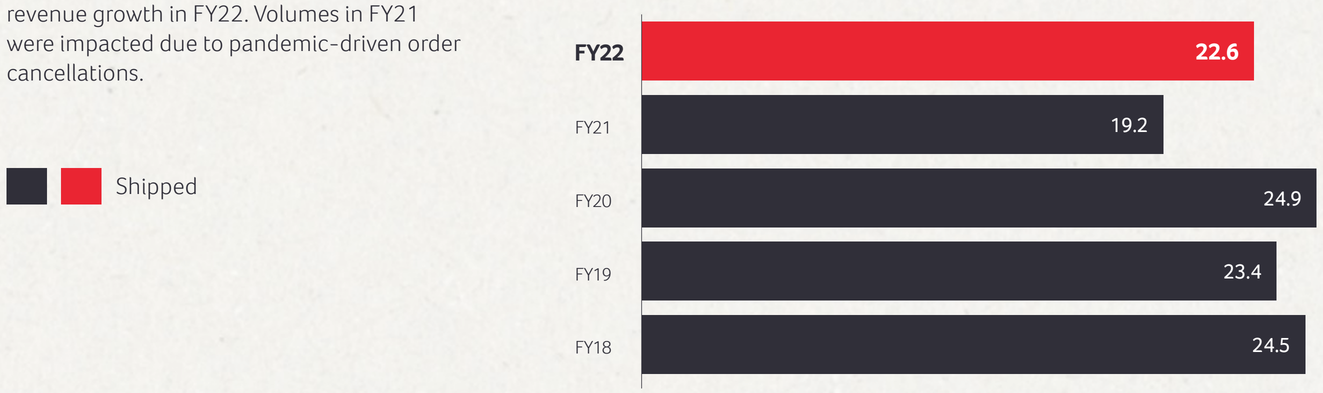


Produced PPE kits for the Government during COVID

NUMBER OF PIECES SHIPPED

Growth in volume coupled with the increase in average realisation per piece enabled a strong revenue growth in FY22. Volumes in FY21 were impacted due to pandemic-driven order cancellations.

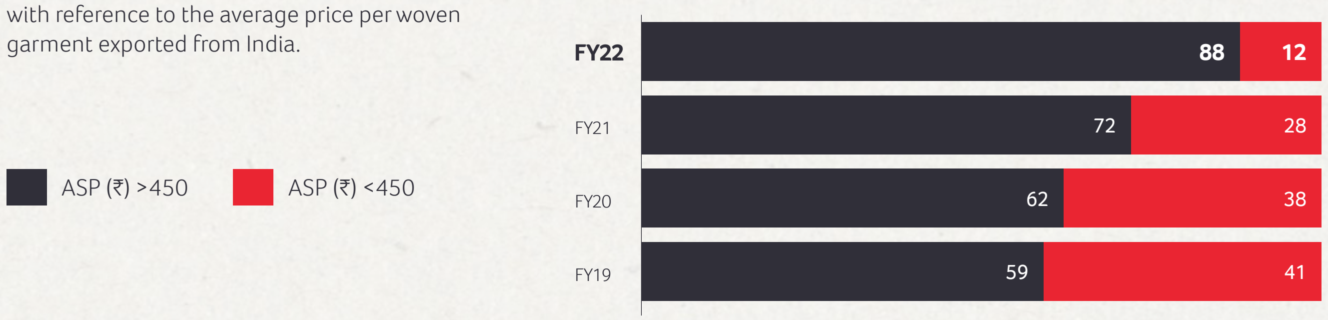
Shipped
(IN NOS. MILLION)



SALES CONTRIBUTION BASIS ASP

Witnessed higher contribution from high ASP products in FY22. The sales contribution is shown with reference to the average price per woven garment exported from India.

Sales contribution basis ASP
(IN %)



MANUFACTURING CAPABILITIES

Deepening synergy through integrated processes

Perhaps one of Gokaldas Exports' most prized assets is its integrated manufacturing set-up. The Company has worked towards creating a robust capability that encompasses world-class manufacturing, which are handled by highly-skilled labour. They foster an environment of innovation and enable delivery of excellent quality products to some of the most renowned global brands.

Efficient and robust product development and sampling set-up

In-house testing lab accredited by our leading customers

State-of-the-art design studio with 3D design capabilities

Integrated embroidery set-up

Pneumatic fibre filler for making puffer jackets

Polyfill manufacturing using latest technology.

Quilting with a capacity to quilt over 10,000 meters/day

Executing innovative wash on denims and non-denims

- Combined capacity of producing 1,50,000 pieces/day, including garment dyeing and all kinds of dry processes
- Modern ETP with a capacity to treat 0.7 million litres/day
- Zero liquid discharge plant for washing

Modern printing set-up with world-class automatic machines

- Capacity of 54 million impressions / annum
- Capability to print multiple options on all types of fabric qualities

36 ***million***

Annual Capacity

(GARMENTS PER YEAR)

3 ***million***

Monthly Capacity

(GARMENTS PER MONTH)

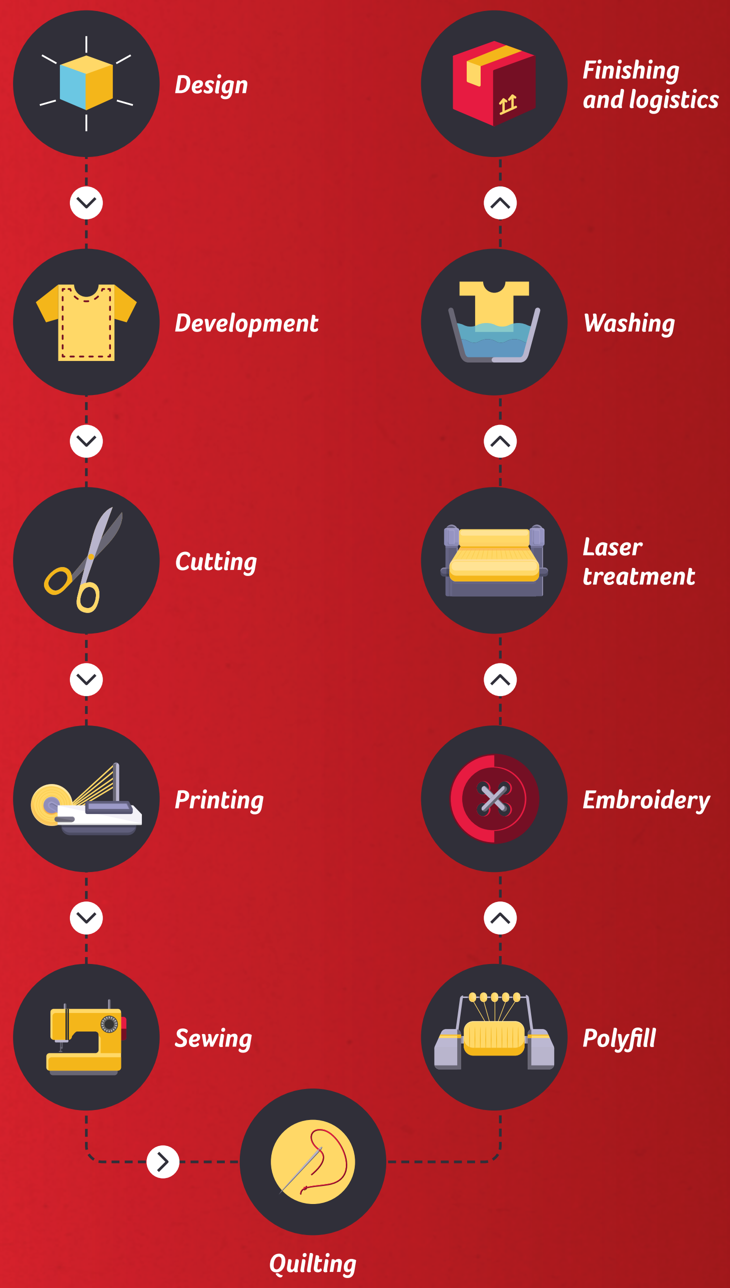
3 ***new units***

COMMISSIONED IN FY22

As envisaged in the company's overall business plan, the company has added three new production units during the year, two in Karnataka (Tumkur and Bommanahalli) and one unit in Tamil Nadu (Krishnagiri). All the three units are expected to add about 12% of total production capacity of the company if operate at optimum level. Further, the company also has incorporated a wholly-owned subsidiary in UAE to channel overseas investment projects and efficiently service international customers.

INTEGRATED VALUE CHAIN

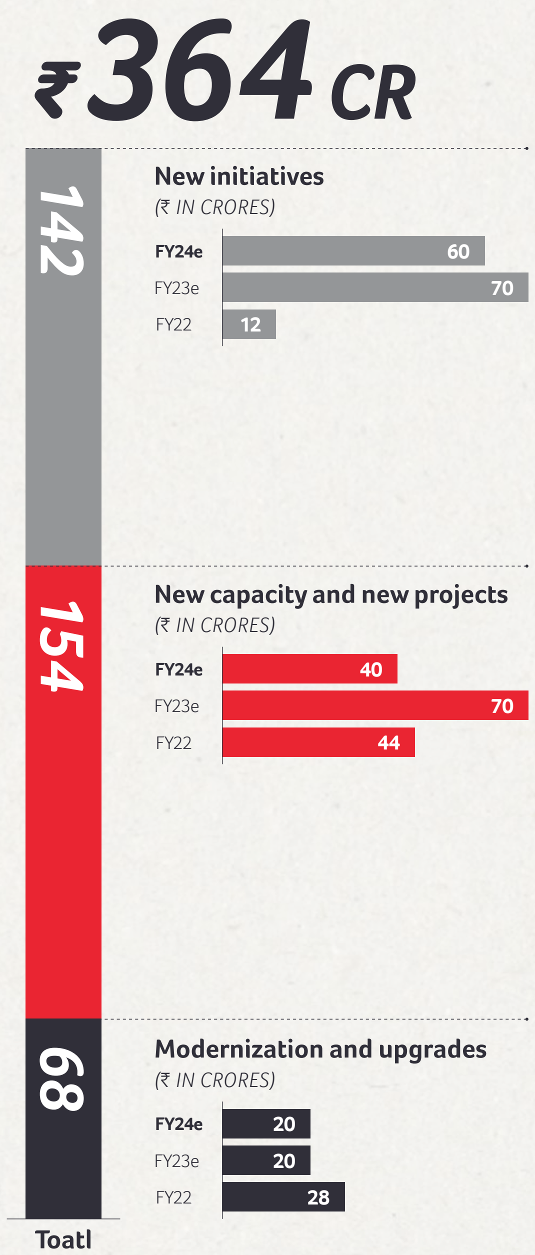
The zeal with which Gokaldas Exports operates ensures that it always stays ahead of the curve. In its bid to provide the absolute best to its customers, the Company has included a vast array of new processes within its manufacturing set-up, over time. This integrated setup has facilitated the Company's presence across the entire value chain. While the manufacturing facilities help in catering to a diverse range of customer needs, it also enables the Company to become the preferred partner of choice for some of the most distinguished brands across the globe.



CAPEX TRACKER

Gokaldas Exports is always geared to upgrade itself to fulfill the myriad needs of its customers. In the past the Company has invested heavily in strengthening its internal processes and systems as well as its manufacturing capabilities. From bringing in world-class equipment to acquiring new units, the Company has demonstrated its intent to invest in its future.

In FY22, Gokaldas Exports spent ₹ 84 crores towards capital expenditure, and it plans to invest ~₹130 crores on new initiatives in the next two financial years, and deploy an additional ~₹ 110 crores on enhancing its existing and ongoing projects.



PEOPLE INITIATIVES AND TESTIMONIALS

Building on inherent capabilities

We are a Company that is people intensive, and for Gokaldas Exports to fully realise its potential, our people need to be aligned with our purpose and they need to champion the Company's goals. Our biggest strength lies in our people, and we believe in their power - we strongly believe that an inclusive approach leads to a more engaged employee who is committed to the business ideals and delivers greater productivity.

The bulk of our force is made up of women, therefore it is incumbent upon us to empower them and enable them to become self-reliant, and we leave no stone unturned in our efforts to do so. Our continuous engagement with them through workshops and training in health, financial management, communication and well-being is our way of investing in their personal development.

I am working as a Cutting Supervisor. I started my career at Gokaldas Exports as a helper in 1995. I have been associated with Gokaldas Exports for 27 years, During this tenure, I have grown personally and professionally. I am extremely happy to be part of the Gokaldas Exports Family. Thanks to the management and my colleagues.

Manjula M N
CUTTING SUPERVISOR

In my 15 years of association with Gokaldas Exports, I have progressed in my career from Quality Controller to Senior Executive – Quality Assurance. I thank the organization for providing me an opportunity to grow and enhance my skills. I have witnessed a cultural transformation during my journey.

Usha Bhat
SENIOR EXECUTIVE-QA

I started my career as Coordinator at Gokaldas Exports in 2007.And today I am a Factory Manager in R & D, all because of opportunities made available. I feel proud to be at Gokaldas Exports which groomed me to take this responsibility.

J LAKSHMI
FACTORY MANAGER

PEOPLE INITIATIVES AND TESTIMONIALS

Employee engagement activities that enrich and upskill

PERSONAL ADVANCEMENT & CAREER ENHANCEMENT [PACE]

A one-of-a-kind training initiative aimed at providing life skills and generating awareness in areas such as health, hygiene, financial literacy, communication and well-being. This on-going program includes various topics and activities that seem to be relevant and useful for our people's growth and development.

SKIP LEVEL MEETING

This platform helps us gather employee insights and gives us access to their voices. It enables us to unearth critical information about what our employees truly feel about the Company, and whether or not they are satisfied with their work life. This data further helps us attune our programs to suit their liking and acts as important feedback for us to work upon.

SUPERVISOR DEVELOPMENT PROGRAM (SDP)

This is a competency-focused program designed to support supervisors in establishing, enhancing and expanding their proficiencies, thereby promoting an engaged, productive and innovative workforce. In this program, our budding and new supervisors are guided to help them become adept at their new role.

HERproject

HER PROJECT

We have introduced HER-Health and HER-Finance modules that have been implemented at some of our select factories. These modules are aimed at enhancing the living standards of our women workforce and empowering them to become financially self-reliant.

SUBHASHITHA

We believe that starting each day with a positive thought ensures the right framework for a productive and healthy work environment. Subhashitha is a step in this direction of ensure a positive and good beginning.

SANKALPAAN EMPLOYEE ENGAGEMENT PROGRAM

A reward and appreciation program for the employees, wherein they are awarded for displaying good behaviour at the workplace. This isn't a drab award ceremony, as we gamify the process for engagement, and the final rewards include gold, silver and sarees for our employees.

NURTURING AND CARING FOR OUR EMPLOYEES

In FY22, the Company conducted COVID-19 vaccination awareness events and set-up vaccination camps across the units. We are proud to share that all our existing employees are fully vaccinated with both the doses, and that we have also initiated a booster dose program for all our employees

Vaccination drive in progress

COVID care initiatives

- On-site vaccination service
- Oxygen concentrator and ambulance service
- Hospitalisation support
- Financial aid to COVID-19 impacted employees
- Awareness on COVID-19 appropriate behaviour

In my 32 years of association with Gokaldas Exports, I have progressed in my career from Operator to Production Manager. I thank the organisation for providing me an opportunity to grow and enhance my skills. I have witnessed a cultural transformation during my journey.

Laxman
PRODUCTION MANAGER

I started my career as an Executive-HR at Gokaldas Exports. I got growth and many learning opportunities and currently I am working as Asst. General Manager-HR. I like the way our organisation recognizes and motivates employees. I am very grateful to Gokaldas Exports.

Channa Reddy
ASSISTANT GENERAL MANAGER

I recall the tough time when my family tested COVID positive, and we struggled for hospitalisation. The Gokaldas Exports Task Force helped me get an ambulance with oxygen support and provided my family treatment in the Columbia Asia hospital. I extend my gratitude to the organisation for being there during this personal crisis.

Ramaiah
SEWING SUPERVISOR – ECC1

Last year was a complete tragedy in my personal life. My husband lost his job during the pandemic, and we were in a financial crisis. Within 6 months he expired due to COVID. During such tough times, the organisation stood by me and supported me. My skills were acknowledged, and I was promoted to an Assistant Supervisor. I thank Gokaldas Exports Management for being sensitive and responsive towards its employees.

Manjula
ASISTANT SUPERVISOR

CORPORATE SOCIAL RESPONSIBILITY

Partnering our communities for inclusive growth

Gokaldas Exports is deeply entrenched in the communities that it dwells in. Being a people-intensive business, the Company always acknowledges the role its people and the community play in its success story. It firmly believes that inclusive growth and development is the only way to a better future. The Company's core values of integrity and inclusivity drive it to undertake initiatives for the welfare of its immediate communities.

GOKALDAS EXPORTS ABIDES BY CERTAIN PRINCIPLES WHICH GUIDE ITS SOCIAL RESPONSIBILITY INITIATIVES.

01 *Our commitment to improve this world better than we found it*

02 *Our alignment with developmental priorities, both nationally and regionally*

03 *Our impact driven engagement to ensure lasting changes*

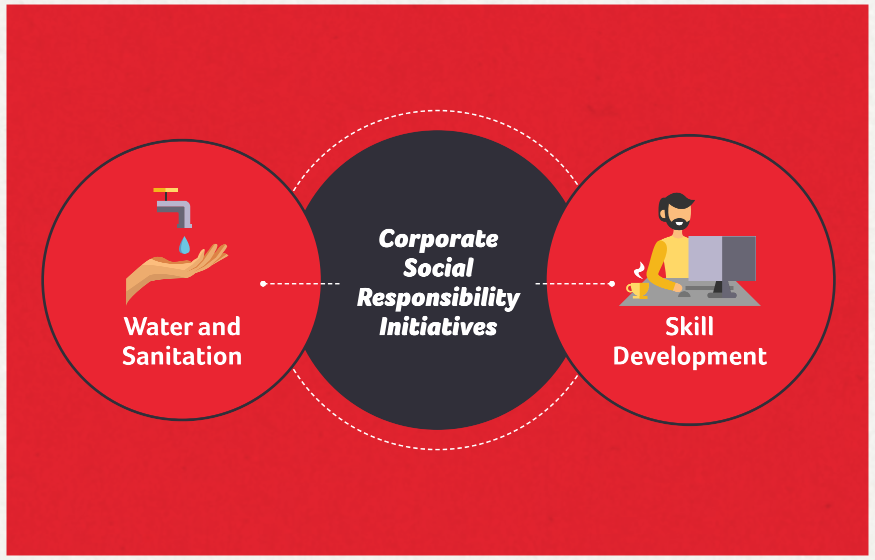
04 *Our engagement with specialised NGOs and other agencies to harness their deep experience and understanding of the social landscape*

05 *Our belief in making initial investments, wherein a moderate engagement can translate into a large social impact*

06 *Our focus on responsible engagement to enable our communities to become the master of their lives*

GOKALDAS EXPORTS CHARITABLE FOUNDATION (GECF)

Gokaldas Exports Charitable Foundation, established in the year 2022, is geared towards achieving sustainable development in alignment with the slated ESG principles. It hopes to bring about a positive impact in the lives of the underprivileged people by providing them with access and exposure to basic necessities of life such as rural infrastructure development, education and healthcare and well-being.
Founded on the principles of integrity and inclusivity, GECF hopes to aid in the building of resilient communities.



Water and Sanitation

The Company set up an Aqua Tower, in association with Columbia Sportswear Company and Planet Water Foundation, in a higher primary government school at Belavadi near Mysore. With a filtering capacity of more than 1000 litres/hour, the Aqua Tower caters to 350+ students and staff members of the school.
This Aqua Tower was built with the intention to provide safe drinking water, thus enabling healthy growth of these children .

Safe and clean water is a neccessity


Access to safe drinking water and sanitation to benefit the students and school wards

Skill Development

The Company set up computer labs in two Government schools located at Guddadahalli and Verrapura, as part of its commitment towards educational equity. This lab was built with the intention to provide technical skills to the students of this school, thus preparing them for a brighter future.

The Company also supported education, scholarship and mentoring of needy students who plan to pursue professional course to advance their career.

ENVIRONMENT, HEALTH AND SAFETY

Widening the arc of environmental protection

Gokaldas Exports is in the business of manufacturing and exporting apparels, and as such, the Company is well-aware of its responsibilities towards the environment and its workforce.

It not only ensures that its people thrive in a healthy and safe working environment, which is a given, but it also empowers its people to share their feedback through multiple channels created by the Company. Gokaldas Exports firmly believes that its people are the reason behind its success, and it leaves no stone unturned to create an environment of care and trust for them.

The Company is also deeply committed towards the environment, and actively works towards reducing its environmental footprint by investing in resource conservation and efficiency across water, energy and chemical waste. Its 4 pronged approach to sustainability, restore, recycle, reduce and renewable, has rendered effective results for the Company in the long-term. Gokaldas Exports is dedicated to protecting its environment by minimising its pollution levels and through improved operational control programs.

RESTORE

- In order to restore greenery, the Company undertakes afforestation activities every year on the 'World Environment Day' on June 5th.
- Rain water harvesting projects are emphasised to promote rainwater collection for reuse.

RENEWABLE

- Gokaldas Exports has successfully installed and commissioned a 400 kWp rooftop solar panel at one of its manufacturing units, which has helped offset approximately 384 tons of CO_2. The excess power generated is currently being sent to the grid.

RECYCLE

- The Company uses 100% non-hazardous chemicals in its laundry and printing units. Moreover, being a member of the ZDHC (Zero discharge of hazardous chemical) warrants mandatory disclosure of chemical consumption levels on the ZDHC gateway, which further promotes transparency.
- The company has setup a Zero Liquid Discharge unit at its manufacturing unit.
- Solid waste generated is sent ahead for recycling
- The Company also gives away its by-products, used in the cement industry, to vendors for reuse.

REDUCE

- Gokaldas Exports is actively reducing its dependence on fossil fuels by switching to organic biomass. The Company has been able to reduce its diesel consumption by 13% over a period of four years.
- E-flow washing machines have been installed at the Company's laundry facilities to reduce water consumption, as well as to reduce chemical consumption and waste water generation
- The Company reduced its fabric wastage with improved design and plotting operations
- In a bid to reduce energy consumption, Gokaldas Exports installed variable frequency drives in compressors. This has enabled reduction of energy consumption by 4% over previous year, therefore also contributing to reduced carbon footprint.

CERTIFICATIONS

Higg Index

SOCIAL & LABOR CONVERGENCE

GLOBAL ORGANIC TEXTILE STANDARD · GOTS ·

Global Recycled Standard

ORGANIC 100 content standard

RECYCLED 100 claim standard

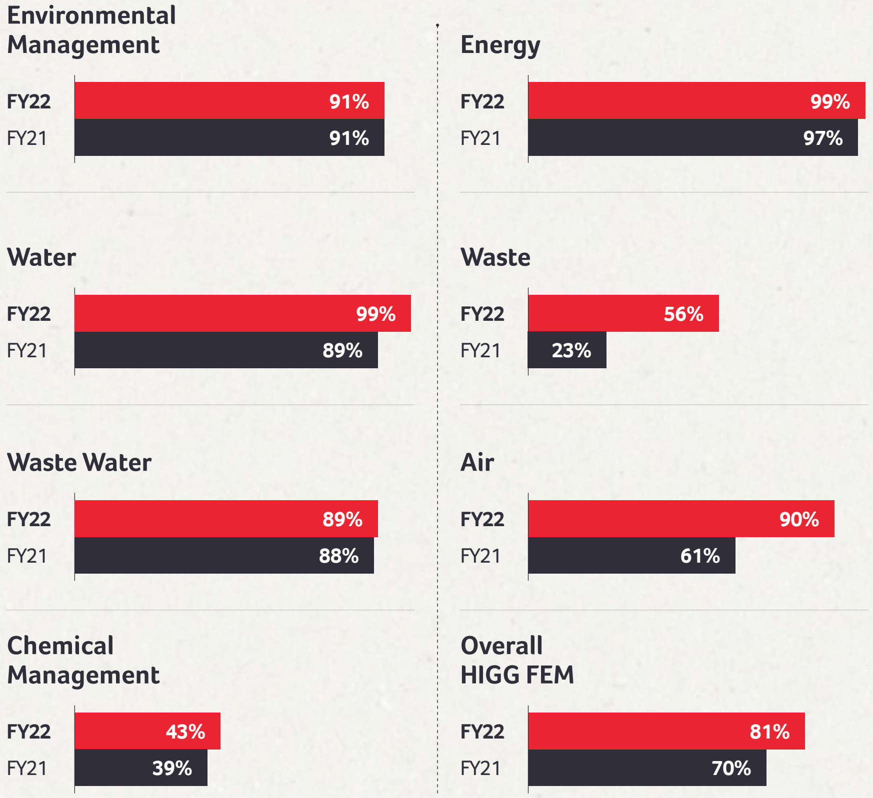
BCI Better Cotton Initiative

GLOBAL SECURITY VERIFICATION

HIGG FEM SCORE

The Higg Facility Environmental Module (Higg FEM), designed to measure and quantify the sustainability impacts of a facility, is central to transforming businesses for exponential impact. It is a global sustainability assessment tool that standardises how industrial facilities measure and evaluate their environmental performance, year over year. Gokaldas Exports has consistently achieved good scores across all sustainability parameters, and is only getting better every year.

Additionally, Gokaldas Exports sources its raw materials through Organic and Higg FEM certified suppliers.



SLCP SCORE

The Social & Labor Convergence Program (SLCP), an initiative designed to streamline the auditing of labour standards in apparel and footwear facilities, is geared towards improving working conditions by using a Converged Assessment Framework (CAF). Conforming to the Social and Labour Convergence Program involves a self-assessment followed by independent verification by SLCP-approved verifiers. Gokaldas Exports conducts SLCP in all its facilities to assess their working conditions, and gauges whether the same are improving over time.

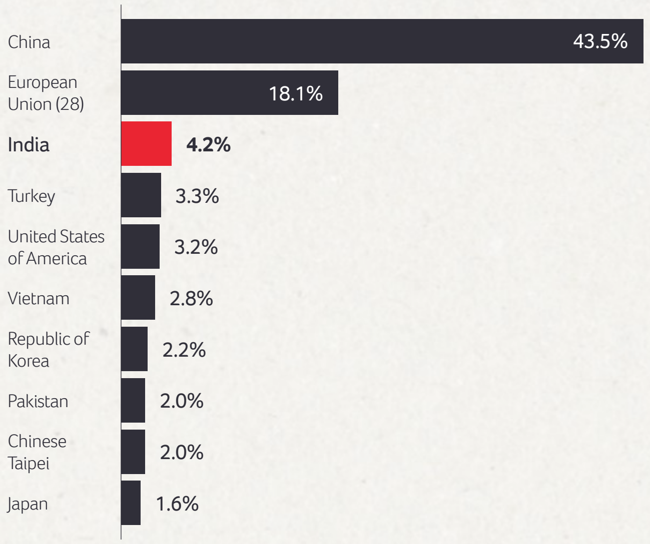
Management Discussion and Analysis

MACROECONOMIC SCENARIO

In early 2022 as the threat from the Omicron variant appeared fading, many parts of the world have adjusted to post-pandemic conditions. Other macro events like the Russia-Ukraine war, alongside inflation, debt, and inequality have intensified the uncertainties, posing a decline in the global growth rate to 3.6% both in 2022 & 2023 from 6.1% in 2021 as per IMF's World Economic Outlook, April 2022.

This estimate is lower by 0.8% and 0.2% percentage points for 2022 and 2023 respectively than projections made in the January 2022 World Economic Outlook. The ongoing conflict followed by sanctions on Russia will be a more direct and pronounced impact on both countries but the international spill overs via global commodity prices, trade, financial linkages, and labour supply impacts will spread the effects more widely notably in the EU.

Share in world exports of the leading clothing exporters in 2020, by country



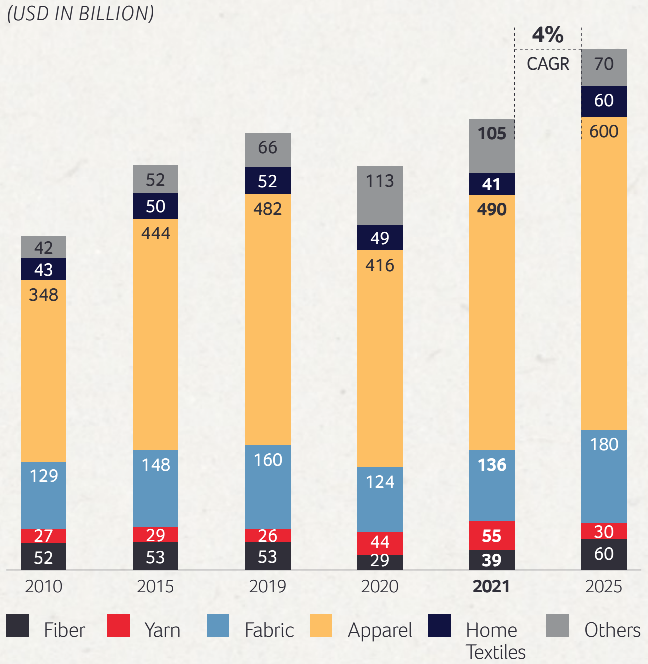
Source: Statista.com

GLOBAL TEXTILES AND APPAREL TRADE:

Global Textiles and Apparel trade witnessed a sharp recovery in 2021 to US$ 867 billion registering a growth of ~12% on a pandemic induced low base of US$ 775 billion in 2020. The recovery in 2021 even surpassed the 2019 levels with ~3% growth. Apparels, which constitutes a major share in the Textile & Apparels trade grew by 18% in 2021 to US$ 490 billion compared to US$416 billion in 2020, and managed to even surpass the 2019 levels of US$ 482 billion. The overall textiles trade is expected to reach US$ 1 trillion by 2025 and apparel with a major share, alone is expected to reach US$ 600 billion by 2025 with a CAGR growth of 4% & 5% respectively on a 2021 base year.

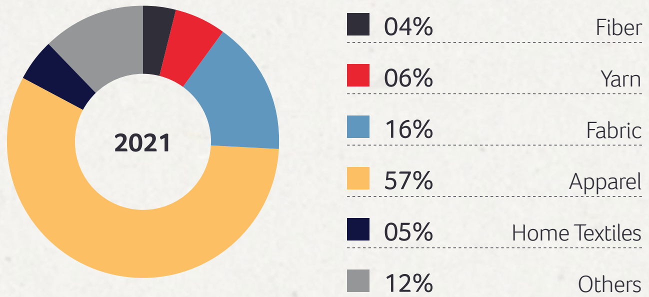
Global Textile & Apparel Trade

(USD IN BILLION)



Source: Wazir Annual Report Indian Textile & Apparel Industry 2022

Category-wise Share of Global Textile and Apparel Trade (2021)



Source: Wazir Annual Report Indian Textile & Apparel Industry 2022

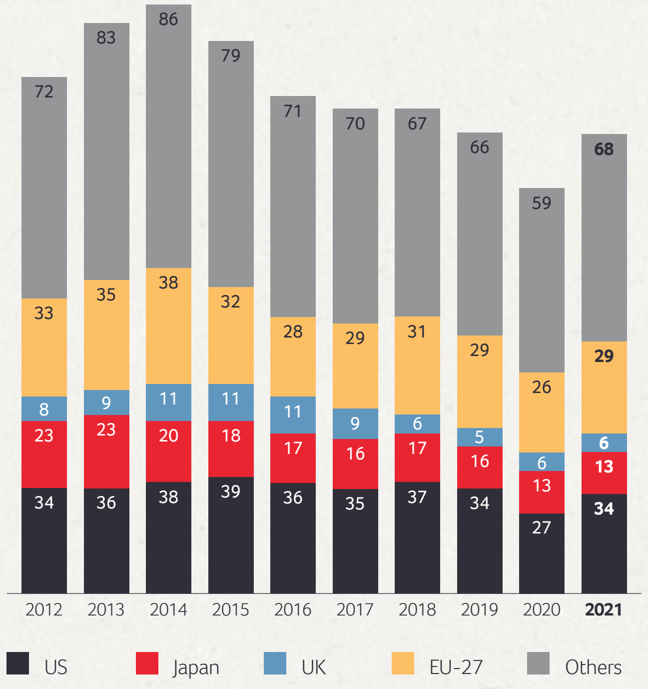
INDUSTRY LANDSCAPE:

Shift of business away from China:

In the last decade, China witnessed a serious drop in its export market share. Higher factor costs, relatively appreciating currency, and trade barriers are driving a steady erosion of China's exports in this sector. Countries like India stand to gain from this. There has been a growth in sourcing from India, while the opportunity is yet to be fully played out.

China Exports Share to Various Countries

(USD IN BILLION)

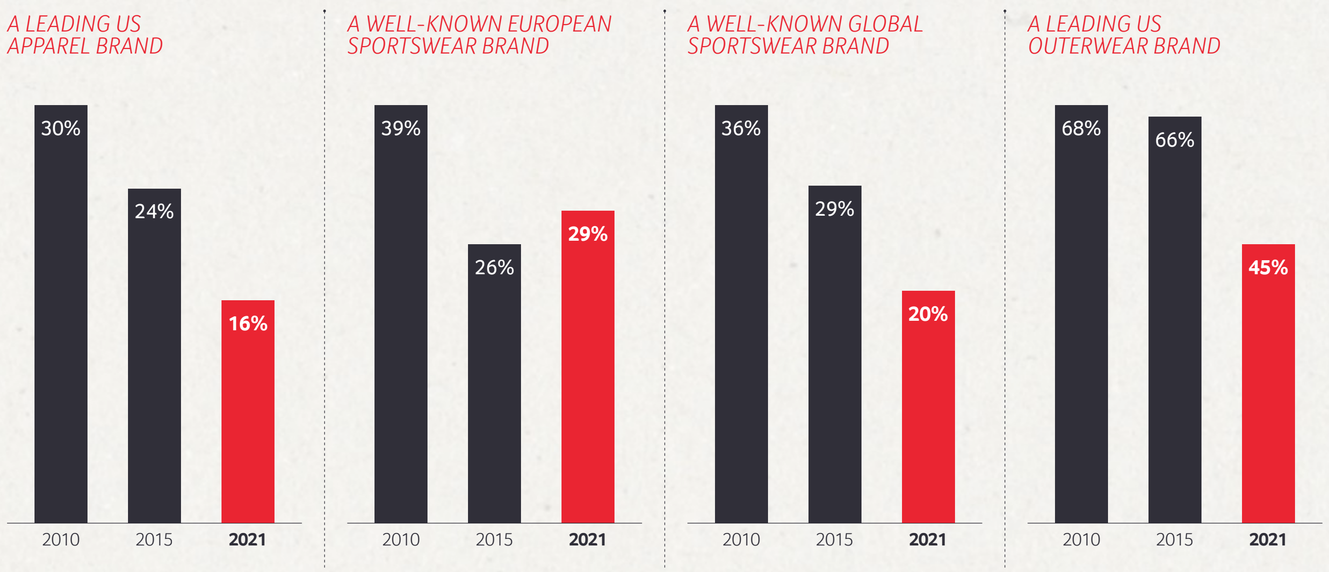


Source: ITC

Fashion brands continue to diversify away from China:
Global Fashion brands continue to cut their sourcing exposure from china. Rising procurement cost, increasing trade barriers and compliance issue is forcing the brands to seek alternate suppliers.

Brands' Procurement from China as a Percentage of Their Overall Procurement

(IN %)

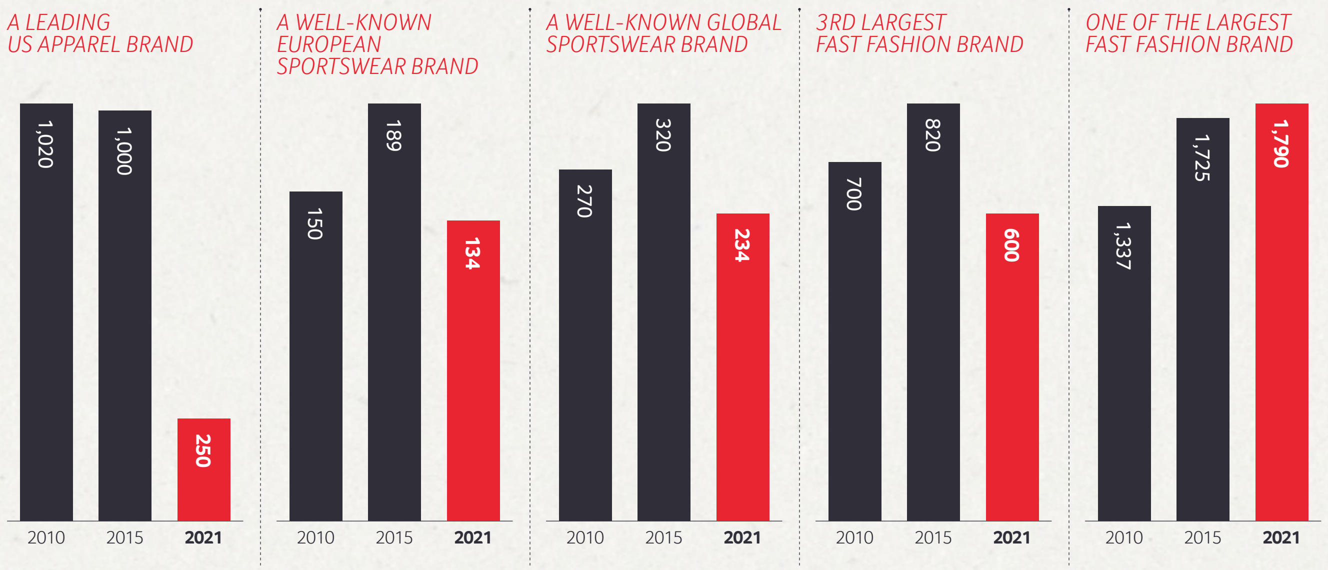


Source: Company's Annual Report

As is evident from this chart, some of the biggest brands across the globe are reducing their exposure to China over time. This is a trend that is expected to continue in the years to come. A strong presence of China in the entire textiles value chain slows down the erosion of shares. Brands are continuing to develop alternate suppliers in other regions as they seek to reduce the cost of procurement and de-risk themselves.

Consolidation of Supplier base:
Leading apparel brands are increasingly consolidating their supply chain to a few big suppliers. This trend is mainly driven by the brands' engagement with its large vertically integrated suppliers streamlining end-to-end product journey, ensuring their ability to keep up with higher expectations of quality, and facilitating a smooth transition of their supply chain to meet ever-increasing ESG standards.

Consolidation of Suppliers among Top Brands Globally

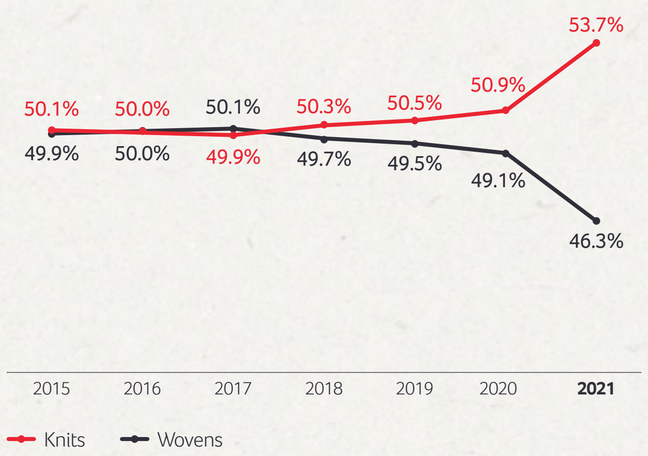


Source: Company's Annual Report

Demand for Woven products to bounce back:
With the gradual recovery of the economy, return to the workplace, and formal occasions back to normal, the demand for formalwear & occasional wear may improve in the years ahead. This bounce back is expected after a brief focus on the likes of loungewear and sportswear for nearly two years. Consumers may reallocate wallet share to other categories as pent-up demand for newness coincides with more social freedoms outside the home.

Share of Knits and Wovens in Global Apparel Exports

(IN %)

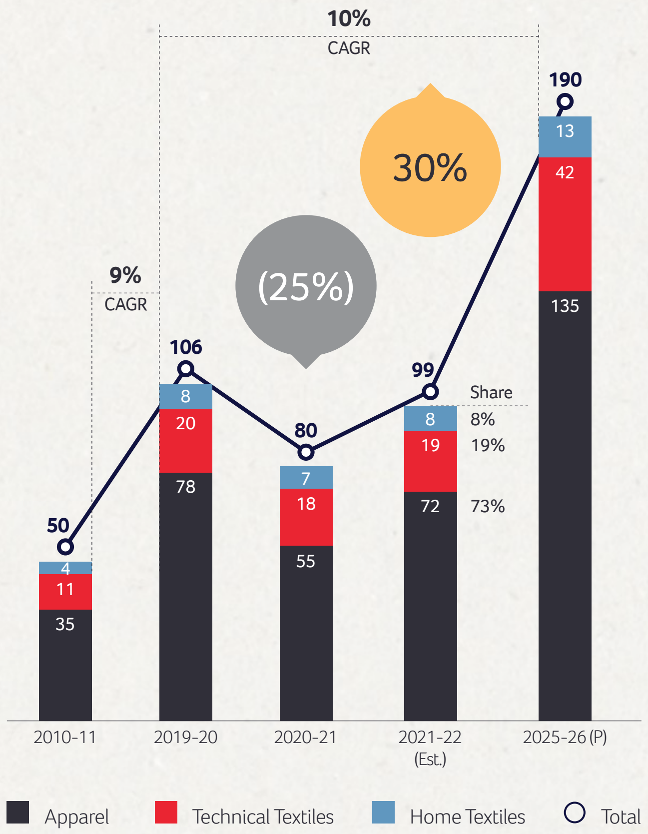


Source: ITC

Indian Textile and Apparel Industry:
Indian Domestic Textile and Apparel Industry witnessed a strong bounce back in FY22. This recovery was aided by the increased vaccination drive, a gradual return to normalcy post-pandemic, and the release of pent-up demand for the apparel. The overall domestic industry is estimated to have grown by 30% in FY22 to reach US$ 99bn compared to US$ 80bn in FY21, however, it was not able to fully recover to pre-pandemic levels of US$106bn in FY20. It is estimated that by FY26 domestic textile industry to reach US$190 bn growing at a CAGR of 10% from the FY20 base and with apparel holding a dominant share.

Indian domestic textile & apparel industry

(USD IN BILLION)

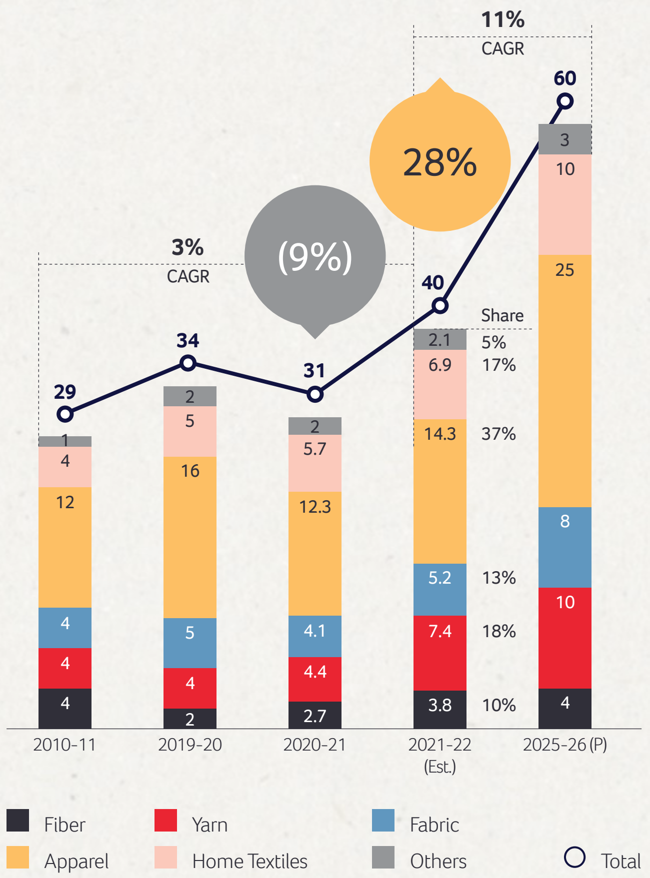


Source: Wazir Annual Report Indian Textile & Apparel Industry 2022

Indian Textiles and Apparel exports reached to an estimated value of US$ 40 billion in FY22 registering a growth of 29% compared to pandemic induced FY21 at US$ 31 billion. Apparel continue to have dominant share in overall textile and apparel trade which stood at 37% in FY22. The exports are expected to reach US$60 billion. in FY26 growing at a CAGR of 11% from FY22.

Indian textiles & apparel exports

(USD IN BILLION)



Source: Wazir Annual Report Indian Textile & Apparel Industry 2022

INDIA'S ADVANTAGE IN THE TEXTILE AND APPAREL INDUSTRY

Abundance of raw materials:

India is the largest producer of jute and cotton and the second-largest producer of silk. Due to the high abundance of raw materials and cheap labour costs, the cost of manufacturing textile and apparel is relatively lower than many other competing countries.

A growing young population:

India has one of the world's largest young populations and the median age is estimated at around 28 years, which is younger than most of large countries. This age group is one of the biggest consumer groups of textiles and apparel, therefore it is expected to drive consumer sentiments.

Advent of e-commerce:

Online shopping and e-commerce has finally picked up in India. This segment witnessed strong growth patterns, and it enables the industry to reach a larger base of consumers more effectively. Consumers these days base their shopping choices on ease of shopping, multiple options, better discounts and easy return policies.

INDIAN GOVERNMENT POLICY SUPPORT

Forging bilateral relationships to enhance exports:

In an effort to improve the country's exports, Indian government is actively pursuing the bilateral trade agreements with potential countries. It successfully concluded the FTA's with UAE and Australia and is in last stage discussion with UK which is expected to be completed in late 2022. In addition, government plans to launch the trade discussion with 16 new and enhancing several other nations as diverse as the European Union, the United States of America, Canada and South Korea.

RoSCTL to Continue till 2024:

Indian government's recent announcement to continue the Rebate of State and Central Taxes and Levies (RoSCTL) scheme till 2024, provided major relief to export companies. Such policy stability clears the uncertainty and encourages the Indian exporters to increase their investment, thereby generating employment among the masses.

PLI Scheme for MMF:

The announcement of the Production Linked Incentive (PLI) Scheme targeted at MMF and Technical textiles with an estimated outlay of ₹10,683 crore, will help improve India's presence in MMF, as it dominates 70% of global textile fiber consumption.

MITRA:

In its efforts to increase investment and create a large textile ecosystem within the country, the government in the union budget 2021-22 announced the Mega Integrated Textile Region and Apparel (MITRA) Parks Scheme. It plans to establish seven such parks with state-of-the-art facilities, common utilities and R&D labs over a period of three years.

Textiles Technology Development Scheme (TTDS) to roll out soon:

Indian government is planning to introduce a new scheme called Textiles Technology Development Scheme (TTDS) replacing the earlier scheme of TUFS. The scheme aims to promote integrated manufacturing facilities and technology adoption in a big way in the country and plans to allocate to the tune of ₹ 16,635 crore under it. Aimed to be spread across 5 years, the breakup of the allocation is as follows ₹ 5,120 crore for textile machinery, ₹ 2,000 crore technology upgrade to current units, ₹ 4,780 crore for integrated manufacturing, ₹ 4,615 crore allocated to TUFS arrears and ₹ 120 crore for administrative expenses. The beneficiaries of the PLI scheme for textiles won't be able to tap the TTDS.

THE COMPANY AND ITS PRODUCT OVERVIEW

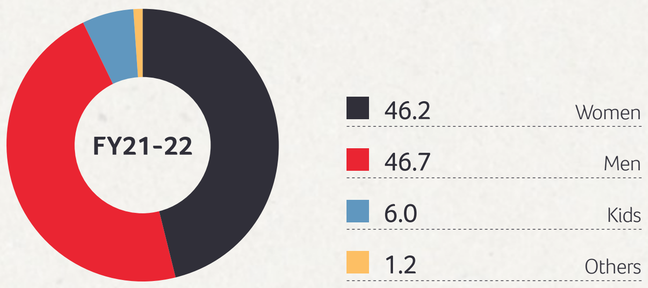
Gokaldas Exports Limited is a leading readymade garment manufacturer and exporter in India, engaged in the business of design, manufacturing, and selling of a wide range of readymade garments (outerwear, activewear, and fashionwear) for men, women, and kids, for all seasons. It caters to the needs of several leading international fashion brands and retailers and exports to more than 50 countries. The company's long-standing relationship with its major customers has been one of the most significant factors contributing to its growth.

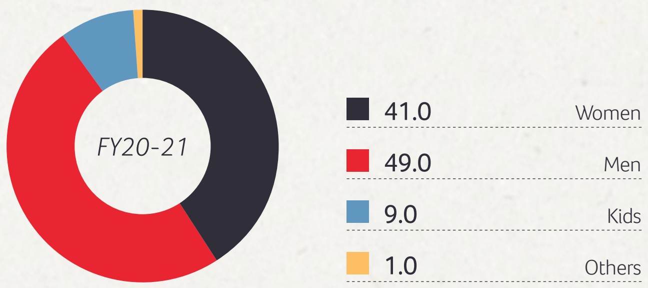
The company's core competency lies in its clear understanding of the specifications of readymade garments, the buying preferences of customers, and its ability to deliver products consistently of high quality and meet stringent compliance requirements of international customers based out of, North America, South America, Europe, Africa, Oceania, and Asian countries.

The portfolio is depicted below:

Product Category

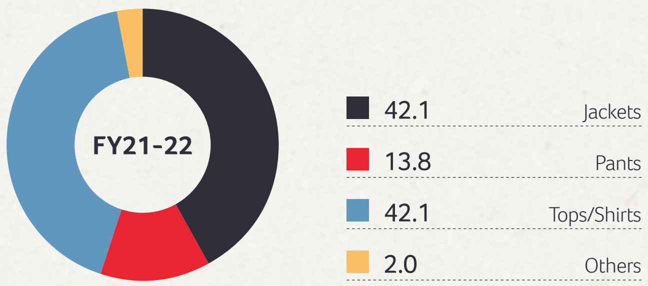
(IN %)

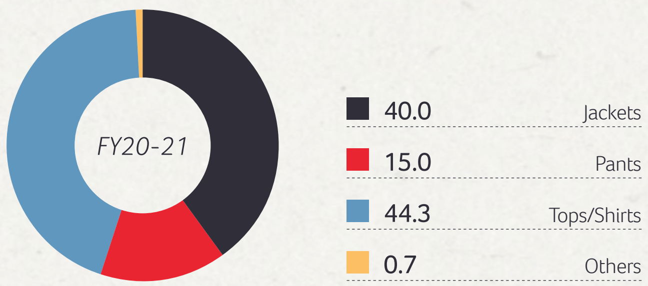




Product Mix

(IN %)





FINANCIAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act. 2013, and in conformity with the Indian Accounting Standards (IndAS) prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016, as amended and other accounting principles generally accepted in India.

ANALYSIS OF THE PROFIT AND LOSS STATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

Revenues

The Company's total income was ₹ 1,801.00 crore in FY2021-22 compared to ₹ 1,222.94 crore in FY2020-21. Revenues from operations reported a 47.9% growth from ₹ 1,210.73 crore in FY2020-21 to reach ₹ 1,790.32 crore in FY2021-22, in spite of the slowdown in the business induced by the COVID-19 pandemic in Q1. Other incomes of the Company accounted for a 0.6% share of the Company's revenues, reflecting the Company's dependence on its core business operations.

Expenses

Total expenses (excluding interest and depreciation) of the Company increased by 42.9% from ₹ 1,109.24 crore in FY2020-21 to ₹ 1,584.82 crore in FY2021-22. Raw material costs, accounting for a 49.3 % share of the Company's revenues, increased by 46.8 % from ₹ 605.04 crore in FY2020-21 to ₹ 888.20 crore in FY2021-22, owing to increase in the operational scale of the Company after evident market recovery from COVID-19 pandemic. Employees expenses increased by 45.0 % from ₹ 371.56 crore in FY2020-21 to ₹ 538.78 crore in FY2021-22, due to return of manpower in the production units and increase in variable DA of employees and in line with the scale of operations. During the year, the Company has adopted several cost-control measures to reduce the severe impact of the pandemic on the profitability aspects of the Company.

ANALYSIS OF THE BALANCE SHEET

Sources of funds

The capital employed by the Company increased by 13.4% from ₹ 690.10 crore as on 31st March, 2021 to ₹ 782.71 crore as on 31st March, 2022, owing to an increase in capital expenditure towards modernisation and upgradation of technology, plant and machineries at factories. The return on investments from such expenditure has reflected an improvement in productivity in the operations. Return on capital employed, a measurement of returns derived from every rupee invested in the business, increased by 1124 basis points from 8.9% in FY2020-21 to 20.1% in FY2021-22, due to better management of assets and working capital.

The net worth of the Company increased by 144.1% from ₹ 290.07 crore as on 31st March, 2021 to ₹ 708.18 crore as on 31st March, 2022, owing to an increase in profit as well as an increase in hedge reserves, arising from effective portion of gain and loss on hedging instruments from mark to market. The Company's equity share capital comprising 4,28,95,663 equity shares of ₹ 5 each as of 31st March, 2021 increased to 5,89,76,994 equity shares of ₹ 5 each as of 31st March, 2022, due to issue of RSU and issue of shares to Qualified Institutional Buyers during the year under review.

During October 2021, the company raised funds issuing 15,424,164 equity shares of ₹ 5/- each fully paid at the issue price of ₹ 194.50/- per equity share (including a premium of ₹ 189.50/- per equity share) aggregating to ₹ 300.00 crore to qualified institutional buyers. As of the balance sheet date March 31st, 2022, the company has utilized ₹ 252.20 crores towards repayment or prepayment of borrowings, financing working capital requirements in line with the objectives of which funds were raised, as per the placement document.

During the year under review the Company has not taken any long term loan. In FY2020-21 the Company took long term debt of ₹ 50.13 crore, out of which ₹ 7.05 crore (including Current Maturities of ₹ 4.67 crore) is outstanding as on 31st March, 2022. The short-term borrowing of the Company is reduced by 82.5% from ₹ 346.37 crore as on 31st March, 2021 to ₹ 60.69 crore as on 31st March, 2022. Net debt-equity ratio of the Company stood at 0.05 in FY2021-22 compared to 0.72 in FY2020-21.

Finance costs of the Company increased by 16.7 % from ₹ 34.46 crore in FY2020-21 to ₹ 40.21 crore in FY2021-22 due to increase in scale of operations. The Company's interest cover increased from 1.8x in FY2020-21 to 3.9x in FY2021-22.

Applications of funds

Fixed assets (gross) of the Company increased by 18.8% from ₹ 222 crore as on 31st March, 2021 to ₹ 263 crore as on 31st March, 2022, owing to an increase in investment on plant and machinery. Depreciation on fixed assets (Excluding Right of use assets) increased by 14.9% from ₹ 27.46 crore in FY2020-21 to ₹ 31.55 crore in FY2021-22, owing to an increase in fixed assets during the year under review.

Working capital management

Current assets of the Company increased by 48.07% from ₹ 559.78 crore as on 31st March, 2021 to ₹ 828.85 crores as on 31st March 2022, mainly on account of the build-up of inventory for the subsequent period of production and receivables of ₹ 60.27 crores was blocked from the Government agencies. The current asset includes investment in the mutual funds which was increased by ₹ 117.64 crore over the previous year. The current and quick ratios of the Company was 1.26 and 0.68, respectively in FY2020-21 and 2.20 and 1.05, respectively in FY2021-22.

Inventories including raw materials, work-in-progress and finished goods among others increased by 67.29 % from ₹ 259.20 crore as on 31st March, 2021 to ₹ 433.62 crore as on 31st March, 2022. Trade receivables have decreased by 48.73% from ₹ 179.84 crore as on 31st March, 2021 to ₹ 92.19 crore as on 31st March, 2022.

Key Ratios

Particulars	2021-22	2020-21
Debtor Turnover Ratio	12.27	7.08
Inventory Turnover Ratio	4.82	4.18
Interest Coverage Ratio	3.91	1.77
Current Ratio*	2.20	1.26
Debt Equity Ratio#	0.05	0.72
Operating Profit Margin	8.7%	5.0%
Net Profit Margin	6.5%	2.2%
Return on Net Worth	23.5%	10.3%

*Current Ratio adjusted for fixed deposit held against borrowings.
#Debt equity ratio is Avg Net Debt / Avg Equity

OUTLOOK FOR FY2022-23

There are headwinds and tailwinds for global trade in FY23, and apparel is no exception. While no one can predict the events that will unfold, we remain cautiously optimistic. Several forces are at work to create both opportunities and risks in the year ahead. Some of the opportunities are continuing shift of global sourcing away from China, supplier consolidation towards efficient and well-capitalized players, supply-side instabilities in countries like China, Vietnam, and Sri Lanka, strengthening Dollar, the announcement of PLI, and signing of FTAs with key markets. Supply chain pressures are bound to be a factor in FY23 and need continuous monitoring and addressing. High cotton prices, freight costs, energy issues, geopolitical tension, and inflation pose challenges in the coming year. FTA could open UK market for us providing an opportunity to seek new growth. A shift in consumer preferences post-pandemic towards wovens, as people seek more formal clothes, may improve demand. We stay optimistic about our order book for FY23. Our service delivery is exceptional and customer satisfaction is high. We continue to see growth opportunities in FY23, despite the expected uncertainty from a combination of headwinds and tailwinds.

RISK MANAGEMENT

External risk factors

- The company derives a significant portion of its revenue in U.S. Dollar, Euro and hence is exposed to the risks associated with fluctuations in foreign exchange rates and we are dependent on imported raw material, which exposes us to international currency risks. Although the company takes adequate measures in hedging the current fluctuation risk to moderately mitigate the risks, adverse movement in the exchange rate fluctuation risks may have a material effect on the profitability condition.

- Any changes in regulations or applicable government incentives would materially and adversely affect the business and profitability. The Government of India has provided production and export-related incentives to the textile sector such as RoSCTL, EPCG, Advance authorization scheme, duty drawback credit, etc. These incentives could be modified or removed at any time, which could adversely affect our business.

- Majority of the Asian countries have free trade agreements with the large consumer markets of the EU, which makes them more competitive than India for exports to the EU.

- Fabric is the largest component of our input costs, and any increase in input costs such as cotton, yarn, or fabric price, or rising wage costs and inflation could cause a decline in the Company's profitability. The Company prepares and makes adequate plans well ahead of the event to reduce the impact of such risks.

INTERNAL RISK FACTORS

With changing fast fashions and consumer preferences, if the company is unable to respond to such changing trends, that may adversely affect the business. The company depends on a limited number of customers for a significant portion of our export revenues. The loss of one or more customers may result in a reduction in production and sales and may adversely affect our business, and financial position. The company maintains excellence in the customer relationship, delivery of quality products, and timely dispatch of goods that help in addressing such risks.

The Company depends on timely receipt of its supply of raw materials from overseas markets. Any delay in receiving raw materials could adversely impact the delivery timeline. The Company mitigated these risks by building a lasting relationship with suppliers over the years, thus ensuring better retention coupled with better credit management and block booking of materials.

The apparel manufacturing market is highly dynamic and success is dependent on anticipating consumer preferences or industry changes. The Company has capabilities to identify these changes and quickly respond to product changes based on customer preferences and changing market scenarios. A successful implementation mitigates this risk.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company believes that its competitive advantage lies with its people. The people bring their enhanced expertise, multi-sectoral experience and technological knowledge to support the Company.

The structure of the Company is designed to break away from obsolete hierarchy and the aim of the Company is to promote competitiveness and individual growth. All decisions of the Company are in line with the personal and professional goals of its employees, thereby achieving an ideal work-life balance and enhancing their pride of association. The employee count of the Company stood at 31,483 as on March 31, 2022.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems for financial reporting and the control systems are working effectively. The delegation of authority is clearly spelled out with policies and procedures which are clearly documented. The Company has appointed an independent internal auditor who monitors and reviews transactions independently and reports directly to the audit committee consisting of entirely independent directors, on a quarterly basis.

The internal auditor conducts audits on all key business areas as per a pre-designed audit plan. They review and present reports on the systems and procedures in place, for internal control at various departments. They perform an independent assessment of the functioning of compliance procedures set under various statutes. All significant audit observations and follow-up actions are reported to the audit committee along with the internal audit report and management response. The minutes of the audit committee are reviewed by the Board.

CAUTIONARY STATEMENT

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forwardlooking statements on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate, or will be realised as actual results, since performance or achievements could differ materially from those projected in any such forward- looking statements.

Corporate Information

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

CHIEF FINANCIAL OFFICER
Sathyamurthy A.

COMPANY SECRETARY
Ms. Shrithee M S.

STATUTORY AUDITOR
MSKA & Associates
Chartered Accountants.

INTERNAL AUDITOR
G Balu Associates LLP
Chartered Accountants

BANKERS
HDFC Bank
State Bank of India
Union Bank of India
RBL Bank
IndusInd Bank
Federal Bank

REGISTRAR AND SHARE TRANSFER AGENTS
KFin Technologies Private Limited
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032, Telangana

Board's Report

Dear Members,

Your Directors' have the pleasure of presenting the Nineteenth Annual Report on the business and operations of the Company ("Gokaldas Exports Limited" or "GEX" or "Company"), together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2022 are summarized below.

(₹ In Crores)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	1,789.09	1,209.32	1,790.32	1,210.73
Other Income	10.95	12.08	10.69	12.21
Profit before interest, tax and depreciation	214.98	112.70	216.19	113.70
Profit before tax	**116.73**	**26.30**	**117.03**	**26.62**

COMPANY'S PERFORMANCE

Your company continued to thrive in the financial year 2022, posting a strong financial performance, robust revenue, and profit growth. The growth was driven by a sequentially improving demand environment, a healthy and resilient order book, and superior service delivery to our customers. In the year 2022, the business environment was crammed with ceaseless challenges. The first quarter was enveloped by the impact of the Delta wave, followed by the Omicron wave in the early fourth quarter and logistics disruptions throughout the year tested us hugely. High raw material prices for both Cotton and MMF products, the war in Europe, and inflation in key markets were additional headwinds. As an agile, high-performance, and entrepreneurial organization, your Company thrived on this disruption!

With a singular focus, your company unlocked capacity in the existing facilities, upgraded machinery for productivity, and ensured optimal utilization of capacity, while never losing sight of customer delivery metrics, emerging as an indispensable part of the global value chain. Your company commissioned three new units in Karnataka and Tamil Nadu, which are ramping up well, and initiated work on a new factory in Madhya Pradesh. In October, your company successfully raised equity capital of ₹ 300 Crores through QIP to support our ambition for growth plans. Your company maintained a vigorous growth momentum throughout the year generating substantial operating cash flows. So, the last year was for your company, in many ways, has set the tone for a better future.

On the business front in the face of widespread change, your company has shown remarkable resilience and adaptability, and came out stronger than ever, after the wake of the unprecedented crisis of the pandemic. In FY 2022, your company crossed a milestone of ₹ 1800 Crores in consolidated revenues, experiencing strong growth of 47.9%, adding an all-time high incremental revenue from operations of ₹ 579.7 Crores, in contrast, to India's apparel exports registered a growth of 30% in FY2021-22 compared to FY2020-21. Also, happy to witness that this growth has come with an operating margin that has increased by 2.7% which was 12% compared to 9.3% in the year 2020-21. It has delivered a net profit after tax of ₹ 117.1 Crores witnessing a growth of more than fourfold compared to ₹ 26.5 Crores in FY2020-21. This was certainly a creditable performance considering the continuing COVID-19 and persisting supply chain challenges.

Your Company has invested ₹84 Crores in modernization and capacity augmentation of existing units and new capacity addition. These investments are expected to increase revenue and improve operational productivity. Your company's gross borrowings have been reduced by ₹302 crores during the year, driven by the infusion of equity capital through a QIP in October 2021 and the generation of operating cash flows. Cash and cash equivalents less borrowings totaled ₹119 crores as of March 31, 2022, compared to ₹166 Crores of net debt as of March 31, 2021. On the net working capital front, your company's efficient fund management practice has resulted in the reduction of working capital days from 85 in FY 2021 to 70 in FY2022 and the current ratio has remained above 2x which indicates that the company has a strong liquidity position that is sufficient to meet its current obligations.

Your Company's long-term strategic objective is to create value for its shareholders, employees, and business partners by delivering quality products, and excellence in customer relationships and will continue to remain focused on these initiatives for sustainable profitable growth.

BUSINESS ENVIRONMENT

COVID-19 still continues to make its presence felt across the world with the subsequent rise of new variants resulting in the shutdowns/lockdowns impacting the global economy. The textile and apparel industry is witnessing a few near-term demand headwinds of excess inventory with the retailers consequent to logistical disruption impacting the delivery of goods post the season-ends, and inflationary pressures due to the rapid monetary and fiscal measures employed by central banks to contain the economic shocks, supply-demand imbalances and increases in commodity prices. Further, the war between Russia and Ukraine acted as a top-up to existing near-term challenges, especially for the EU region. The roll back of the central bank's quantitative easing and increase in the interest rates in pursuit to control the rising inflation may shrink the disposal income impacting the consumer's discretionary spending which may create demand challenges in the near term. However, the long-term trends may remain positive for the Indian industry with renewed interest in office wear and occasional wear across the globe, the structural shift from China, and the consolidation of suppliers among brands.

Further, on the domestic front, some of the central government initiatives such as a stable policy regime of RoSTCL till 2024, successful participation of top industry players in PLI-I scheme and follow on rollout of the PLI-II, active participation in MITRA scheme by various state's and proposed replacement of TUFS with a new Scheme of Textiles Technology Development Scheme (TTDS) with ₹16,653 Crores allocation, will certainly augur well in long run. In addition, the Indian government's active pursuit of bilateral trade agreements with potential countries will further boost the industry. The successful conclusion of FTA's with UAE and Australia and last stage discussion with the UK which is expected to be completed in late 2022 and plans to launch the trade discussion with 16 new and enhancing several other nations as diverse as the European Union, the United States, Canada and South Korea will favour the industry even more in long term.

DIVIDEND

No dividend has been recommended by the Directors for the year.

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy duly approved by the Board is available on the website of the Company at www.gokaldasexports.com.

TRANSFER TO RESERVES

No amount is transferred to the Reserves.

LIST OF SUBSIDIARIES

Your Company has six (6) wholly owned subsidiary companies. The names of these companies are as follows:

i. All Colour Garments Private Limited

ii. SNS Clothing Private Limited

iii. Vignesh Apparels Private Limited

iv. Gokaldasexports Acharpura Private Limited

v. Sri Susamyuta Knits Private Limited

vi. Gokaldas Exports FZCO

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the financial statements of the Subsidiary Companies in Form AOC-1 is given as Annexure I to this report. In view of the above the Audited Financial Statements along with the reports of the Board of Directors and the Auditors pertaining to the above subsidiaries have not been attached to this report. The Financial Statements of the said subsidiaries will be kept for inspection at the registered office of your Company. Investors who want to have a copy of the above may write to the Company Secretary to the registered office.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Your Company has incorporated the following wholly owned subsidiary companies during the FY 2021-22 to manage the growth plan of the company.

1. "Gokaldasexports Acharpura Private Limited" on August 28, 2021, bearing Corporate Identification Number U17299KA2021PTC151158, incorporated in India.
2. "Sri Susamyuta Knits Private Limited" on January 14, 2022, bearing Corporate Identification Number U17299KA2022PTC156633, incorporated in India.
3. "Gokaldas Exports FZCO" vide Registration No. RNo- 00071 dated January 10, 2022 and License No. 50147, incorporated in Dubai, UAE.

MATERIAL CHANGES

No Material Changes or commitments have occurred between the end of the Financial Year and the date of this report which affects the financial statements of the Company in respect to the reporting year.

INDIAN ACCOUNTING STANDARDS

Pursuant to the Companies (Indian Accounting Standards) Rules, 2015, your Company has to comply with Indian Accounting Standards (IndAS) from April 01, 2017. Accordingly, the financial statements of the Company for the financial year 2021-22 have been prepared as per IndAS.

CREDIT RATING

The credit rating agency ICRA has upgraded the ratings of the company's borrowing facilities, and has assigned the credit rating as A- (Positive) for long term debt and A3+ (A Three Plus) for short term borrowings as on date of this report.

CRISIL rating agency also has assigned its CRISIL A (Positive) and CRISIL A1 ratings to the company's borrowing facilities for the Long Term and Short-Term borrowings respectively as on date of this report. This is the first rating from the CRISIL on the company's borrowing facilities.

DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public under section 76 of the Companies Act, 2013 and Rules made there under.

EMPLOYEE STOCK OPTION PLAN

I. EMPLOYEE STOCK OPTION PLAN 2010

Your Company has introduced the Employee Stock Option Scheme – 2010 in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999. During the year 21,667 employee stock options were converted into an equivalent number of equity shares. As required under SEBI (Share Based Employee Benefits Regulations, 2014), a disclosure is given as Annexure-II to this report.

II. RESTRICTED STOCK UNIT 2018

At the General Meeting via Postal Ballot held on 26th August, 2018, the shareholders approved the Restricted Stock Unit – 2018 Scheme ('RSU'). Pursuant to the approval, the Board has been authorized to offer, issue and allot stock options to eligible employees of the Company and its subsidiary Companies under RSU 2018. The maximum number of shares under the RSU 2018 shall not exceed 21,33,040 equity shares.

Your company has granted 1,00,000 stock options to an eligible employee during the year FY 2021-22 out of lapsed options, within the maximum number of shares under the RSU as approved by the shareholders. During the year 6,35,500 restricted stock options were converted into an equivalent number of equity shares.

The relevant disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is given as Annexure II to this report.

III. EMPLOYEE STOCK OPTION PLAN 2022

At the General Meeting via Postal Ballot held on 3rd April, 2022, the shareholders approved the 'GEL Employee Stock Option Plan 2022' ("ESOP 2022"/ "Plan"). Pursuant to the approval, the Nomination and the Remuneration Committee and the Board has been authorized to offer, issue and allot stock options to eligible employees of the Company and its subsidiary Companies under ESOP 2022. The maximum number of shares under the ESOP 2022 shall not exceed 30,00,000 equity shares.

Your company has not granted any shares to eligible employees during FY 2021-22. The relevant disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is given as Annexure II to this report.

QUALIFIED INSTITUTIONAL PLACEMENT

As on this date of report, the Company raised funds by issue of 15,424,164 equity shares of ₹ 5/- each fully paid at the issue price of ₹ 194.50/- per equity share (including a premium of ₹ 189.50/- per equity share) aggregating to ₹ 2,99,99,99,898/- to qualified institutional buyers on October 7, 2021 pursuant to Qualified Institutional Placement (QIP) document dated October 7, 2021, as per provision of Section 42 and 62 of Companies Act, 2013 including the rules made thereunder and Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which have been listed in the respective Stock Exchanges on October 8, 2021.

As of the balance sheet date March 31, 2022, the Company has utilized ₹252.20 Crores towards repayment or prepayment of borrowings, financing working capital requirements in line with the objectives of which funds were raised, as per the placement document.

SHARE CAPITAL

Consequent to issue of shares to qualified institutional buyers and conversion of stock options into equity shares, your Company's Paid Up equity share capital has gone up to ₹ 29,48,84,970 as on March 31, 2022 from ₹ 21,44,78,315 as on March 31, 2021.

DIRECTORS & KEY MANAGEMENT PERSONNEL

The members of the Company via Postal Ballot held on December 11, 2021 approved the re-appointment of Mr. Prabhat Kumar Singh (Holding DIN: 08275987) as the Whole time Director of the Company for a period of three years effective from November 12, 2021 to November 11, 2024.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mr. Gautham Madhavan (DIN: 02826558), Non-executive Director retires by rotation at forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 19th Annual General Meeting of the Company.

In terms of Section 203 of the said Act, the following were designated as Key Managerial Personnel of your company by the Board:

- Mr. Sivaramakrishnan Ganapathi – Managing Director
- Mr. Prabhat Kumar Singh – Whole time Director
- Mr. Sathyamurthy A – Chief Financial Officer
- Ms. Shrithee M S – Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

EVALUATION OF THE BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and Regulations 25 of the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committee. Each Board member completed a questionnaire providing feedback on the functioning and overall engagement of the Board and its committees on various parameters such as composition, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting etc. The Directors were also asked to provide their valuable feedback and suggestions about the overall functioning of the Board and its committees.

NUMBER OF MEETINGS OF THE BOARD

During the year, Seven Board Meetings were held on May 14, 2021; July 30, 2021; August 24, 2021; September 17, 2021; October 29, 2021; January 21, 2022 and March 1, 2022. The Particulars of Directors & their attendance during the financial year 2021-22 has been disclosed in the Corporate Governance Report forming part of this Annual Report.

BOARD COMMITTEES

The Company has the following committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee (constituted on April 29, 2022)

The Composition of each of the above Committees, their respective roles and responsibilities are as detailed in the report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Management states that:

I) In the preparation of the annual accounts for the year ended March 31, 2022, the applicable Indian Accounting standards have been followed along with proper explanation relating to material departures, if any;

II) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for that period;

III) They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

IV) They have laid down Internal Financial Controls to be followed by the Company and the Audit Committee of the Board of Directors shall ensure that the Internal Control is adequate and robust;

V) The annual accounts are prepared on a going concern basis;

VI) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SAFETY, HEALTH, ENVIRONMENT

We, as a responsible manufacturer, are committed to take adequate measures related to environment, employee health and safety in developing, manufacturing, storing, handling and distribution of our products. It is our responsibility to provide a workplace free from accidents, injuries and exposure to hazardous substances, conserve natural resources and prevent pollution to protect the environment.

Besides, as a constructive partner in the communities in which it operates, the Company has been taking concrete actions to realize its social responsibility objectives, thereby building value for its various stakeholders. We respect human rights, value our employees, and invest in innovative technologies. In the past the Company has supported innumerable social and community initiatives and continues to do the same.

Some of the key initiatives taken by the company are:

Environment:

1. HIGG FEM 3.0 certification and validation by third party completed in a phased manner for all our units. The Higg Index measures environmental (energy/greenhouse gas emissions; water; wastewater/effluent; air emissions; waste; and chemicals management) and social impacts across the life cycle of an apparel product. This will lead to consistent monitoring and reduction of environmental impact across units. The company has achieved overall 81% score in Environment management system (Higg FEM) over previous year of 70% (Score enhanced by 11%).
2. ZLD project (Zero Liquid Discharge) running successfully, wherein more than 90% of waste water is recycled and reused for the laundry application.
3. Change over to Low liquor ratio (1:5) laundry machines and E-Flow machines to reduce water & chemical consumption.
4. Rain water harvesting tanks have been augmented and used to increase ground water recharge.
5. We use only approved or authorised ZDHC non-hazardous chemicals for laundry and printing processes, which are sourced from suppliers who are registered with ZDHC.
6. Company has invested in upgrading the machineries that will enhance our Productivity, Quality and ultimately save more on energy, water and chemical consumption.
7. Installed Roof Top solar panel at one of our units and achieved CO2 offset of 385 tonnes/annum and plan of extending to other units in coming months.
8. Replaced florescent lights across factories with LED lights for reducing energy consumption, leading to carbon footprint reduction.

Health & Safety:

COVID-19 Management

1. Employee health at workplace continuously monitored and self-declaration on health obtained from employees, as per Government guidelines.
2. Distributed PPE Kits to Government departments & face mask to employees and family members.
3. Social distancing, temperature screening, awareness creation on hygiene and hand sanitizing done for employees at all units.
4. Disinfection of all common areas and wet mopping of factory floor done at regular intervals.
5. Realigned workstation to maintain adequate space between workers.
6. COVID-19 Task Force constituted at every unit to monitor preventive action, report instances, undertake remedial action including attending to medical emergencies.
7. Factories and Offices are disinfected every weekend. There is an established protocol for contact tracing, in the event of a positive case.

8. Provided medical care in the form of Oxygen Concentrators, Ambulance Service & Hospital admission support to employees and their family during the second wave.
9. In our onsite vaccination camps, we have vaccinated 100% of our employees with 1st dose and 2nd dose of vaccination by actively partnering with Govt. of Karnataka and local Public Health Centre.

Other Health & Safety Initiatives

1. Achieved Zero Reportable accidents at all our factories.
2. Conducted periodical training and awareness to employees on Health & Safety, Personal Hygiene.
3. Inducted 5 New ambulances equipped with the latest infrastructure to support any medical emergency at our units.
4. Improved ventilation at all factories to enhance ambient air for promoting healthy working environment.
5. Enhanced ergonomic standards for workstation to reduce Musculo Skeletal Disorders among workmen.
6. Enhanced CCTV coverage area at all factories to strengthen our surveillance system.
7. Upgraded Fire Hydrant with sprinkler system and Centralised Fire Control Panel to enhance fire safety.
8. Undergone LABS (Life and Building Safety) audit program at most of our factories to enhance our Health & Safety programs (Structural, Electrical & Fire Safety).
9. Augmentation of existing STP, Installation and commissioning of new STPs to ensure water is scientifically treated and reused in order to reduce environmental impact.

Employee Engagement:

1. HER (Health Enabled Returns) projects - Health & Finance implemented at some of our factories to enhance employee awareness on personal health and personal finance.
2. PACE (Personal Advancement and Career Enhancement) implemented across 10 units for women employees.
3. WCP (Workplace Co-operation Program) is being implemented at factories to enhance cooperation and communication between employees and management.
4. To empower women, Women Supervisor Development Program started in factories. This program aims to identify, train and handhold potential women workers for taking up supervisory role, thereby promoting gender equity among supervisory staff.
5. Existing supervisors have been trained on latest technical trends and behavioural requirements for the role through an integrated program. This will enhance productivity and improve harmony at workplace.
6. Inducted KISOK machines at all our units wherein employees can view their attendance, salary records etc., and also can apply leave online. This resulted in savings of Paper and time.
7. Skill enhancement programs are undertaken and Individual employee skills are evaluated and enhanced to next level, through continuous on the job training and classroom sessions.
8. A unique gamified program titled "Sankalpa" driven across factories where employees are identified and rewarded for exhibiting right behaviours at workplace. This has resulted in increased overall productivity and improved employee morale.

The organisational social policy and process has been upgraded in alignment with SLCP (Social & Labour Convergence Program) securing 96% in the current as opposed to 88% in the previous year which indicates the social and labour compliance standards are high when it comes to employee wellbeing, social equity, better working condition in the company.

CORPORATE GOVERNANCE

Your Company is committed to maintaining the highest standards of Corporate Governance. Your Directors adhere to the standards set out by the Securities and Exchange Board of India's (SEBI) Corporate Governance practices. Your Company's Corporate Governance Compliance Certificate is in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is given along with the Corporate Governance Report.

BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on the Business Responsibility Report, describing the initiatives taken by the Company from an environmental, social and governance perspective, during the year under review, forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is given separately, forming part of this Annual Report and is in accordance with the requirements laid out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

LISTING

The equity shares of the Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the listing fees to the respective stock exchanges till date. The Company's shares are tradable compulsorily in the dematerialized form and the Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) for trading in electronic form.

AUDITORS

A. Statutory Auditor

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The Audit committee of the Company has proposed on 8th August, 2018, the Board of Directors of the Company has recommended the appointment of MSKA & Associates, Chartered Accountants (ICAI Firm registration number: 105047W) as statutory auditors of the Company. MSKA & Associates, Chartered Accountants (ICAI Firm registration number: 105047W) will hold office for a period of five consecutive years from the conclusion of 15th Annual General Meeting of the Company till the conclusion of 20th Annual General Meeting to be held in the year 2023, subject to the approval of shareholders of the Company.

Pursuant to the amendment to Section 139 of the Companies Act, 2013 effective from May 07, 2018, ratification by shareholders every year for the appointment of Statutory Auditors is no longer required and accordingly, the Notice of ensuing 19th Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

No qualification, adverse remarks or disclaimer made by the Statutory Auditors with regards to the financial statements for the financial year 2021-22.

The statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

B. Secretarial Auditor

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nagendra D Rao, Practicing Company Secretary (CP NO:7731, FCS: 5553) to undertake the secretarial audit of the Company. Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

The Secretarial Audit Report is given as Annexure III to this Report. The Report does not contain any qualification, reservation or adverse remark.

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

In pursuance of the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings in such manner as prescribed under Rule 8 (3) of the Companies (Accounts) Rules, 2014, the particulars of the same are provided in the Annexure IV to this Report.

RELATED PARTY TRANSACTIONS

All related party transactions, that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. The Company presents a statement of all related party transactions before the Audit Committee. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee. Further there are no materially significant related party transactions during the year under review made by the Company with promoters, Directors, Key Managerial Personnel or designated persons which may have a potential conflict of interest with the Company at a large. Details of transactions with Related Parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure V in Form AOC - 2 and forms part of this Report.

The Company has adopted a Policy for dealing with Related Party Transactions. The Policy as approved by the Board is available at the Company's website www.gokaldasexports.com.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENT

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

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

Your Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at work place in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual temporary, trainees) are covered under this policy.

An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination at work place.

During the year, no complaint of sexual harassment was received.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at www.gokaldasexports.com.

INTERNAL CONTROL SYSTEMS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. Internal Audit is carried out in a programmed way and follow up actions were taken for all audit observations.

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee is responsible for formulating criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other senior employees.

In line with this, Board has adopted Remuneration Policy for Directors, Key Managerial Personnel and other senior employees of the Company. The copy of the policy is available on the company's website www.gokaldasexports.com

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

Your Company has adopted a Risk Management Policy for addressing the requirements of risk identification, risk assessment, risk mitigation plans etc., of the company.

In terms of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have formulated a policy on Risk Management which can be accessed on the Company's Website: www.gokaldasexports.com.

PARTICULARS OF EMPLOYEES

Information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure VI to this report.

The information required pursuant to Section 136(1) of the Companies Act, 2013, the Report of the Board of Directors is being sent to all the shareholders of the Company excluding statement prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Statement is available for inspection by the shareholders at the registered office of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a Corporate Social Responsibility Committee.

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the Company's website at: www.gokaldasexports.com.

During the year under review, the Company has incorporated separately a charitable organization naming "Gokaldas Exports Charitable Foundation" in January 2022 for date of incorporation/ formation to carry out all CSR activities under this umbrella. The company has spent ₹11 lakhs towards the CSR activities and transferred ₹ 36 Lakhs to "Gokaldas Exports Charitable Foundation" (both put-together 2% of the average qualifying net profits of last three financial years) to carry out the CSR activities as per Section 135 of the Act, duly approved by the CSR Committee.

The annual report on Corporate Social Responsibility (CSR) activities for the FY 2021-22 as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided as Annexure VII attached to this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has a Vigil mechanism and has established a Whistle Blower Policy, as per the requirement of the Companies Act, 2013 and the Listing Obligations and Disclosure Requirements Regulations, 2015, to enable all employees and the Directors to report in good faith any violation of the policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. Your Company has disclosed the details of the Whistle Blower Policy on its website www.gokaldasexports.com

PREVENTION OF INSIDER TRADING

Your Company has adopted a code of conduct for prevention of "insider Trading" as mandated by the SEBI and same is available on the Company's Website: www.gokaldasexports.com.

CODE OF CONDUCT

Your Company has laid down a Code of Conduct Policy which can be accessed on the Company's Website: www.gokaldasexports.com

OTHER DISCLOSURES

a) Your Company has complied with the applicable Secretarial Standards relating to 'Meeting of the Board of Directors' and 'General Meetings' during the year.

b) There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

c) There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners and associates, financial institutions and the Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company for their hard work and commitment.

On behalf of the Board of Directors
For **Gokaldas Exports Limited**

Sd/
Richard B. Saldanha
Chairman

Place: Bengaluru
Date: August 26, 2022

Annexure I to the Board's Report

FORM AOC - I

Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

Statement containing salient features of the Financial Statement of Subsidiaries / Associates Companies / Joint Ventures

Part A- Subsidiaries

(₹ In lakhs)

Sl. No	Name of the Company	All Colour Garments Pvt. Ltd.	SNS Clothing Pvt. Ltd.	Vignesh Apparels Pvt. Ltd.	Gokaldas exports Acharpura Pvt. Ltd.	Sri Susamyuta Knits Pvt. Ltd.	Gokaldas Exports FZCO
1.	Date since when subsidiary was acquired / formed	June 1, 2004	August 9, 2004	April 15, 2004	August 28, 2021	January 14, 2022	January 10, 2022
2.	Reporting period for the subsidiary concerned, if different from holding Company's reporting period	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	AED
4.	Share Capital	2.00	2.00	2.00	1.00	1.00	–
5.	Reserves & Surplus	367.57	1402.18	94.55	(3.88)	(0.50)	–
6.	Total Assets	370.62	1618.73	97.40	1982.93	1158.82	–
7.	Total Liabilities	1.05	214.56	0.85	1985.80	1158.32	–
8.	Investments	0	0.02	0	0	0	–
9.	Turnover	0	382.30	0	0	0	–
10.	Profit before taxation	(0.39)	66.46	(0.35)	(3.88)	(0.50)	–
11.	Provision for taxation	0	(5.00)	0	0	0	–
12.	Profit after taxation	(0.39)	71.46	(0.35)	(3.88)	(0.50)	–
13.	Proposed Dividend	-	-	-	-	-	–
14.	% of Shareholding	100%	100%	100%	100%	100%	100%

Note:

1. Names of Subsidiaries which are yet to commence operations – Gokaldasexports Acharpura Pvt. Ltd, Sri Susamyuta Knits Pvt. Ltd, Gokaldas Exports FZCO.
2. Names of subsidiaries which have been liquidated or sold during the year - Not applicable.
3. Part B of the Annexure is not applicable as there are no Associate Companies / Joint ventures of the Company as on March 31, 2022.

On behalf of the Board of Directors
For **Gokaldas Exports Limited**

Sd/
Richard B. Saldanha
Chairman

Place: Bengaluru
Date: August 26, 2022

Annexure II to the Board's Report

DETAILS OF STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Sl. No	Description	ESOP Scheme 2010	RSU 2018 Plan	ESOP 2022
I (i)	Description of each ESOS during the year including-			
	a) Date of shareholders' approval	September 17, 2010	August 26, 2018	April 3, 2022
	b) Total No. of Options available under Scheme	17,18,800	21,33,040	30,00,000
	c) Exercise price or pricing formula	The exercise price for the purposes of the grant of options as decided by the ESOP Compensation Committee is ₹ 32.25, 60.95, 80.20, 72.55 and 85.96, the price being not less than the Par value of the equity share of the Company and not more than the market price as on May 20, 2013, February 1, 2014, August 13, 2014, May 30, 2016 and October 3, 2017 respectively being relevant date subject to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999.	The exercise price for the purposes of the grant of options under the RSU Scheme is the face value of the equity share of ₹ 5 per share.	The exercise price for the purposes of the grant of options as decided by the Nomination and Remuneration Committee and the Board of Directors is ₹ 302.20/-, the price being not less than the Par value of the equity share of the Company and not more than the market price as on April 13, 2022, being relevant date subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
	d) Source of shares (primary, secondary or combination)	Not Applicable	Not Applicable	Not Applicable
	e) Variation in terms of options	Nil	Nil	Nil
(i)	Method used to account for ESOS	Fair valuation by using Black Scholes Merton Model	Fair valuation by using Black Scholes Merton Model	Fair valuation by using Black Scholes Merton Model
(ii)	a. Difference between the employee compensation cost so computed and the employee Compensation Cost that shall have been recognized if it had used the fair value of options b. The impact of the difference on profits and on EPS of the Company	Not Applicable	Not Applicable	Not Applicable
(iii)	**Option movement during the year (For each ESOS):**			
	Number of options outstanding at the beginning of the period	5,41,667	18,05,000	Nil
	No. of Options Granted during the year FY 2021-22	Nil	1,00,000	Nil *30,00,000 options were granted during the FY 2022-23

Sl. No	Description	ESOP Scheme 2010	RSU 2018 Plan	ESOP 2022
	Number of options forfeited / lapsed during the year FY 2021-22	35,000	Nil	Nil
	Number of Options vested during the year FY 2021-22	Nil	2,50,000	Nil
	Number of Options Exercised during the year FY 2021-22	21,667	6,35,500	Nil
	Number of shares arising as a result of exercise of option	21,667	6,35,500	Nil
	Money Realized by exercise of options (₹), if scheme is implemented directly by the company	11,29,261	31,77,500	Nil
	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable	Not Applicable
	Number of options outstanding at the end of the year i.e. March 31, 2022	4,85,000	12,69,500	Not Applicable
	Number of options exercisable at the end of the year i.e. March 31, 2022	4,85,000	11,69,500	Not Applicable
(iv)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	The weighted average share price at the date of exercise of the options during the period is ₹ 231.99	The weighted average share price at the date of exercise of the options during the period is ₹ 193.52	Not Applicable
(v)	Employee-wise details of options granted to	Details as under :	Details as under:	Not applicable
	a) Senior Managerial Personnel	Yes 1. Mr. Sivaramakrishnan Ganapathi, Managing Director 2. Mr. Sathyamurthy A Chief Financial Officer 3. Mr. Poorana Seenivasan Executive President	Yes 1. Mr. Sivaramakrishnan Ganapathi, Managing Director 2. Mr. Sathyamurthy A Chief Financial Officer 3. Mr. Poorana Seenivasan Executive President – 1,00,000 RSU options were granted during the year at an exercise price of ₹ 5/- per share	Not applicable for FY 2021-22
	b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	Nil	Nil	Not applicable for FY 2021-22
	c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Mr. Sivaramakrishnan Ganapathi – Managing Director	Not applicable for FY 2021-22

Sl. No	Description	ESOP Scheme 2010	RSU 2018 Plan	ESOP 2022
(vii)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following information:	Fair Value Method of accounting	Fair Value Method of accounting	Not Applicable for FY 2021-22
	a) The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Not Applicable	Not Applicable	
	b) The method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable	Not Applicable	
	c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Not Applicable	Not Applicable	
	d) Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Not Applicable	Not Applicable	
II	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.	Reference to notes to accounts No.41 of the Standalone Financial Statements	Reference to notes to accounts No.41 of the Standalone Financial Statements	
III	Diluted Earnings Per share (DPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (IndAS) 33 "Earnings Per Share"	Reference to notes to accounts No.33 of the Standalone Financial Statements	Reference to notes to accounts No.33 of the Standalone Financial Statements	

Annexure III to the Board's Report

To,
The Members,
Gokaldas Exports Limited,
No. 25, Second Cross, Third Main,
Industrial Suburb, Yeshwantpur
Bengaluru – 560 022.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

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

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

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

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553D000232703

543/A, 7th Main,
3rd Cross, S.L.Bhyrappa Road,
Hanumanthnagar,
Bengaluru-560 019

Place: New Delhi
Date: April 29, 2022

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended 31st march, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Gokaldas Exports Limited,
No. 25, Second Cross, Third Main,
Industrial Suburb, Yeshwantpur
Bengaluru – 560 022

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Gokaldas Exports Limited (hereinafter called the company). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Gokaldas Exports Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Gokaldas Exports Limited ("the Company") for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable];

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 applicable till August 12, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 applicable from August 13, 2021);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 applicable till August 08, 2021 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 applicable from August 09, 2021 [Not Applicable as the Company has not issued any debt securities during the financial year under review];

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 applicable till June 09, 2021 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021 applicable from June 10, 2021 [Not Applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the financial year under review]; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not Applicable as the Company has not bought back / propose to buyback any of its securities during the financial year under review];

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) We have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations to the Company.

The Laws as are applicable specifically to the Company are as under:

a) Factories Act, 1948;

b) Industries (Development and Regulation) Act, 1951;

c) Competition Act, 2002;

d) Consumer Protection Act, 1986;

e) Foreign Trade (Development & Regulation) Act, 1992

f) The Customs Act, 1962 and

g) Environmental Protection Act, 1986.

h) The Goods and Service Tax Act, 2017

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I further report that

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Managing Director and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management of the Company has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the following specific events have taken place:

1. The Company Increased its Authorised Share Capital and amended the Capital Clause in the Memorandum of Association of the Company.

2. The Company raised funds by way of issue of 15,424,164 equity shares (Qualified Institutional Placement) of face value of ₹ 5/- each at a premium of ₹ 189.50 per share aggregating to ₹ 2,99,99,99,898/-.

3. The Company has reappointed Mr. Prabhat Kumar Singh (Holding DIN: 08275987) as Whole time Director of the Company.

4. The company has incorporated the following subsidiary companies -

   a. In Dubai Commercity, Dubai, UAE, in the name and style “Gokaldas Exports FZCO” vide Registration No. R.No - 00071 dated January 10, 2022 and License No. 50147.

   b. In India, in the name and style “Gokaldasexports Acharpura Private Limited” on August 28, 2021, bearing Corporate Identification Number U17299KA2021PTC151158.

   c. In India, in the name and style “Sri Susamyuta Knits Private Limited” on January 14, 2022, bearing Corporate Identification Number U17299KA2022PTC156633.

I further report that during the audit period, except as stated above there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. Having a major bearing on the Company’s affairs.

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553D000232703

543/A, 7th Main,
3rd Cross, S.L.Bhyrappa Road,
Hanumanthnagar,
Bengaluru-560 019

Place: New Delhi
Date: April 29, 2022

Annexure IV to the Board's Report

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, and forming part of the Directors' Report for the financial year ended on March 31, 2022.

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

In pursuance of the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings in such manner as prescribed under Rule 8 (3) of the Companies (Accounts) Rules, 2014, the particulars of the same are given below.

A. Conservation of Energy

The operations of the Company are not energy intensive. However, the Company takes continuous initiatives to curtail consumption of energy on an ongoing basis.

(i) the steps taken or impact on conservation of energy;

- All florescent fixtures replaced with LED lightings equipped with individual control.
- Half of our reciprocating compressors are replaced with screw air type compressors which are high efficient, consuming less energy and need low maintenance.
- Upgraded nearly 1,500 sewing machines from a servo control to direct drive machines helping in reduction of frictional loss leading to energy saving and low maintenance cost.
- All boiler feed water pumps have been upgraded to high efficient vertical multistage pump from 5HP to 3HP capacity hence saving 2HP capacity in each boiler.
- Pneumatic lines are equipped with distribution headers with individual line to respective departments for effective distribution of compressed air.
- Replaced with 4 sets of new CNC cutters from Greber with variable frequency drive (VFD) drives as compared old conventional vacuum

(ii) the steps taken by the company for utilising alternate sources of energy;

- Installed rooftop solar plant of 400Kw capacity at the Mysore unit which helps the company in saving nearly 25% of energy cost of that unit. The company also is evaluating the same to the be installed across other manufacturing units.

(iii) the capital investment on energy conservation equipments;

The company incurred around ₹5.42 crore during the FY 2021-22.

B. Technology Absorption, Adaptations and innovation

(i) the efforts made towards technology absorption;

- Installed auto cutter with high speed variable frequency drive (VFD) vacuum and improvised knife intelligence system for the cutting section.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

- The company partnered with credible local vendors to develop some of parts indigenously required for the machineries.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year); Not applicable

- the details of technology imported; Not applicable
- the year of import; Not applicable
- whether the technology been fully absorbed; Not applicable
- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable
- the expenditure incurred on Research and Development: Not applicable

C. Foreign exchange earnings and outgo

Foreign Exchange earned : ₹ 160,218.39 Lakhs

Foreign Exchange out go : ₹ 29,836.31 Lakhs

On behalf of the Board of Directors
For **Gokaldas Exports Limited**

Sd/
Richard B. Saldanha
Chairman

Place: Bengaluru
Date: August 26, 2022

Annexure V to the Board's Report

FORM NO. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
   Gokaldas Exports Limited has not entered into any contract / arrangement /transaction with its related parties which are not in ordinary course of business or at arm's length during the financial year 2021-22. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

   (a) Name(s) of the related party and nature of relationship: Not Applicable

   (b) Nature of contracts / arrangements / transactions: Not Applicable

   (c) Duration of the contracts / arrangements / transactions: Not Applicable

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

   (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable

   (f) Date(s) of approval by the Board: Not Applicable

   (g) Amount paid as advances, if any: Not Applicable

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

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

   (a) Name(s) of the related party and nature of relationship: Not Applicable

   (b) Nature of contracts / arrangements / transactions: Not Applicable

   (c) Duration of the contracts / arrangements / transactions: Not Applicable

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

   (e) Date(s) of approval by the Board, if any: Not Applicable

   (f) Amount paid as advances, if any: Not Applicable

*For more details, refer note no. 39 in page no. 137 of Annual Report

On behalf of the Board of Directors
For **Gokaldas Exports Limited**

Sd/
Richard B. Saldanha
Chairman

Place: Bengaluru
Date: August 26, 2022

Annexure VI to the Board's Report

PARTICULARS OF EMPLOYEES

Information relating to remuneration of Directors / Key Managerial Personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1) Ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year

Sl. No	Name	Designation	Ratio/ times per Median of employee remuneration
1.	Mr. Sivaramakrishnan Ganapathi *	Managing Director	91.29
2.	Mr. Prabhat Kumar Singh	Whole time Director	27.21

* includes fixed pay, ESOP/bonus, and perquisite value excluded

2) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, in the Financial Year:

   Mr. Sivaramakrishnan Ganapathi – Managing Director: 58.4%

   Mr. Prabhat Kumar Singh – Whole Time Director: Nil

   Mr. Sathyamurthy. A, Chief Financial officer: 6.6%

   Ms. Shrithee M S, Company Secretary: 33%

3) The percentage increase in the median remuneration of employees in the Financial Year: 6.5%

4) The number of permanent employees on the rolls of Company as of March 31, 2022: 31,483

5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   Increase in non-managerial salaries were in line with industry practice and market conditions.

6) Affirmation that the remuneration is as per the remuneration policy of the Company - The Company affirms that the remuneration is as per the remuneration policy of the Company.

Annexure VII to the Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2021-22

1. **Brief outline on CSR Policy of the Company:** The Company's CSR policy including overview of the projects or programs proposed to be undertaken is available at the Company's website www.gokaldasexports.com.

2. **Composition of CSR Committee:** The members of CSR Committee as on March 31, 2022 are as under:

Sl. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Richard B Saldanha	Chairman of the Committee (Non- Executive & Independent Director & Chairman)	1	1
2.	Ms. Anuradha Sharma	Member (Non -Executive & Independent Director)	1	1
3.	Mr. Sivaramakrishnan Ganapathi	Member (Executive Director –Managing Director)	1	1
4.	Mr. Mathew Cyriac	Member (Non –Executive Director)	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** Details on composition of CSR committee, CSR Policy and CSR projects approved by the Board of Directors are available at www.gokaldasexports.com.

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

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any**

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
		Not Applicable	

6. **Average net profit of the company as per section 135(5):** ₹ 2328.69 Lakhs

7. a) **Two percent of average net profit of the company as per section 135(5):** ₹ 46.57 Lakhs
   b) **Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years:** Nil
   c) **Amount required to be set off for the Financial Year, if any:** Nil
   d) **Total CSR obligation for the Financial Year (7a+7b- 7c):** ₹ 46.57 Lakhs

8. a) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 47.00 Lakhs	Nil	Nil	Nil	Nil	Nil

b) Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration No.
Nil												

c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration No.
1.	Providing education, scholarship and mentoring	II (Promoting Education)	No	Chennai (Tamil Nadu)		5.00 lakhs	No	The Alumni Association of CEG 1990	CSR00008426
2	Providing safe drinking water facility	I (Promoting Health Care)	Yes	Bangalore (Karnataka)		6.00 lakhs	No	Planet Water India Foundation	CSR00002600
3	Providing education, health, safety and improving infrastructure	II & I (Promoting education and healthcare in local area)	Yes	State of Karnataka, Andhra Pradesh and Tamil Nadu		36.00 lakhs	Yes	Gokaldas Exports Charitable Foundation	CSR00024206
TOTAL						**47.00 lakhs**			

d) Amount spent in Administrative Overheads: Nil

e) Amount spent on Impact Assessment, if applicable: Nil

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 47.00 Lakhs

g) Excess amount for set off, if any: Nil

Sl. No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	₹ 46.57 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 47.00 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.43 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.43 Lakhs

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

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
Nil								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** Not Applicable

    a) **Date of creation or acquisition of the capital asset(s):** Not Applicable

    b) **Amount of CSR spent for creation or acquisition of capital asset:** Nil

    c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable

    d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Not Applicable

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

Place: Bengaluru
Date: August 26, 2022

Sd/-
Richard B. Saldanha
Chairman of the CSR Committee

Sd/-
Sivaramakrishnan Ganapathi
Managing Director

Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of SEBI LODR, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L18101KA2004PLC033475
2.	Name of the Company	Gokaldas Exports Limited
3.	Registered address	No.25, Second Cross, Third Main, Industrial Suburb, Yeshwanthpur, Bangalore – 560 022
4.	Website	www.gokaldasexports.com
5.	E-mail id	info@gokaldasexports.com
6.	Financial Year reported	April 2021 to March 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Apparel and Clothing (NC Code - 14101)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Garments related to Casual Wear, Outer Wear, Bottom Wear (i.e.Shorts, Trousers, Jackets for Men, Women and Kids)
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	International location: Nil
	(b) Number of National Locations	National locations: 7 (Seven)
10.	Markets served by the Company	National and International Markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	2,948.85 Lakhs
2.	Total Turnover (₹)	1,79,031.57 Lakhs
3.	Total profit after taxes (₹)	11,708.13 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.40%
5.	List of activities in which expenditure in 4 above has been incurred	The following activities were carried out on the CSR • Aqua Tower Project-Providing safe drinking water facility in a Govt. School, Mysore • The Alumni Association of CEG 1990 -providing education, scholarship and mentoring • Contributed to Gokaldas Exports Charitable Foundation

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?	No. Business Responsibility initiatives of the Company are limited to its own operations.
	If yes, then indicate the number of such subsidiary company(s)	Not applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	No. Business Responsibility initiatives of the Company are limited to its own operations.
	If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Not applicable

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

Sl. No.	Name and DIN Number	Category / Designation
1.	Richard B Saldanha, DIN: 00189029	Non- Executive & Independent Director & Chairman
2.	Anuradha Sharma, DIN: 01965605	Non -Executive & Independent Director
3.	Mathew Cyriac, DIN: 01903606	Non-Executive Director
4.	Gautham Madhavan: DIN: 02826558	Non-Executive Director
5.	Sivaramakrishnan Vilayur Ganapathi. DIN: 07954560	Executive Director- Managing Director
6.	Prabhat Kumar Singh, DIN: 08275987	Executive Director-Whole-time Director

b. Details of the BR Head

Sl. No.	Particulars	Details
1.	DIN Number	08275987
2.	Name	Prabhat Kumar Singh
3.	Designation	Executive Director
4.	Telephone number	080-68951000
5.	e-mail id	Prabhat.singh@gokaldasexports.com

2. Principle-wise (as per NVGs) Business Responsibility Policy/Policies

List of Principles

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3

Business should promote the wellbeing of all employees.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5

Businesses should respect and promote human rights.

Principle 6

Businesses should respect, promote and make efforts to restore the environment.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8

Business should support inclusive growth and equitable developments.

Principle 9

Business should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of Compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-----								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Yes								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes (Official of the Company oversee implementation of the Policy)								
6	Indicate the link for the policy to be viewed online?	The company policies are available on its website. www.gokaldasexports.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal stakeholders and it is an ongoing process								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	Not applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

a. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

With effect from December 26, 2019, as per Regulation 34 (2) (f) of SEBI (LODR) Regulations 2015, Business Responsibility Report has been made mandatory for the top 1,000 listed entities based on market capitalization. Hence the Business Responsibility Performance is prepared and reviewed annually by the management along with the Managing Director of the Company.

b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Business Responsibility Report forms part of the Annual Report and also available on the Website of the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Corporate Principles & Code of Conduct cover the Company and are applicable to all employees of the Company. Further the code of conduct policy is also issued to every new employee joining the Company. The Company has Code of Conduct policies for Directors as well as for employees of the Company that completely cover all issues relating to ethics, bribery and corruption.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received no complaints from the shareholders of the Company through RTA during the year under review. As and when the complaints are received the same are disclosed on a quarterly basis through Statement of Investment Grievance to the Stock exchanges and website of the Company.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The company is engaged into apparel manufacturing and exports across various categories like Outer wear, Casual Wear, Sports Wear for Men, Women and Kids. The company has over 31,000 employees of which ~72% are women employees who are from the lower strata of the society with majority of them being a sole income earner to support their families. The company takes utmost care of these employees and conducts many social workplace initiatives mainly to enhance morale, become self-reliant in life and financial well-being especially for the women. The company is conscious about environmental concerns in its manufacturing process and ensures energy conservation, minimal wastage, recycle of effluents and use of renewable energy sources.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of produc t (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? – The company participates in HIGG index program. The index measures environmental (energy/greenhouse gas emissions; water; wastewater/effluent; air emissions; waste; and chemicals management) and social impacts across the life cycle of an apparel product. During the year, the company achieved overall score of 81% score in Environment management system (Higg FEM) over previous year of 70% (Score enhanced by 11%).

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? Not applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The company is into garment exports where the use of the fabric and trims are specified by the brands. However, the company uses the recycled material as and when required although use of recycled materials is still at the nascent stage across the textile and apparel industry. The company promotes local sourcing of raw materials which involves less use of transportation, resulting in lower carbon emission and ensuring a lower generation of packaging waste. The Company uses eco-friendly in the product design to pitch orders from its customers and also periodically replace non-sustainable products.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   - Yes

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The criteria for selection of goods and services are quality, reliability and price, Company gives preference to small vendors, provided the product quality meets environmental standards and the specification given by the customer. For consumable, spare parts and operational services, the Company prefers to connect with local vendors to supply input materials and other requirements.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   - The company has installed Zero Liquid discharge facility to recycle waste water generated from laundry unit which helps in re-use of the recycled water. This facility can recycle up to 90% of waste water.
   - The fabric waste generated during manufacturing process, also paper and packing waste generated across the factories are collected and disposed to an authorized vendor for recycling.
   - In addition, the Electronic waste (computers, laptops, gadgets etc) and machine oil generated during the maintenance of equipment are collected and disposed to authorized vendor for recycling.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees. – 31,483
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - Nil
3. Please indicate the Number of permanent women employees. - 23,436
4. Please indicate the Number of permanent employees with disabilities - 72
5. Do you have an employee association that is recognized by management – The company has union but present in certain units. Management engages with union and duty elects works committee to resolve work place concerns
6. What percentage of your permanent employees is members of this recognized employee association? – Not applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

No.	Category	Safety Training	%	Skill Upgradation In Training	%	Total employees
A	Permanent Employees	31,483	100%	1,161	3.69%	31,483
B	Permanent Women Employees	23,436	100%	1,133	4.83%	23,436
C	Casual / Temporary / Contractual employees	Nil	Nil	Nil	Nil	Nil
D	Employees with Disabilities	72	100%	Nil	Nil	72

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

   - Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   - No vulnerable and marginalized stakeholders

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   During the year, the company conducted vaccination awareness events and set-up vaccination camps across the Units for the welfare and safety of the employees and their families. All the existing employees are fully vaccinated with both the doses. The company has started booster dose program for the employees. The company has taken utmost care for the wellbeing of its employees providing covid-care facilities in all its manufacturing units such as onsite vaccination service, oxygen concentrator and ambulance service, hospitalisation support. The company also created awareness on COVID appropriate behavior and also extended financial support to covid affected employees.

Principle 5 Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Company expects all its trading partners to respect Human Rights governed by National and International Laws. The policy unequivocally prohibit Forced Labour, Child Labour and any kind of discrimination at the workplace. While promoting legally acceptable workings hours, freedom of association & collective bargaining, there are also policy measures to address Sexual Harassment, Grievance Redressal, Safety, Security Health and Environmental aspects of organizational life. The policy implementation is supported by robust processes and reporting framework. The commitment to human rights is also embedded in the "Code of Conduct", adopted by the Company. All employees, are trained and sensitized to human rights as part of their orientation program.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No complaints of this nature were received in this financial year.

Principle 6 Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   Policies relating to environmental protection apply only to all levels of management of the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   To minimize the environmental issues such as climate change, global warming following are the initiatives undertaken:

   1. Initiated steps towards implementation of circularity along with customers and vendors by recycling of the waste fabric and other ancillary items like paper and packing materials and bring back into the manufacturing process closing the loop.

2. The company has put significant efforts to minimize the chemical pollution using approved chemicals and ZDHC (Zero Discharge of Hazardous Chemicals) chemicals at its laundry and printing units.
3. The company had installed rooftop solar panels at one of the unit in the last year and is evaluating to install another roof top solar panels at one of its upcoming manufacturing unit.
4. Use of LED tube lights and installation of VFDs in machines in continuous operations to reduce energy consumptions
5. To minimize environmental impact of its products, and optimize efficiency, the Company is continuously upgrading technology, machinery and input materials.
6. We have also invested in rain water harvesting, to support our sustainability initiatives.

3. Does the company identify and assess potential environmental risks? Y/N

The Company periodically undertakes impact assessment at organizational and Site level to minimize potential environmental risks.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company is in process of taking efforts to mitigate the impact of environmental risks and no Environmental Compliance Report is required to be filed.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

- All florescent fixtures replaced with LED lightings equipped with individual control.
- Installed auto cutter with high speed variable frequency drive (VFD) vacuum and improvised knife intelligence system for our cutting section.
- The company replaced half its reciprocating compressors with screw air type compressors which are high efficient, consuming less energy and need low maintenance.
- Upgraded nearly 1,500 sewing machines from a servo control to direct drive machines helping in reduction of frictional loss leading to energy saving and low maintenance cost.
- All boiler feed water pumps have been upgraded to high efficient vertical multistage pump from 5HP to 3HP capacity hence saving 2HP capacity in each boiler.
- Installed rooftop solar plant of 400Kw capacity at of our unit which helps us save nearly 25% of energy cost to that unit. We are also evaluating the same to the be installed across our other units.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All emissions/waste generated are within limits given by the CPCB/SPCB for the financial year being reported. Periodical inspection and servicing of equipment are carried out to improve efficiency and performance.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/legal notice pending to be resolved from CPCB/SPCB during the financial year under review.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Yes. The Company is a member of the following Trade Associations. Name of the Trade Association – Apparel Export Promotion Council (AEPC), The Clothing Manufacturers Association of India (CMAI) and Bangalore Chamber of Commerce (BCC), Confederation of Indian Industry (CIA), and Garment Exporters & Manufacturers Association (GEMA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The company uses industry forums to represent to the Government on matters of state policy impacting the industry in general. Our members actively work with industry bodies in providing inputs on industrial policy, export promotion etc. The company also has supported the Government and various District Administration in relief work, through such industry forums.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the company focuses on development in areas on Rural Infrastructure, Healthcare, Education and Ecology through a Charitable foundation that commits to provide relief to under privileged sections of the society. In this direction, Gokaldas Exports Ltd has initiated forming a charitable foundation in the name of Gokaldas Exports Charitable Foundation. The Charitable foundation is a drive towards achieving sustainable development in alignment with the ESG principles.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Yes, the projects are undertaken both directly and in association with credible agencies known for their work in specific areas.

3. Have you done any impact assessment of your initiative?

   Yes, committee members review the progress, assess the impact and suggest necessary recommendations.

4. What is your company's direct contribution to community development projects-Amount in ₹ and the details of the projects undertaken

   – In order to provide access to safe drinking water and sanitation, company has set up an Aqua Tower at a government higher primary school in Belavadi, Mysore for an estimated cost ₹ 6 lakhs. This project was in association with Columbia Sportswear Company and Planet Water Foundation, with filtering capacity of more than 1,000 liters/hour benefitting 350+ students and more that 15 staff members.

     To assist development in the area of education company has contributed ₹5 Lakhs to The Alumni Association of CEG 1990 based out of Chennai, Tamil Nadu.

     The company also has transferred ₹36 Lakhs to Gokaldas Exports Charitable Foundation towards the CSR and ESG activities. The charitable foundation arm of the company utilizes the funds towards providing education to under-privileged section of the society, health, safety of the people living in the surrounding area.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   - The committee members take periodic updates from the completed projects to assess the impact and provide the required suggestions to improve the scope of impact.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   - Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

   Not Applicable – As garments manufactured by the Company are specific to each customer, there is no scope of displaying product label over and above the local law.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   - Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The company carries out customer satisfaction survey once every year

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The core principles that underpin the corporate governance of Gokaldas Exports Limited are enterprise, transparency and accountability. The responsibilities of the Board include setting the company's strategic objectives, providing the leadership and making them operational, and supervise the management of the company and reporting to shareholders on their stewardship.

Good Corporate Governance leads to long-term shareholder value creation. It brings into focus the fiduciary and trustee role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

The Securities and Exchange Board of India (SEBI) amended the Listing Regulations to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosures and protection of investor rights, including equitable treatment for minority and foreign shareholders. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to adopt best practices on corporate governance.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 17 and 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and presents the following Corporate Governance Report for the year 2021-22, based on the said disclosure requirements.

BOARD OF DIRECTORS

The Board is headed by an Independent and Non-Executive Chairman, Mr. Richard B. Saldanha, and is composed of eminent persons with considerable professional experience in diverse fields viz, manufacturing, marketing, finance, banking, legal, management and commercial administration and comprises of a majority of Non-Executive & Independent Directors. The Gokaldas Exports Board is a balanced Board, comprising of Executive and Non-Executive Directors. As on this date of report, the Board consists of 6 members, 4 of whom are Non-executive, out of which 2 are Independent Directors.

The composition of the Board and category of Directors as on this date of Report:

Sl. No.	Name of Directors	Category / Designation
1.	Mr. Richard B. Saldanha	Non – Executive & Independent Director & Chairman
2.	Ms. Anuradha Sharma	Non – Executive & Independent Director
3.	Mr. Mathew Cyriac	Non – Executive Director
4.	Mr. Gautham Madhavan	Non – Executive Director
5.	Mr. Sivaramakrishnan Ganapathi	Executive Director – Managing Director
6.	Mr. Prabhat Kumar Singh	Executive Director – Whole-time Director

None of the Directors of the Company are related to each other and there are no inter-se relationships between the Directors. The Company has not issued any convertible instruments.

Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act and the Rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

Meetings

The meetings of the Board of Directors are normally held at the Company's Registered Office in Bengaluru. During the year under review, 7 (seven) meetings were held.

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director and circulates the same well in advance to the Directors. Every Director is free to suggest inclusion of items on the agenda. The Board is provided with the relevant information as stipulated in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Meetings are governed by a structured agenda.

The details of the Board meetings for the financial year 2021-2022 are as under:

Sl. No.	Date of the Board Meeting	Board Strength	No of Directors Present
1.	May 14, 2021	6	6
2.	July 30, 2021	6	6
3.	August 24, 2021	6	6
4.	September 17, 2021	6	5
5.	October 29, 2021	6	5
6.	January 21, 2022	6	6
7.	March 1, 2022	6	6

The last Annual General Meeting (AGM) was held on Friday, September 17, 2021 at 2.30 PM

Particulars of the directorship of the Board, membership and office of the Chairman of Board Committees across all Companies as on March 31, 2022 and attendance at the Board Meetings of the Company are given below:

Directors Details:

Sl. No	Name	Category	Attendance Particulars			No. of Directorships and Committee Memberships/ Chairmanships			Other listed entities where directors of the Company held directorships	
			No. of Board Meetings		Whether present at last AGM	Directorships*	Committee Memberships**	Committee Chairmanships	Name of Listed Entity	Category
			Held	Attended						
1.	Mr. Richard B. Saldanha	Chairman & Non- Executive Independent Director	7	7	Yes	9	8	2	Entertainment Network (India) Limited	Independent Director
2.	Ms. Anuradha Sharma	Non-Executive and Independent Director	7	7	Yes	3	1	0	-	-
3.	Mr. Mathew Cyriac	Non-Executive Director	7	6	Yes	13	7	3	1. MTAR Technologies Limited 2. Jyoti Structures Limited 3. Data Patterns (India) Limited	Nominee Director Additional Director Nominee Director
4.	Mr. Gautham Madhavan	Non-Executive Director	7	7	Yes	11	0	0	-	-
5.	Mr. Sivaramakrishnan Ganapathi	Executive Director – Managing Director	7	7	Yes	1	1	0	-	-
6.	Mr. Prabhat Kumar Singh	Executive Director – Whole-time Director	7	6	Yes	6	0	0	-	-

*Directorship Excludes Foreign Companies (includes only listed, unlisted and private limited companies). Directorship includes Gokaldas Exports Limited and its subsidiaries.

**As required by Regulation 26 of the Listing Regulations, the disclosure includes membership/chairpersonship of the Audit Committee and Stakeholders Relationship Committee. (in listed and unlisted public companies including that of the Company)

Remuneration to Directors

Remuneration to Executive Director

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Mr. Sivaramakrishnan Ganapathi, Managing Director	Mr. Prabhat Kumar Singh, Whole-time Director
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	239.78 *	65.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	24.44	0
	(c) Bonus paid	150.00**	0
	(d) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify	0	0
5	Others (earnings linked to profits)	273.37	0
	Leave Encashment	0	0
	Variable Pay	0	0
	Total	**687.59**	**65.00**
	Term of Service Contract	3 years with effect from October 3, 2020	3 years with effect from November 12, 2021
	Notice period	3 Months	3 Months

* Remuneration of FY 2021-22 includes deferred salary payment of ₹21.72 Lakhs of the previous year

** Pertains to the previous year 2020-21, paid during the year 2021-22

The terms and conditions of the executive director's appointment and remuneration are governed by the resolution passed by the shareholders of his appointment. The Company has entered into separate agreement for the contract of services with the executive director.

Remuneration to Non-Executive Directors

(₹ Lakhs)

Sl. No	Particulars of Remuneration	Richard B Saldanha, Non-Executive & Independent Director	Anuradha Sharma, Non- Executive & Independent Director	Mathew Cyriac, Non-Executive Director	Gautham Madhavan, Non-Executive Director	Total
1	Fee for attending board/ committee meetings	14.40	16.80	14.40	12.80	58.40
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-
	Total	**14.40**	**16.80**	**14.40**	**12.80**	**58.40**

Independent Directors are entitled to sitting fee only and are not entitled to any remuneration.

No Commission is paid for the financial year 2021-22.

There is no inter-se relationship between the Board of Directors.

Key Board qualifications, expertise and attributes

The Gokaldas Board comprises qualified members who bring in their required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the GEX Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Definitions of director qualifications	
Executive & International Leadership	Senior Executive experience, International Leadership experience.
Financial Acumen	Senior executive experience in financial accounting and reporting, Corporate Finance, Risk and Internal Controls.
Strategy	Experience in developing, implementing and challenging a plan of action designed to achieve the long term goals of an organization, mergers and acquisitions and implementation.
Governance and Board	Prior experience as a Board member, industry or membership of Governance Bodies.
Work, Health, Safety and sustainability	Experience related to health, safety, environment, Social Responsibility and Sustainability.
Textile Industry/Manufacturing Sector	Senior Executive Experience in Textile industry/Manufacturing industry with an understanding of Group strategy, markets, competitors operational issues, technology and Regulatory concerns.
Remuneration & Selection of Board Members	Board remuneration committee membership or management experience in relation to selection remuneration of senior management, incentive programs, legislation contractual frame work governing remuneration.
Learning & Development	Experience relating to education and growth of knowledge base.
Regulatory and Public Policy	Legal Background or experience in regulatory and public policy.
Global Experiences	Senior Management experience in Global markets exposed to a range of political, cultural, regulatory and business environments.

In the table below, the specific areas of skills / expertise / competence of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Key Board Qualifications

Directors	Areas of Skills / Expertise / Competence									
	Executive & International Leadership	Financial Acumen	Strategy	Governance and Board	Work, Health, Safety and sustainability	Textile Industry/ Manufacturing Sector	Remuneration & Selection of Board Members	Learning & Development	Regulatory and Public Policy	Global Experiences
Mr. Richard B Saldanha – Chairman & Non- Executive & Independent Director	√	√	√	√	√	√	√	√	√	√
Ms. Anuradha Sharma – Non-Executive & Independent Director	√	√	√	√	√	-	√	√	√	√
Mr. Mathew Cyriac – Non- Executive Director	√	√	√	√	√	√	√	√	√	√
Mr. Gautham Madhavan – Non-Executive Director	√	√	√	√	√	-	√	√	√	√
Mr. Sivaramakrishnan Ganapathi – Executive Director-Managing Director	√	√	√	√	√	√	√	√	√	√
Mr. Prabhat Kumar Singh – Exective Director – Whole-time Director	√	√	√	√	√	√	-	√	√	√

Selection of new directors

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the nomination and remuneration committee, which consists of independent Directors. The Committee, based on defined criteria, makes recommendations to the Board on the induction of new directors.

Code of Conduct

In compliance with the Listing Regulations 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct on ethics ("the Code"). The Code is applicable to members of the Board, the executive officers and all the employees of the Company and its subsidiaries. The Code is available on our website: http://www.gokaldasexports.com.

All members of the Board, the executive officers and senior officers have affirmed compliance to the Code as on March 31, 2022

Declaration on Code of Conduct

To,
The Members
Gokaldas Exports Limited,
No. 25, Second Cross
Third Main, Industrial Suburb
Yeshwantpur
Bangalore – 560022.

This is to confirm that the Company has adopted "Gokaldas Exports Group Code of Conduct and Ethics" herein after referred as "Code of Conduct" for its employees including the officers and Board Members. In addition, the Company has adopted the Code of Conduct and Ethics for its Subsidiaries and Associate Companies.

The Code of Conduct is posted on the Company's website, http://www.gokaldasexports.com.

I hereby confirm that all the directors, officers and employees of the company have affirmed compliance to their respective Codes of Conduct and Ethics, as applicable to them for the financial year ended March 31, 2022.

Place: Bengaluru
Date: August 26, 2022

Sivaramakrishnan Ganapathi
Managing Director

COMMITTEES OF THE BOARD

In compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted a set of committees with specific terms of reference and scope to deal with specified matters expediently. Presently, the Board has five committees:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee and
5. Risk Management Committee

1. Audit Committee

1.1 The Audit Committee of the Company is constituted in line with the requirements of the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177(1) of the Companies Act, 2013("Act").

Constitution of Audit Committee:

During the period under review, the Audit Committee of the Company consisted of three members of which two are Independent Directors with vast experience in Financial Management. The members of the Committee as on March 31, 2022 is as under:

Sl. No.	Name of the Members	Category
1.	Mr. Richard B Saldanha	Chairperson
2.	Mr. Mathew Cyriac	Member
3.	Ms. Anuradha Sharma	Member

Meetings and attendance of Audit Committee Members during the financial year:

During the financial year ended March 31, 2022, 5 (Five) Meetings of the Audit Committee were held on May 14, 2021; July 30, 2021; August 24, 2021; October 29, 2021 and January 21, 2022. The composition of the Audit Committee and the number of meetings attended during the year under review are as under:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Richard B Saldanha	5	5
Mr. Mathew Cyriac	5	4
Ms. Anuradha Sharma	5	5

Terms of Reference of the Audit Committee

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information are disclosed.
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with the statutory auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - » Any changes in accounting policies and practices;
  - » Major accounting entries based on exercise of judgment by management;
  - » Qualifications in draft audit report;
  - » Significant adjustments arising out of audit;
  - » Going concern assumption;
  - » Compliance with accounting standards;
  - » Compliance with stock exchange and legal requirements concerning financial statements;
  - » Any related party transactions as per applicable Indian Accounting Standards.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-ups thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure or internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

1.2 The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

1.3 The Audit Committee monitored and reviewed investigations of the whistle blower complaints received during the year.

2. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of the Company is formed as per Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It consists of 3 members.

Mr. Mathew Cyriac, Non-Executive Director is the Chairman of the Committee. The members of the Committee as on March 31, 2022 is as under:

Sl. No.	Name of the Members	Category
1.	Mr. Mathew Cyriac	Chairman
2.	Mr. Richard B Saldanha,	Member
3.	Mr. Sivaramakrishnan Ganapathi	Member

Ms. Shrithee M S, Company Secretary is our Compliance Officer under the Listing Regulations.

During the year under review, 1(one) meeting of the Stakeholders' Relationship Committee was held on September 17, 2021 in compliance with the provisions of the Companies Act, 2013. The number of meetings attended during the year under review are as under:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Mathew Cyriac, Chairman	1	1
Mr. Richard B Saldanha, Member	1	1
Mr. Sivaramakrishnan Ganapathi, Member	1	1

The Stakeholders' Relationship Committee is primarily responsible for Redressal of shareholders'/investors'/ Security holders' grievances including complaints related to transfer of shares, non-receipt of declared dividends, annual reports etc.

The Committee is to examine and redress shareholders' and investors' complaints. The status of complaints and share transfers is reported to the Board.

The Company through its Registrar and Share Transfer Agents has resolved the investors' grievances / correspondence at the earliest from the date of their receipt.

Monitor implementation of the Company's code of Conduct for prohibition of Insider Trading.

The statistics of Shareholders complaints received / redressed, during the year under review is appended below:

No. of Shareholders complaints pending as at April 01, 2021	Nil
No. of Complaints relating to Non-receipt of dividend warrants, redemption / interest warrants, annual reports, share certificates, endorsement stickers, change of address, deletion of name and others received during the year April 01, 2021 to March 31, 2022	Nil
No. of Shareholders complaints resolved during the year April 01, 2021 to March 31, 2022	Nil
No. of Shareholders complaints pending as on March 31, 2022	Nil

Secretarial Audit for Reconciliation of Capital

A Secretarial Audit was carried out by Mr. Nagendra D. Rao, Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board of Directors.

3. Nomination & Remuneration Committee

Nomination & Remuneration Committee ("the Committee") currently comprises of Three Directors of which two are Independent Directors. The Committee has been reconstituted w. e. f. January 1, 2022 and the members of the Committee as on March 31, 2022 is as under:

Sl. No.	Name of the Members	Category
1.	Ms. Anuradha Sharma	Chairperson
2.	Mr. Richard B Saldanha	Member
3.	Mr. Mathew Cyriac	Member

*Mr. Gautham Madhavan ceased to be a member of Nomination and Remuneration Committee from the start of the office hours on January 01, 2022.

The Nomination & Remuneration Committee met on July 30, 2021; September 17, 2021 and March 1, 2022, during the year 2021 -22. The number of meetings attended during the year under review are as under:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Ms. Anuradha Sharma, Chairperson	3	3
Mr. Richard B Saldanha, Member	3	3
Mr. Mathew Cyriac, Member	3	3
Mr. Gautham Madhavan, Member*	2	2

*Mr. Gautham Madhavan ceased to be a member of Nomination and Remuneration Committee from the start of the office hours on January 01, 2022.

Terms of Reference:

To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of their appointment and /or removal.

To carry out evaluation of Directors' performance.

To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

To formulate the criteria for evaluation of Independent Directors and the Board.

To recommend/review remuneration of the Managing Director(s) and Whole-Time Director(s) based on their performance and defined assessment criteria.

To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties including carrying out any other functions within its terms of reference as outlined in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013.

Performance Evaluation of Directors:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2021-22 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship, Risk Management Committee and Corporate Social Responsibility Committees.

A structured questionnaire covering various aspects of the Board's functioning was circulated to the Directors. The criteria for evaluation of Independent Directors included attendance at the meetings, Interpersonal skills, Independent judgement, knowledge, contribution to strategy, risk management, compliance framework, etc. The Directors expressed their satisfaction with the evaluation process.

4. Corporate Social Responsibility Committee

Currently the Committee consists of (4) four directors chaired by Mr. Richard B Saldanha, an Independent Director. The members of the Committee as on March 31, 2022 is as under:

Sl. No.	Name of the Members	Category
1.	Mr. Richard B Saldanha	Chairman
2.	Ms. Anuradha Sharma	Member
3.	Mr. Mathew Cyriac	Member
4.	Mr. Sivaramakrishnan Ganapathi	Member

During the year under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on January 21, 2022 in compliance with the provisions of the Companies Act, 2013. The number of meetings attended during the year under review are as under:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Richard B Saldanha, Chairman	1	1
Ms. Anuradha Sharma, Member	1	1
Mr. Sivaramakrishnan Ganapathi, Member	1	1
Mr. Mathew Cyriac, Member	1	1

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy'.

A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms part of the Board's Report.

5. Risk Management Committee

The Risk Management Committee of the Company is constituted on April 29, 2022 as per the Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5.1 Brief description of terms of reference

The Risk Management Committee of the Board of Directors has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's risk management framework. The Company has a comprehensive Risk Policy detailing the risks that the Company faces under various categories like market, strategic, operational, compliance, financial and reporting and other risks and these have been identified and suitable mitigation measures have also been formulated. The functions of the Risk Management Committee shall inter-alia includes cyber security. The Risk Management Committee reviews the key risks and the mitigation measures periodically.

The role of the Committee are as below:

(1) To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   (c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(7) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary

5.2 Composition of the Committee

The composition of the Risk Management consists of (3) three members as below:

Sl. No.	Name of the Members	Category
1.	Mr. Sivaramakrishnan Ganapathi	Chairperson
2.	Ms. Anuradha Sharma	Member
3.	Mr. Gautham Madhavan	Member

INDEPENDENT DIRECTORS MEET

In accordance with the provisions of the Companies Act, 2013, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management. Directors on the Board to abide by the provisions specified in Schedule IV of the Companies Act, which defines Code for Independent Directors. During the year, separate meeting of the Independent Directors of the Company was held on March 24, 2022.

Name of the Director	No. of the Meetings Held	No. of the Meetings Attended
Ms. Anuradha Sharma	1	1
Mr. Richard B Saldanha	1	1

Terms of the Meet

Review the performance of the Non-Independent Directors and Board as a whole and also the Chairperson of the Company to assess the quality, quantity and timely flow of information between the Company and management. Board needs to provide effective strategic direction to the Company and to direct on key decisions impacting the performance of the Company. To review the financial performance of the Company and suggest corrective actions.

FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

The website link for the familiarization programme of Independent Directors is available on the Company website: www.gokaldasexports.com

RISK MANAGEMENT

The Board reviews the Company's risk management practices and policies periodically. This includes comprehensive review of various risks attached to the company's business for achieving key objectives and actions taken to mitigate them. The Board reviews and advises on risk management aspects inter-alia in the areas of leadership development, information security, project management and execution risks, contracts management risks, financial risks, forex risks and geopolitical risks.

SUBSIDIARY COMPANIES' MONITORING FRAMEWORK

All the Company's subsidiaries are wholly owned subsidiaries with their Boards having rights and obligations to manage such Companies in the best interest of the stakeholders. The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent Director of the Company on the Board of any subsidiary. The Audit Committee reviews the financial statements in particular investments made by unlisted subsidiary companies, Minutes of the Board meetings of unlisted subsidiary companies are placed and reviewed periodically by the Company's Board. A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

Pursuant to Regulation 16(1)(c) of the Listing Regulations, the Company has made a policy for determining 'material' subsidiary and is available at www.gokaldasexports.com.

OTHER DISCLOSURES

Disclosures on materially significant related party transactions

The related party transactions during the year ended March 31, 2022 have been listed in the notes to the accounts. Shareholders may please refer the same. However, these are not in conflict with the interests of the company at large. There are no material individual transactions which are not in the normal course of business.

The Policy of the Company on Related Party Transaction is available on our website www.gokaldasexports.com

Disclosures regarding Web link of the Company Policy for determining material subsidiaries and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website www.gokaldasexports.com.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any member related to capital markets.

There has been no non-compliance of any legal requirements nor have there been any strictures imposed by any stock exchange, SEBI or any other statutory authorities on any matters relating to the capital markets.

Whistle Blower Policy

The Company has established a mechanism for directors and employees to report concerns about unethical behavior actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and no person has been denied access to the Chairman of the Audit Committee. The policy is available on the Company website: www.gokaldasexports.com

During the year under review, there are no instances of fraud committed against the Company by its Officers or employees which have been reported to the Audit Committee. Hence there is no requirement for the Company to mention the same in the Board's report.

Details of compliance with mandatory requirements and adoption of the non-mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also adopted the following discretionary requirements as provided in the Listing Regulations:

1. The Board: The Company does not maintain a separate office for Non-executive Chairman. The Independent Directors have requisite qualifications and experience to act as director on the Board.
2. Shareholders Rights: Quarterly results are published in widely circulating national and local daily newspapers such as the Financial Express and Praja Vani. These were not sent individually to the shareholders.
3. Audit Qualifications: The auditor report does not contain any qualifications.
4. Separate post of Chairman and Chief Executive Officer: The Company has separate persons to the post of Chairman and Managing Director.
5. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

Disclosure in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment and Non-discrimination at work place in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual temporary, trainees) are covered under this policy.

An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination at work place.

The details are as follows:

Number of complaints filed during the Financial Year	Nil
Number of complaints disposed off during the Financial Year	Nil
Number of complaints pending as on end of the Financial Year	Nil

Disclosure of commodity price risks and commodity hedging activities:

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity. The Company has adequate risk assessment and minimization system in place including for Commodities.

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

The Company raised equity shares of ₹300.00 Crores through qualified institutional placement in October 2021. As of March 31, 2022, the Company has utilized ₹ 252.20 Crores towards repayment or prepayment of borrowings, and financing working capital requirements which are in line with the objectives of the funds raised.

Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the company by the board/ministry of corporate affairs or any such statutory authority:

The Company has obtained a certificate from Mr. Nagendra D. Rao, Practicing Company Secretary (Membership No. FCS 5553, CP No. 7731), Secretarial Auditor of the Company, regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority.

The requisite certificate from Mr. Nagendra D. Rao, Secretarial Auditor of the Company is annexed herewith.

Disclosure of instances where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year:

There was no such instance during FY 2021-22 when the Board had not accepted any recommendation of any Committee of the Board.

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

Total Fees for all the services paid by the Company to MSKA & Associates, Chartered Accountants (ICAI Firm registration number: 105047W), Statutory Auditor, is included in the financial statement of the Company for the year ended March 31, 2022 is as follows:

Particulars	Amount in ₹ (In Lakhs)
Audit fees (including fees for consolidated financial statements and quarterly limited reviews)	33.00
Out of pocket expenses	1.64
Total payment to statutory auditors (exclusive of GST)	34.64

Non Compliance of any requirement of Corporate Governance report of sub paras (2) to (10) of Schedule V (c) of the Listing Regulations : NIL

The Company has also complied with the following discretionary requirements specified in Part E of Schedule II in terms of Regulations 27(1)

- Separate posts of Chairman and CEO : The position of the Chairman and CEO are separate.
- Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on Annual Financial Results of the Company for the Financial Year ended on 31st March 2022.

- Internal Auditors periodically apprise the Audit Committee on findings / observations of Internal Audit and actions taken thereon.
- In addition to the statutory requirements, the Audit Committee have a separate discussion / meeting with the Statutory Auditor and Internal Auditors on matters concerning the Audit without the presence of Executive Management of the Company. Measures for improvements are discussed with the Executive Management.

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSE (B) TO (I) OF SUBREGULATION (2) OF REGULATION 46 OF THE SEBI (LODR) REGULATIONS, 2015:

The Company is in compliance with corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

FUNCTIONAL WEBSITE OF THE COMPANY AS PER REGULATION 46 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website of the Company and website address of the Company is www.gokaldasexports.com. The Website of the Company provides basic information about the Company e.g, details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the Company is regularly updating the information provided on its website.

GENERAL BODY MEETING

a) Location and time of Annual General Meetings (AGM) of the Company held for the last three years:

Financial Year	Day, Date & Time	Location
2018-19	Friday, September 13, 2019, 2.30 P.M	NIMHANS Conventional Hall, Hosur Road, Bangalore – 560 029
2019-20	Friday, September 25, 2020, 2.30 P.M	Held through Video conferencing/ other Audio visual means
2020-21	Friday, September 17, 2021, 2.30 P.M	Held through Video conferencing/ other Audio visual means

b) Particulars of Special Resolutions passed during the last 3 Years AGMs

Date of AGM	Number of Special Resolutions	Details of Special Resolution passed
Friday, September 13, 2019	Nil	Nil
Friday, September 25, 2020	1	1. Re-appointment of Mr. Sivaramakrishnan Vilayur Ganapathi (holding DIN: 07954560) as the Managing Director of the company
Friday, September 17, 2021	1	1. To approve raising of funds in one or more tranches, by issuance of equity shares and/or other eligible securities

c) Special Resolutions passed through Postal Ballot during the year under review:

During the FY 2022, the Company had sought approval of the members through postal ballot, the details of the same are given below:

I. Postal Ballot Notice dated 17 September, 2021

a. Items of Special Business

Sl. No.	Type of Resolution	Particulars
1.	Special Resolution	Reappointment of Mr. Prabhat Kumar Singh (Holding DIN: 08275987) as Whole time Director of the Company

b. Details of Voting

1. Reappointment of Mr. Prabhat Kumar Singh (Holding DIN: 08275987) as Whole time Director of the Company

Particulars	Number of members Voted	Number of votes	% of Votes
Voted in favour of the resolution	92	3,11,00,718	90.87
Voted against the resolution	16	31,23,866	9.13
Invalid Votes	Nil	Nil	Nil

c. Details of scrutinizer: Nagendra D Rao (FCS No. 5553, CP No. 7731)

d. Date of scrutinizer's report: December 13, 2021

e. Date of passing the resolutions (last date of for voting): December 11, 2021

II. Postal Ballot Notice dated 1 March, 2022

a. Items of Special Business

Sl. No.	Type of Resolution	Particulars
1.	Special Resolution	Approval of 'GEL Employee Stock Option Plan 2022' ("ESOP 2022"/ "Plan")
2.	Special Resolution	Approval of grant of options to the employees/ directors of group company(ies), associate company(ies), and or subsidiary company(ies) of the Company under 'GEL Employee Stock Option Plan 2022' ("ESOP 2022"/ "Plan")
3.	Special Resolution	Approval of grant of employee stock option equal or more than 1% of Issued Capital to the identified employees

b. Details of Voting

1. Approval of 'GEL Employee Stock Option Plan 2022' ("ESOP 2022"/ "Plan")

Particulars	Number of members Voted	Number of votes	% of Votes
Voted in favour of the resolution	156	3,69,05,453	94.66
Voted against the resolution	31	20,81,234	5.34
Invalid Votes	Nil	Nil	Nil

2. Approval of grant of options to the employees/ directors of group company(ies), associate company(ies), and or subsidiary company(ies) of the Company under 'GEL Employee Stock Option Plan 2022' ("ESOP 2022"/ "Plan")

Particulars	Number of members Voted	Number of votes	% of Votes
Voted in favour of the resolution	156	3,69,05,444	94.66
Voted against the resolution	31	20,81,234	5.34
Invalid Votes	Nil	Nil	Nil

3. Approval of grant of employee stock option equal or more than 1% of Issued Capital to the identified employees

Particulars	Number of members Voted	Number of votes	% of Votes
Voted in favour of the resolution	154	3,59,92,912	92.32
Voted against the resolution	34	29,93,806	7.68
Invalid Votes	Nil	Nil	Nil

c. Details of scrutinizer: Nagendra D Rao (FCS No. 5553, CP No. 7731)

d. Date of scrutinizer's report: April 4, 2022

e. Date of passing the resolutions (last date of for voting): April 3, 2022

d) Person who conducted the postal ballot exercise: Nagendra D Rao (FCS No. 5553, CP No. 7731)

e) As on the date of this report, there is no proposal for passing any special resolution by postal ballot.

f) Procedure for postal ballot: E-voting through the postal ballot was conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders were provided the facility to vote through e-voting. The postal ballot notice was sent to shareholders in electronic form to the email addresses, where available. The Company was not required to send physical copy of postal ballot notice due to circulars issued by the Ministry of Corporate Affairs, Government of India (the "MCA") vide General Circular No. 14/2020 dated April 8, 2020 read with General Circular No.17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31, 2020, Circular No. 10/2021 dated June 23, 2021 and Circular No. 20/2021 dated December 08, 2021 issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), pertaining to COVID-19 pandemic. The Company also published a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

PREVENTION OF INSIDER TRADING

The Company has formulated an Insider Trading Policy in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This policy includes policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. The policy is available on the Company website: www.gokaldasexports.com

CERTIFICATE ON CORPORATE GOVERNANCE

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate from the Secretarial Auditor is obtained regarding compliance of conditions of corporate governance and is annexed and forms part of the Board's Report.

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate issued by the Managing Director and Chief Financial Officer on financial statements etc., is provided in the Annual Report.

MEANS OF COMMUNICATION

The quarterly / half yearly/ annual financial results are generally published in the Financial Express and Praja Vani (a regional daily published from Bengaluru) and are notified to the Stock Exchanges as required under the Listing Regulations. These were not sent individually to the shareholders.

The quarterly / half yearly / annual financial results and other communication including official news release to shareholders and Stock Exchanges, inter-alia, presentations made to Institutional Investors / Analysts and audio recording of Analyst Calls, and transcripts etc., are made available on the Company's website at: www.gokaldasexports.com.

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	September 29, 2022 at 2.30 P M Through VC/ other audio visual means
Date of Book Closure	September 23, 2022 (Friday) to September 29, 2022 (Thursday) (both days inclusive)
Financial Year	The financial year covers the period from April 01, 2021 to March 31, 2022
Financial Results Calendar (Tentative)	July 22, 2022 – Unaudited Results for the quarter and three months ended June 30, 2022. Last week of October, 2022- Unaudited Results for the quarter and Last week of January, 2023 – Unaudited Results for the quarter and nine months ended December 31, 2022. Last week of April, 2023 – Audited Results for the year ended March 31, 2023.
Listing on Stock Exchanges	National Stock Exchange of India Limited, Mumbai (Scrip Code – GOKEX) BSE Ltd, Mumbai (Scrip Code – 532630)
International Securities Identification Number (ISIN)	INE887G01027
Corporate Identification Number (CIN)	L18101KA2004PLC033475

Investor Grievances and Share Transfer

The Company has a Board level Stakeholders' Relationship Committee to examine and redress shareholders' and investors' complaints. The status on complaints and share transfers is reported to the Board. For matters like dividends, change of address, refunds, demat, remat of shares etc., the shareholders/ investors communicate with Kfin Technologies Limited, who are the Registrar and Share Transfer Agents of the Company. Their address is given in the section on General Shareholder Information.

Listing Fee

The Company has paid annual listing fees, as prescribed, to the National Stock Exchange of India Limited and BSE Limited, Mumbai for the Financial Year 2022-23.

Custodial Fee

Pursuant to the Securities and Exchange Board of India (SEBI) Circular No. MRD/DoP/SE/DEP/CIR-4/2005 dated 28th January, 2005 and MRD/DoP/SE/DEP/CIR-2/2009 dated February 10, 2009, Issuer Companies are required to pay custodial fees to the depositories. Accordingly, the Company has paid custodial fee for the year 2022-23 to NSDL and CDSL on the basis of the number of beneficial accounts maintained by them as on 31st March, 2022.

Registrar & Share Transfer Agents:

Share registration and other investor related activities are carried out by our Registrar and Transfer Agents, M/s Kfin Technologies Limited for both Physical and Demat securities. Their address is given below:

Kfin Technologies Limited
Selenium Tower B, Plot No. 31 & 32,
Financial District Nanakramguda, Serilingampally Mandal
Hyderabad – 500 032, Telangana
Tel: +91 40 67162222/6716 1500,
E-mail: einward.ris@kfintech.com,
Website: www.kfintech.com
Contact person: Ms. Shobha Anand / Mr. N Shiva kumar

Share Transfer System:

The Company's shares being in the compulsory demat list, are transferable through the depository system. However, shares held in physical form are processed by the Registrar & Share Transfer Agent, M/s Kfin Technologies Limited, in co-ordination with the Company and the share certificates are returned within fifteen days from the date of receipt for transfer by the Company provided that the transfer documents are complete in all respects. As per SEBI norms, with effect from April 1, 2019 only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialized form only. The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) to the Registrar & Share Transfer Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

Disclosures with respect to demat suspense account/unclaimed suspense account (Unclaimed Shares)

Sl. No.	Particulars	No. of shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	12	360
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	Nil
3.	Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	12	360
5.	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes	

Commodity Price risk or Foreign Exchange risk and Hedging Activities

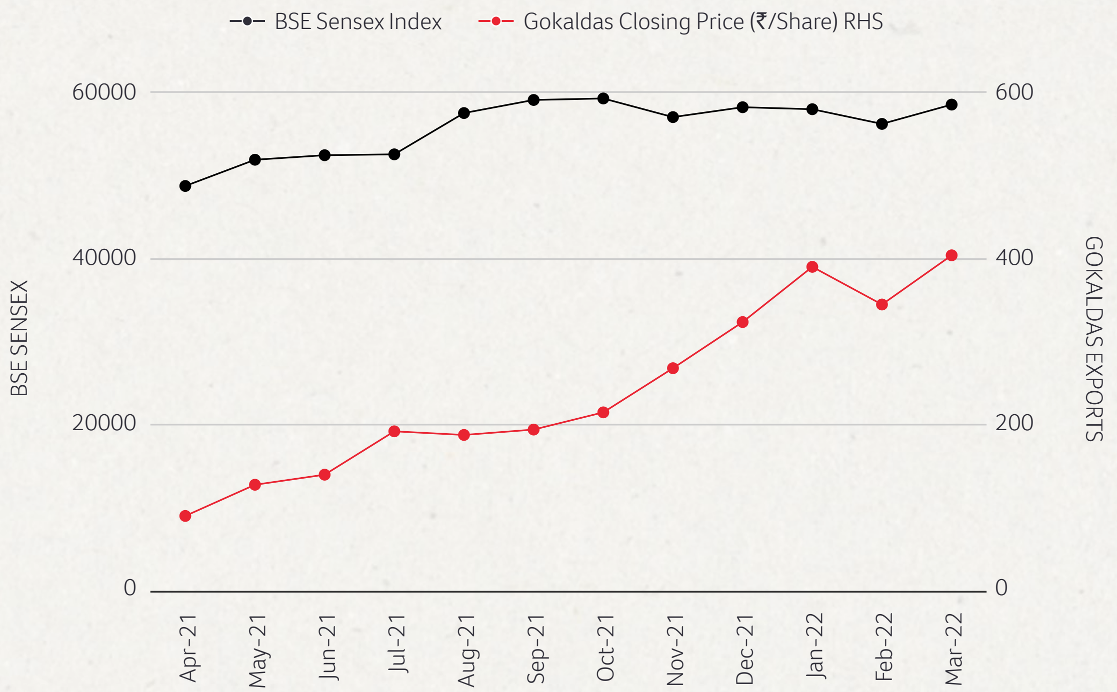
For Commodity Price Risk or Foreign exchange risk and hedging activities, please refer Management Discussion and Analysis Report for details.

Stock Price Data: (Monthly High and Low)

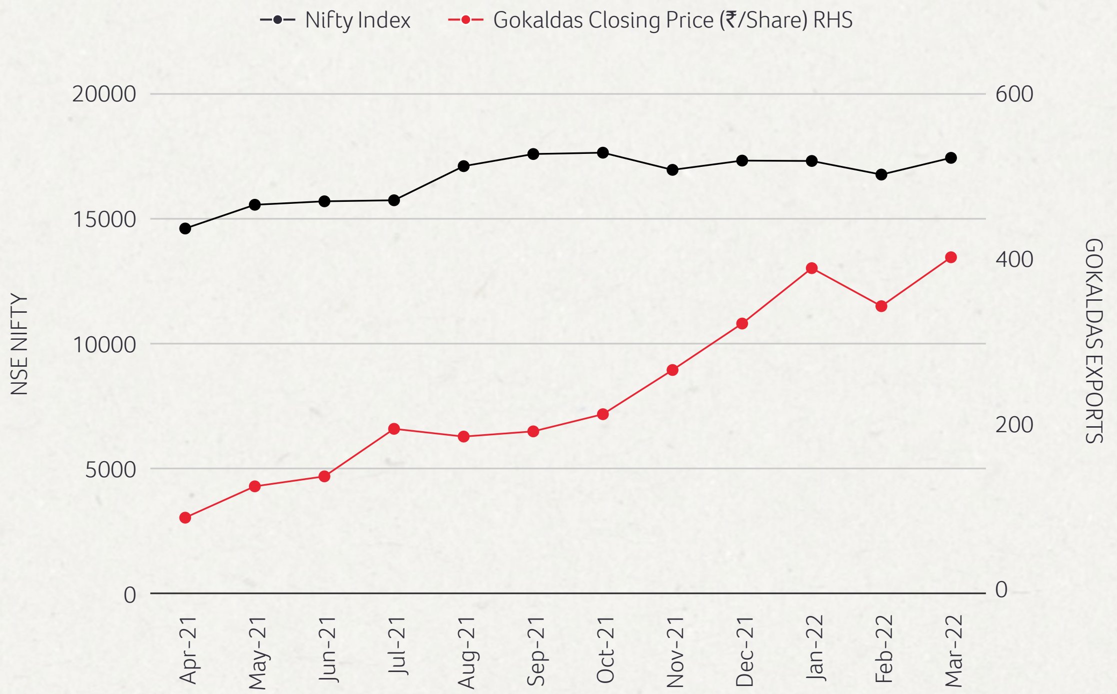
Month	Bombay Stock Exchange(BSE)			National Stock Exchange(NSE)		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded
Apr-21	98.0	73.1	382502	97.6	75.2	5370402
May-21	141.7	88.5	3146935	141.9	88.4	27551268
Jun-21	153.9	123.0	1232379	154.0	122.2	12019654
Jul-21	226.0	139.0	2153575	226.0	138.8	15936953
Aug-21	236.0	181.6	1063410	233.7	181.6	7023227
Sep-21	214.8	180.9	582037	214.9	180.6	4462087
Oct-21	231.0	186.0	793550	231.0	186.5	6262931
Nov-21	298.2	223.5	1467250	298.0	222.5	8643830
Dec-21	354.1	255.3	718158	354.0	255.3	6482134
Jan-22	417.6	317.0	1418093	417.5	318.7	9584240
Feb-22	430.0	327.2	622912	428.1	325.3	5799631
Mar-22	438.0	341.4	930268	438.8	341.0	8813208

Stock Price Performance:

BSE – S&P BSE SENSEX Vs Gokaldas Exports Share Price (Monthly Closing)



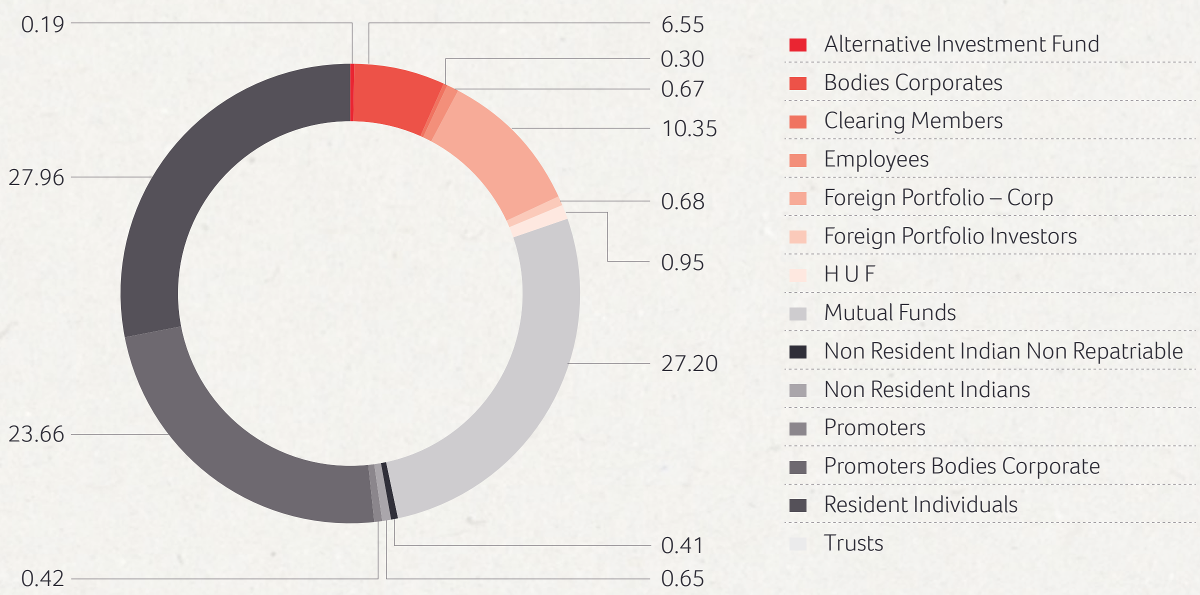
NSE – NIFTY 50 V/s Gokaldas Exports Share Price (Monthly Closing)



Shareholding Pattern as on 31st March, 2022:

Sl. No.	Description	Without Grouping			With Grouping		
		No. of Cases	Total Shares	% Equity	No. of Cases	Total Shares	% Equity
1	Alternative Investment Fund	2	112489	0.19	2	112489	0.19
2	Bodies Corporates	281	3861281	6.55	274	3861281	6.55
3	Clearing Members	117	177939	0.30	89	177939	0.30
4	Employees	31	394108	0.67	31	394108	0.67
5	Foreign Portfolio – Corp	21	6105333	10.35	21	6105333	10.35
6	Foreign Portfolio Investors	1	400000	0.68	1	400000	0.68
7	H U F	733	557619	0.95	725	557619	0.95
8	Mutual Funds	16	16044384	27.20	7	16044384	27.20
9	Non Resident Indian Non Repatriable	320	242531	0.41	316	242531	0.41
10	Non Resident Indians	524	383056	0.65	524	383056	0.65
11	Promoters	2	249391	0.42	1	249391	0.42
12	Promoters Bodies Corporate	1	13955957	23.66	1	13955957	23.66
13	Resident Individuals	35601	16492896	27.96	34919	16492896	27.96
14	Trusts	1	10	0.00	1	10	0.00
	Total:	**37651**	**58976994**	**100.00**	**36912**	**58976994**	**100.00**

Shareholding Pattern (%)



Top Ten shareholders of the company as on March 31, 2022

Sl. No.	DP Id	Folio/ Client ID	Name of concern/ person/ Joint Name	Shares	% Equity
1	IN303559	10024009	Clear Wealth Consultancy Services LLP	13955957	23.66
2	IN300167	10081207	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	3598972	6.10
3	IN300054	10116795	Goldman Sachs Funds - Goldman Sachs India Equity Portfolio	2827763	4.79
4	IN303786	10001120	SBI Magnum Midcap Fund	2629170	4.46
5	IN300142	10752037	HSBC Global Investment Funds - Asia Ex Japan Equity Smaller Companies	1609843	2.73
6	IN300054	10074069	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	1586951	2.69
7	IN301524	30042855	PGIM India Trustees Private Limited A/C PGIM India Mid Cap Opportunities Fund	1470331	2.49
8	IN302927	10137278	Teesta Retail Private Limited	1413513	2.40
9	IN300126	11270340	Tata Mutual Fund - Tata Small Cap Fund	1350000	2.29
10	IN303173	20014641	Sankaranarayanan Sangameswaran Deepa Sankaranarayanan	1121068	1.90

Distribution of Shareholdings as on March 31, 2022:

Sl No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	36482	98.84	6849939	11.61
2	5001 - 10000	208	0.56	1532675	2.60
3	10001 - 20000	94	0.25	1328503	2.25
4	20001 - 30000	39	0.11	953090	1.62
5	30001 - 40000	22	0.06	741416	1.26
6	40001 - 50000	15	0.04	711909	1.21
7	50001 - 100000	20	0.05	1479191	2.51
8	100001 and above	32	0.09	45380271	76.95
	TOTAL:	**36912**	**100.00**	**58976994**	**100.00**

Dematerialization of shares and Liquidity without grouping as on March 31, 2022:

		Control Report as on March 31, 2022		
Sl No	**Description**	**Cases**	**Shares**	**% Equity**
1	PHYSICAL	36	614	0.00
2	NSDL	14967	51815670	87.86
3	CDSL	22648	7160710	12.14
	Total:	**37651**	**58976994**	**100.00**

No of Shares in Demat form without grouping as on March 31, 2022:

No. of shares	% of shares	No. of Shareholders	% of Shareholders
58976380	100.00	37615	100.00

Plant Locations

Sr. No	Particulars
1.	Carnival Clothing Co. No.2/A-1,Chikkaveeranna Road Cross, Bannimantap Etn, Mysore – 570015, Karnataka GSTIN:29AACCG0895N1Z0
2.	Euro Clothing Co - I No.122/1,Doddabidarakallu Village, Yeshwanthpur Hobli, Bangalore North Taluk, Bengaluru 560073. Karnataka GSTIN:29AACCG0895N1Z0
3.	Global Garments Near Ring Road, Gubbi Gate Tumkur - 572 101, Karnataka GSTIN:29AACCG0895N1Z0
4.	Global Garments-III No.44, 3rd Cross, Industrial Suburb, Yeshwanthpur, Bengaluru -560 022. Karnataka GSTIN:29AACCG0895N1Z0
5.	Gokaldas India No.21C & 21B, Survey No.34,35,36 & 37, Nallakadaranahalli, Peenya II Stage, Industrial Area, Peenya, Bengaluru -560 058. Karnataka GSTIN:29AACCG0895N1Z0
6.	Hinduja Processing & Finishing Unit No.2, 5th Cross, Mysore Road, Bengaluru -560 023. Karnataka GSTIN:29AACCG0895N1Z0
7.	International Clothing Company – I #B2, B3 & B4, Indl Estate, Madanapalli -517 325. Chittoor District, Andhra Pradesh GSTIN:37AACCG0895N1Z3
8.	Indigo Blues Plot No-2, KIADB Industrial Area, Doddaballapur - 581 203. Karnataka GSTIN:29AACCG0895N1Z0
9.	J.D.Clothing Company No.9, Rajajinagar Industrial Estate, Bengaluru -560 010. Karnataka GSTIN:29AACCG0895N1Z0
10.	Sri Krishna Industries No.25/26, 3rd Main Road, Industrial Suburb, Yeshwanthpur, Bengaluru -560 022. Karnataka GSTIN:29AACCG0895N1Z0
11.	Triangle Apparels – VI # 25/26,3rd Main Road, Industrial Suburb, Yeshwanthpur, Bengaluru – 560 022, Karnataka GSTIN:29AACCG0895N1Z0
12.	Venkateshwara Clothing Company No.10, KHB, Colony Industrial Area, Yelahanka, Bengaluru – 560 064, Karnataka GSTIN:29AACCG0895N1Z0
13.	Wearcraft Apparels – I No.17/1-38/4-1, Industrial Suburb, Yeshwanthpur, Bengaluru -560 022, Karnataka GSTIN:29AACCG0895N1Z0

Sr. No	Particulars
14.	The Wearwel I (Unit of SNS Clothing Pvt Ltd) Industrial Estate N.H-206,Hindiskere Gate, Tiptur-572 201, Karnataka GSTIN:29AAICS5776NJ1ZC
15.	Gokaldas Exports Ltd – Unit I (Hassan) Plot No.119, KIADB Growth Centre, SH – 57, Hassan – 573 201, Karnataka GSTIN:29AACCG0895N1Z0
16.	Atlantic Apparels Plot No.28D & 28E, Belavadi Industrial Area, Mysore-570 018, Karnataka GSTIN:29AACCG0895N1Z0
17.	Gokaldas Exports Ltd -Unit 3 Plot No. 1 and 2, Sathyamangalam Industrial Area, NH4, Tumakuru Karnataka- 572103 GSTIN:29AACCG0895N1Z0
18.	Gokaldas Exports Ltd- Unit 4 No.23/2, Khata No.157/152/121, Yellukunte Old Mangammanapalaya Road Bommanahalli, Bengaluru Urban, Karnataka- 560068 GSTIN:29AACCG0895N1Z0
19.	Gokaldas Exports Ltd- Unit 5 No.182/4, 182/5, 183/1, 183/2K, Thippanapalli Post, Billana Kuppam Panchayath, Vepanapalli Main Road, Krishnagiri - 635 115, Tamilnadu GSTIN:33AACCG0895N4Z8

Credit Ratings:

The credit rating agency ICRA has assigned the credit ratings of the company as A- (Positive) for long term debt and A2+ (A Two Plus) for short term borrowings during the financial year 2021-22.

CRISIL rating agency also has assigned its CRISIL A (Positive) and CRISIL A1 ratings to the company's borrowing facilities for the Long Term and Short-Term borrowings respectively as on date of this report. This is the first rating from the CRISIL on the company's borrowing facilities.

Address for Correspondence:

Company : **Gokaldas Exports Ltd**

Registered Office:
No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur
Bangalore – 560022, Karnataka

Ph: +91 80 68951000
Email: info@gokaldasexports.com
Website : www.gokaldasexports.com

Registrar and Transfer Agent:
Ms. K. Shobha Anand,
Deputy General Manager
KFin Technologies Limited
(Formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot No. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032, Telangana.
Phone: 040-6716 2222/ 6716 1500

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,
The Board of Directors
Gokaldas Exports Limited

1) We have reviewed financial statements (standalone and consolidated) and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief:
   - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   - These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and that we have evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies if any in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies.
4) We have indicated to the Auditors and the Audit Committee
   - Significant changes in Internal Control over Financial Reporting if any during the year;
   - Significant changes in Accounting Policies if any during the year and that the same have been disclosed in the notes to the financial statements; and
   - Instances of significant fraud if any of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over Financial Reporting.

For **Gokaldas Exports Limited,**

Sivaramakrishnan Ganapathi
Managing Director
(DIN: 07954560)

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru

Date: April 29, 2022

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of
Gokaldas Exports Limited
No. 25, Second Cross, Third Main,
Industrial Suburb, Yeshwantpur,
Bangalore – 560 022.

I have examined the compliance of the conditions of Corporate Governance by Gokaldas Exports Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India from time to time, warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553D000232813

Place: New Delhi
Date: April 29, 2022

CERTIFICATE PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
Gokaldas Exports Limited,
No. 25, Second Cross, Third Main,
Industrial Suburb, Yeshwantpur,
Bangalore – 560 022.

I have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of Gokaldas Exports Limited having CIN - L18101KA2004PLC033475 and having registered office at No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560 022 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended from time to time.

In my opinion and to the best of my information and according to the verifications (including DIN status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company, its officers, I hereby certify that none of the Directors who were on the Board of the Company as on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Ensuring the eligibility of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

I have conducted necessary verifications as much as is appropriate to obtain reasonable assurance about the eligibility or disqualification of the Directors on the Board of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553D000232857

Place: New Delhi
Date: April 29, 2022

Financial Statements

Standalone financial statements

Independent Auditor's Report

To the Members of Gokaldas Exports Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Gokaldas Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022, (current period). These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Refer Note 2.2 of standalone financial statements with respect to the accounting policies followed by the Company for recognizing revenue. In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue is one of the key measures of performance. Revenue is identified as an area of significant risk. As per the accounting policy, the Company derives its revenue primarily from sale 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. At the yearend management has to exercise significant judgement & control as the volume of transactions are high. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our audit procedures included the following: 1. Assessed the appropriateness of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115"). 2. Obtained an understanding and assessed the design, implementation, and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. 3. Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents like sales invoices/ contracts and related logistics documents. 4. Performed the cut-off testing to test that the revenue is recorded in the appropriate period and traced the sales with bill of lading to confirm the recognition of revenue. 5. Assessed manual journals posted to revenue to identify unusual items and tested the same on a sample basis.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

When we read the Management report, Chairman's statement, Director's report etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the standalone financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2. As required by Section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements.

ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. (1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) / entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) / entity(ies), including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBHXV5133

Place: Bengaluru
Date: April 29, 2022

Annexure A

to the Independent Auditor's Report on even date on the Standalone Financial Statements of Gokaldas Exports Limited

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBHXV5133

Place: Bengaluru
Date: April 29, 2022

Annexure B

to Independent Auditors' Report of even date on the Standalone Financial statements of Gokaldas Exports Limited for the year ended march 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the current year, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties aggregating to ₹ 734.78 Lakhs are pledged with the banks and are not available with the Company. The same has been independently confirmed by the bank and verified by us.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii. (a) The inventory (excluding stocks with third parties and goods in transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly returns / statements are filed with such Banks are in agreement with the books of account.

iii. (a) According to the information explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.

The details of such loans or advances and guarantees or security to Subsidiaries, Joint Ventures and Associates are as follows:

	Guarantees	Security	Loans	Advances
Aggregate amount granted/provided during the year				
- Subsidiaries	-	-	₹ 2,950.00 Lakhs	₹ 12.74 Lakhs
Balance Outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	₹ 2,950.00 Lakhs	₹ 12.74 Lakhs

(b) In relation to investments, guarantees provided, securities given, according to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of the loans and advances provided are not prejudicial to the interest of the Company.

(c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.

(d) There are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Firm/ LLP/ Other Parties.

(e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has not any granted loans and /

or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. However, no undisputed statutory dues were in arrears, as at March 31, 2022, for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Various Disallowances	278.43	A.Y. 1995-96	Hight Court
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Interest and Penalty, etc.	122.54	April 2005-08, June 2008 to August 2008 & July 2008 to July 2015	Employees Provident Fund Tribunal

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

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

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

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

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

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its securities, joint ventures or associate companies.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 and section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

xi. (a) During the course of our audit, 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 neither come across any instance of material fraud by the Company or on the Company.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

(b) We have considered internal audit reports issued by internal auditors during our audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBHXV5133

Place: Bengaluru
Date: April 29, 2022

Annexure C

to the Independent Auditor's Report of even date on the Standalone Financial Statements of Gokaldas Exports Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the standalone financial statements for the year ended March 31, 2022]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Gokaldas Exports Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to standalone financial statements 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 internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBHXV5133

Place: Bengaluru
Date: April 29, 2022

Standalone Balance Sheet

as at March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non- current assets			
Property, plant and equipment	3(A)	15,491.94	12,514.56
Right-of-use assets	3(B)	12,396.79	10,838.60
Other intangible assets	4	273.88	190.11
Financial assets			
Investments in subsidiaries and others	5(A)	1,989.75	1,987.75
Loans	6	2,950.00	-
Other financial assets	7(A)	4,156.44	17,510.07
Deferred tax assets (net)	8(A)	1,178.98	680.90
Income tax assets (net)	8(B)	1,133.41	650.66
Other non current assets	9(A)	255.70	336.21
Total non-current assets		**39,826.89**	**44,708.86**
Current assets			
Inventories	10	43,253.20	25,763.43
Financial assets			
Investments	5(B)	15,445.37	3,680.89
Trade receivables	11	9,217.11	17,983.57
Cash and cash equivalents	12	1,257.32	1,497.57
Other financial assets	7(B)	1,519.76	1,464.14
Other current assets	9(C)	12,081.00	5,402.89
Total current assets		**82,773.76**	**55,792.49**
Total assets		**1,22,600.65**	**1,00,501.35**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,948.85	2,144.78
Other equity	14	68,014.11	27,042.14
Total equity		**70,962.96**	**29,186.92**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	238.06	1,884.27
Lease liabilities	16	10,170.08	8,435.87
Provisions	17	661.82	521.68
Total non-current liabilities		**11,069.96**	**10,841.82**
Current liabilities			
Financial liabilities			
Borrowings	15	6,068.88	34,637.43
Trade payables	18		
(a) Total outstanding dues of micro, small and medium enterprises		94.75	51.71
(b) Total outstanding dues of creditors other than micro, small and medium enterprises		11,658.68	8,500.78
Lease liabilities	16	2,638.16	2,667.28
Other current financial liabilities	19	15,087.21	10,591.99
Other current liabilities	20	1,297.77	901.16
Provisions	17	3,722.28	2,784.47
Current tax liability (net)	21	-	337.79
Total current liabilities		**40,567.73**	**60,472.61**
Total liabilities		**51,637.69**	**71,314.43**
Total equity and liabilities		**1,22,600.65**	**1,00,501.35**
Summary of significant accounting policies.	2.2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

		Notes	March 31, 2022	March 31, 2021
I	**Income**			
	Revenue from operations	22	1,78,908.80	1,20,932.28
	Other income	23	1,094.69	1,208.00
	Total income		**1,80,003.49**	**1,22,140.28**
II	**Expenses**			
	Cost of raw materials and components consumed	24	1,00,283.25	56,544.46
	Purchases of stock-in-trade	25	1,403.40	-
	Changes in inventories of finished goods and work-in-progress	26	(12,976.81)	3,804.80
	Employee benefits expense	27	53,850.37	37,121.86
	Finance costs	28	3,995.27	3,426.03
	Depreciation and amortization expenses	29	5,829.29	5,213.91
	Job work charges		2,776.86	1,203.70
	(Gain)/loss on account of foreign exchange fluctuations (net)		(2,109.40)	155.96
	Other expenses	30	15,278.29	12,039.53
	Total expenses		**1,68,330.52**	**1,19,510.25**
III	**Profit before tax (I-II)**		**11,672.97**	**2,630.03**
IV	**Tax expenses**	32		
	Current tax		1,170.15	680.90
	Adjustment of tax relating to earlier years		(672.07)	5.71
	Deferred tax (credit)/charge		(498.08)	(680.90)
			-	**5.71**
V	**Profit after tax for the year (III-IV)**		**11,672.97**	**2,624.32**
VI	**Other comprehensive income (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains on defined benefit plan		312.88	165.68
	Items that will be reclassified to profit or loss in subsequent periods:			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		396.02	3,006.78
	Total other comprehensive income for the year		**708.90**	**3,172.46**
VII	**Total comprehensive income for the period attributable to equity holders (V+VI)**		**12,381.87**	**5,796.78**
VIII	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2021- ₹ 5)]**			
	Basic earnings per share (refer note 33)		23.01	6.12
	Diluted earnings per share (refer note 33)		22.07	5.78
	Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Standalone statement of changes in equity

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

A. EQUITY SHARE CAPITAL

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2020	4,28,25,663	2,141.28
Add: Issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**
At April 1, 2021	4,28,95,663	2,144.78
Add: Issued during the year (Refer note 51)	1,60,81,331	804.07
At March 31, 2022	**5,89,76,994**	**2,948.85**

B. OTHER EQUITY

For the year ended March 31, 2022

Particulars	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2021	20,509.74	2,192.09	9,754.45	1,601.53	(7,996.68)	981.01	27,042.14
Profit for the year	-	-	-	-	11,672.97	-	11,672.97
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	396.02	396.02
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	312.88	-	312.88
Total comprehensive income	**20,509.74**	**2,192.09**	**9,754.45**	**1,601.53**	**3,989.17**	**1,377.03**	**39,424.01**
Additions (Refer note 51)	28,454.28	-	-	-	-	-	28,454.28
Transfer to securities premium on exercise of equity stock options	465.03	-	-	(465.03)	-	-	-
Share based payment expense	-	-	-	135.82	-	-	135.82
At March 31, 2022	**49,429.05**	**2,192.09**	**9,754.45**	**1,272.32**	**3,989.17**	**1,377.03**	**68,014.11**

All amounts in Indian Rupees in lakhs, except stated otherwise

For the year ended March 31, 2021

Particulars	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2020	20,459.15	2,192.09	9,754.45	1,131.81	(10,786.68)	(2,025.77)	20,725.05
Profit for the year	-	-	-	-	2,624.32	-	2,624.32
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	3,006.78	3,006.78
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	165.68	-	165.68
Total comprehensive income	**20,459.15**	**2,192.09**	**9,754.45**	**1,131.81**	**(7,996.68)**	**981.01**	**26,521.83**
Additions on account of shares issued during the year	-	-	-	-	-	-	-
Transfer to securities premium on exercise of equity stock options	50.59	-	-	(50.59)	-	-	-
Share based payment expense	-	-	-	520.31	-	-	520.31
At March 31, 2021	**20,509.74**	**2,192.09**	**9,754.45**	**1,601.53**	**(7,996.68)**	**981.01**	**27,042.14**

Refer note 2.2 for summary of significant accounting policies.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Standalone cash flow statement

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Particulars	Notes	March 31, 2022	March 31, 2021
Cash flow from operating activities			
Profit before exceptional items and tax		**11,672.97**	**2,630.03**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation / amortization expense		5,829.29	5,213.91
Net gain on disposal of property, plant and equipment		(60.55)	(61.39)
Unrealised foreign exchange (gain)/loss, (net)		102.11	(189.10)
Gain on sale of investments in mutual fund units (including fair value gain)		(279.19)	(143.76)
Income from government grant		(687.27)	(158.17)
Share based payments to employees		135.82	520.31
Interest income		(671.84)	(742.09)
Finance costs		3,995.27	3,426.03
Provision for doubtful deposits and advances		160.52	-
Irrecoverable balances written off		272.72	84.00
Provision for doubtful debts		8.07	813.77
Excess provision of earlier years written back		(62.31)	-
Operating profit before working capital changes		**20,415.61**	**11,393.54**
Changes in operating assets and liabilities:			
(Increase)/ decrease in other financial assets		(648.77)	(126.41)
(Increase)/ decrease in other assets		(6,415.18)	1,932.48
(Increase)/ decrease in inventories		(17,489.77)	2,867.03
(Increase)/ decrease in trade receivables		8,769.91	(4,620.52)
Increase/ (decrease) in provisions for employee benefits		1,390.83	(21.56)
Increase/ (decrease) in trade payables		2,856.85	(249.80)
Increase/ (decrease) in other financial liabilities		4,241.92	461.30
Increase/ (decrease) in other liabilities		291.06	(102.73)
		13,412.46	**11,533.33**
Direct taxes refunded/ (paid) (net of refund/payments)		(1,318.62)	237.63
Net cash flows from operating activities (A)		**12,093.84**	**11,770.96**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(5,503.14)	(3,622.12)
Proceeds from sale of property, plant and equipment		159.20	214.25
Investments in bank deposits		(14,989.14)	(14,703.28)
Proceeds from redemption of bank deposits		28,184.41	13,911.01
Investment in subsidiary companies		(2.00)	-
Loans given to subsidiary companies		(2,950.00)	-
Investment in mutual fund units		(27,000.00)	(1,599.92)
Proceeds from sale of investment in mutual fund units		15,514.71	1,614.24
Finance income received		885.80	961.06
Net cash flows used in investing activities (B)		**(5,700.16)**	**(3,224.76)**
Cash flow from financing activities			
Proceeds from issue of shares / exercise of share options		29,258.35	3.50
Proceeds of borrowings		2,11,418.05	1,68,326.26
Repayment of borrowings		(2,39,131.77)	(1,71,088.69)
Payment of lease liabilities (Refer note 36)		(3,222.34)	(2,930.34)
Finance costs paid		(2,509.41)	(2,854.30)
Net cash flows from/ (used in) financing activities (C)		**(4,187.12)**	**(8,543.57)**
Net increase in cash and cash equivalents (A+B+C)		2,206.56	2.63
Cash and cash equivalents at the beginning of the year	12	(949.24)	(951.87)
Cash and cash equivalents at the end of the year		**1,257.32**	**(949.24)**
Components of cash and cash equivalents			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents		1,257.32	1,497.57
Bank overdraft		-	(2,446.81)
Total cash and cash equivalents	12	**1,257.32**	**(949.24)**

Refer note 2.2 for summary of significant accounting policies.

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

All amounts in Indian Rupees in lakhs, except stated otherwise

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

1. Changes in liabilities arising from financial activities:

Particulars	March 31, 2022	March 31, 2021
Liabilities arising from financing activities		
Short term borrowings		
Opening balance	**29,548.45**	**36,919.75**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(24,000.40)	(7,453.73)
Non-cash changes:		
Foreign exchange fluctuations	54.23	82.43
Closing balance	**5,602.28**	**29,548.45**

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

1 CORPORATE INFORMATION

Gokaldas Exports Limited ('the Company') (having Corporate Identity Number (CIN): L18101KA2004PLC033475) was incorporated on March 1, 2004 by converting the erstwhile partnership firm Gokaldas India under Part IX of the Companies Act,1956. Pursuant to the order of the Hon'ble High Court of Karnataka dated November 20, 2004, Gokaldas Exports Private Limited and The Unique Creations (Bangalore) Private Limited had been amalgamated with the Company, with effect from April 1, 2004 being the appointed date. The Company currently operates a 100% Export Oriented Unit, a Domestic Tariff Area Unit and a Special Economic Zone Unit.

The Company is a public company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bangalore. The Company is engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Company is from manufacture and sale of garments and related products, both domestic and overseas.

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 (₹) 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.

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.

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

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.

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:

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method , the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised 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

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

earned from each contract is determined by reference to those fixed prices. There is no significant variable consideration invoved.

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.

Advances received from customers are in the nature of contract liability.

ii. 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.

iii. 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.

iv. Dividends:

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

v. 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 standalone statement of profit and loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the standalone 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.

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.

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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 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.

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 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 upto 5%, which is equal to the corresponding rates prescribed under schedule II of the Companies Act, 2013.

Category of asset	Estimated useful life (in years)
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.

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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.

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 standalone 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.

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.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the

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right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

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

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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.

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 standalone 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.

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

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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.

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

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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.

Financia l 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.

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

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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 standalone 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.

r. Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year 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.

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3 (A). PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress
Gross carrying value [1]											
At April 1, 2020	734.78	1,630.00	1,443.00	14,286.38	550.59	361.91	408.27	462.42	74.22	19,951.57	78.98
Additions	-	21.87	703.87	1,131.62	152.06	241.99	158.58	143.90	-	2,553.89	6.72
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(85.70)
Disposals	-	-	-	(368.80)	-	(0.16)	-	-	(2.61)	(371.57)	-
At March 31, 2021	**734.78**	**1,651.87**	**2,146.87**	**15,049.20**	**702.65**	**603.74**	**566.85**	**606.32**	**71.61**	**22,133.89**	**-**
Additions	-	33.69	531.30	4,757.01	101.51	203.58	243.84	138.80	52.84	6,062.57	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(1,859.16)	(13.28)	(31.40)	-	-	(13.38)	(1,917.22)	-
At March 31, 2022	**734.78**	**1,685.56**	**2,678.17**	**17,947.05**	**790.88**	**775.92**	**810.69**	**745.12**	**111.07**	**26,279.24**	**-**
Depreciation											
At April 1, 2020	-	629.59	515.42	5,157.40	173.09	216.15	186.49	341.65	37.32	7,257.11	-
Charge for the year	-	92.08	416.86	1,728.30	79.95	108.90	52.05	96.58	6.21	2,580.93	-
Disposals	-	-	-	(216.68)	-	(0.09)	-	-	(1.94)	(218.71)	-
At March 31, 2021	**-**	**721.67**	**932.28**	**6,669.02**	**253.04**	**324.96**	**238.54**	**438.23**	**41.59**	**9,619.33**	**-**
Charge for the year	-	87.09	516.42	1,858.49	102.62	178.45	86.76	149.62	7.09	2,986.54	-
Disposals				(1,766.13)	(12.26)	(27.47)	-	-	(12.71)	(1,818.57)	-
At March 31, 2022	**-**	**808.76**	**1,448.70**	**6,761.38**	**343.40**	**475.94**	**325.30**	**587.85**	**35.97**	**10,787.30**	**-**
Net Book value											
At March 31, 2022	**734.78**	**876.80**	**1,229.47**	**11,185.67**	**447.48**	**299.98**	**485.39**	**157.27**	**75.10**	**15,491.94**	**-**
At March 31, 2021	**734.78**	**930.20**	**1,214.59**	**8,380.18**	**449.61**	**278.78**	**328.31**	**168.09**	**30.02**	**12,514.56**	**-**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 15 for information on property, plant and equipment pledged as security by the Company.

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

3 (B) RIGHT-OF-USE ASSETS

Particulars	Right-of-use Buildings	Total
Cost		
At April 1, 2020	7,142.93	7,142.93
Additions	10,138.88	10,138.88
Deletions/Modifications	(1,615.21)	(1,615.21)
At March 31, 2021	**15,666.60**	**15,666.60**
Additions	4,324.23	4,324.23
Deletions/Modifications	(123.39)	(123.39)
Cost as at March 31, 2022	**19,867.44**	**19,867.44**
Amortisation		
Accumulated depreciation as at April 1, 2020	2,936.48	2,936.48
Charge during the year	2,470.26	2,470.26
Deletions/Modifications	(578.74)	(578.74)
At March 31, 2021	**4,828.00**	**4,828.00**
Charge during the year	2,677.05	2,677.05
Deletions/Modifications	(34.40)	(34.40)
Amortisation as at March 31, 2022	**7,470.65**	**7,470.65**
Net carrying value		
At March 31, 2022	**12,396.79**	**12,396.79**
At March 31, 2021	**10,838.60**	**10,838.60**

4 OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross carrying value [1]		
At April 1, 2020	563.48	563.48
Additions	132.78	132.78
At March 31, 2021	**696.26**	**696.26**
Additions	249.47	249.47
At March 31, 2022	**945.73**	**945.73**
Amortisation and impairment		
At April 1, 2020	343.42	343.42
Charge during the year	162.73	162.73
At March 31, 2021	**506.15**	**506.15**
Charge during the year	165.70	165.70
At March 31, 2022	**671.85**	**671.85**
Net book value		
At March 31, 2022	**273.88**	**273.88**
At March 31, 2021	**190.11**	**190.11**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

5 (A) NON CURRENT INVESTMENTS

	March 31, 2022	March 31, 2021
Investments in equity instruments (carried at amortised cost)		
(i) Unquoted equity shares of subsidiary companies (domestic companies)		
All Colour Garments Private Limited	333.98	333.98
20,000 (March 31, 2021 : 20,000) equity shares of ₹ 10 each, fully paid-up		
Vignesh Apparels Private Limited	80.89	80.89
20,000 (March 31, 2021 : 20,000) equity shares of ₹ 10 each, fully paid-up		
SNS Clothing Private Limited	1,776.00	1,776.00
20,000 (March 31, 2021 : 20,000) equity shares of ₹ 10 each, fully paid-up		
Gokaldasexports Acharpura Private Limited	1.00	-
10,000 (March 31, 2021 : Nil) equity shares of ₹ 10 each, fully paid-up		
Sri Susamyuta Knits Private Limited	1.00	-
10,000 (March 31, 2021 : Nil) equity shares of ₹ 10 each, fully paid-up		
	2,192.87	**2,190.87**
Less: provision for diminution in value of investment in SNS Clothing Private Limited	203.39	203.39
Total investment in unquoted equity shares of subsidiary companies (domestic companies)	**1,989.48**	**1,987.48**
(ii) Investment in unquoted government securities		
Investment in National Savings Certificates	0.27	0.27
Total investment in unquoted government securities	**0.27**	**0.27**
(iii) Unquoted investment in preference shares in body corporates (carried at amortised cost)		
Yepme UK Limited	626.56	626.56
[22,577 (March 31, 2021: 22,577) 0.1% preference shares of GBP 1 each fully paid up]		
Less: Provision for diminution in value of investment (Refer note 1 below)	(626.56)	(626.56)
Total investment in unquoted equity shares in other body corporates	-	-
Total Non current investments (i+ii+iii)	**1,989.75**	**1,987.75**

Note 1:

	March 31, 2022	March 31, 2021
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
	-	-

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

5 (B) CURRENT INVESTMENTS

	March 31, 2022	March 31, 2021
Investments carried at fair value through profit and loss		
Investment in liquid mutual fund units		
Quoted		
9,44,257 (March 31, 2021 : 6,21,513) Units ICICI Pru Liquid Direct -G	2,976.83	1,893.98
44,191 (March 31, 2021 : 44,170) Units HDFC Liquid Direct - G	1,849.29	1,786.91
3,41,193 (March 31, 2021 : Nil) Units Aditya Birla SL Savings Direct - G	1,519.37	-
54,54,818 (March 31, 2021 : Nil) Units Axis Credit risk Direct-G	1,023.52	-
65,036 (March 31,2021: Nil) Units HDFC Money market Direct -G	3,027.29	-
986,700 (March 31, 2021:Nil) Units ICICI Prud Money market direct-G	3,028.10	-
28,083 (March 31, 2021:Nil) Units Kotak Money market direct-G	1,016.82	-
15,127 (March 31, 2021 : Nil) Units SBI Liquid Direct - G	504.17	-
14,922 (March 31, 2021 : Nil) Units Nippon India Money Market fund	499.98	-
Total Investment in mutual fund units	**15,445.37**	**3,680.89**
Aggregate carrying amount and market value of mutual fund investments	15,445.37	3,680.89

6 FINANCIAL ASSETS - LOANS

	March 31, 2022	March 31, 2021
Unsecured, considered good		
Loans given to subsidiaries (Refer note 39)	2,950.00	-
Total Financial assets - Loans	**2,950.00**	**-**

7 FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

	March 31, 2022	March 31, 2021
Carried at amortised cost		
Unsecured, considered good		
(A) Non current		
Security and other deposits (refer note below)	2,593.91	2,802.25
Bank balances (including term deposits) (refer note 12)	1,496.84	14,692.11
Interest accrued on loans given to subsidiaries	28.08	-
Loan to employees	37.61	15.71
	4,156.44	**17,510.07**
(B) Current		
Derivative instruments at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	1,377.03	981.01
Other Financial assets at amortised cost		
Interest accrued on fixed deposits	41.29	417.70
Loan to employees	88.70	65.43
Dues from related parties (Refer note 39)	12.74	-
	1,519.76	**1,464.14**
Total other financial assets (A+B)	**5,676.20**	**18,974.21**

Note: Security and other deposits are primarily in relation to public utility services and rental agreements.

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

8(A) DEFERRED TAX ASSETS

	March 31, 2022	March 31, 2021
Deferred tax assets		
Impact of difference between tax depreciation and depreciation for financial reporting	302.21	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years on payment basis	876.77	-
MAT credit entitlement	-	680.90
Total Deferred tax assets	**1,178.98**	**680.90**

Movement in deferred tax asset is as below:

	March 31, 2022	March 31, 2021
Opening balance	680.90	-
Recognised in profit and loss during the year	1,178.98	680.90
MAT credit entitlement reversed	(680.90)	-
Closing balance	**1,178.98**	**680.90**

8 (B) NON CURRENT TAX ASSETS (NET)

	March 31, 2022	March 31, 2021
Advance payment of income tax (including tax paid under protest)	1,133.41	650.66
Total non-current tax assets	**1,133.41**	**650.66**

9 OTHER CURRENT / NON-CURRENT ASSETS

	March 31, 2022	March 31, 2021
Non current		
(A) Unsecured, considered good		
Capital advances	101.78	102.93
Prepaid expenses	117.47	113.39
Export Incentives receivable	36.45	119.89
	255.70	**336.21**
(B) Unsecured, considered doubtful		
Advance to suppliers	272.63	272.63
Export Incentives receivable	190.52	30.00
Less: Provision for doubtful advances and receivables	(463.15)	(302.63)
	-	-
Total non-current assets (A+B)	**255.70**	**336.21**
Current		
(C) Unsecured, considered good		
Prepaid expenses	1,002.78	693.64
Balances with statutory / government authorities	2,421.26	1,230.73
Advance to suppliers	2,137.88	1,793.79
Export Incentives receivable	6,519.08	1,684.73
Total current assets	**12,081.00**	**5,402.89**
Total other current / non-current assets (A+B+C)	**12,336.70**	**5,739.10**

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

10 INVENTORIES

	March 31, 2022	March 31, 2021
Raw materials (including packing materials) and components	13,674.99	9,200.50
Work-in-progress	17,646.49	11,736.31
Finished goods (readymade garments)	11,257.63	4,191.00
Consumables, stores and spares parts	674.09	635.62
Total inventories	**43,253.20**	**25,763.43**
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	204.21	319.62
Finished goods (readymade garments)	9,167.36	1,055.43
	9,371.57	**1,375.05**

(a) For method of valuation for each class of inventories, refer note 2.2(k)

(b) The value of inventories above is stated net of writedown of ₹ 3,684.59 Lakhs as at March 31, 2022 (as at March 31, 2021: ₹ 4,383.31 lakhs)

(c) The carrying value of inventories as at March 31, 2022 and March 31, 2021 is pledged as security against the borrowings (refer note 15)

11 FINANCIAL ASSETS - TRADE RECEIVABLES

	March 31, 2022	March 31, 2021
Trade receivables:		
From related parties	-	-
From others	9,217.11	17,983.57
Total	**9,217.11**	**17,983.57**
(A) Breakup of trade receivables		
Secured, considered good	-	-
Unsecured, considered good	9,217.11	17,983.57
Trade Receivables which have significant increase in credit Risk	231.91	2,185.26
Trade Receivables - credit impaired	-	-
	9,449.02	**20,168.83**
(B) Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit Risk	(231.91)	(2,185.26)
Trade Receivables - credit impaired	-	-
	(231.91)	**(2,185.26)**
Total financial assets - trade receivables (A+B)	**9,217.11**	**17,983.57**

Notes:

i. The Company follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

ii. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

iii. Trade receivables are non-interest bearing.

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Aging of trade receivables:

There are no disputed trade receivables as at and for the years ended March 31, 2022 and March 31, 2021.

Below is the list of undisputed trade receivables outstanding for following periods from the due date.

March 31, 2022:

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Less than 6 months	9,217.11	48.71	-	9,265.82
6 months to 1 year	-	9.10	-	9.10
1 to 2 years	-	127.57	-	127.57
2 to 3 years	-	45.87	-	45.87
More than 3 years	-	0.66	-	0.66
Total	**9,217.11**	**231.91**	**-**	**9,449.02**

March 31, 2021:

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Less than 6 months	17,449.12	-	-	17,449.12
6 months to 1 year	534.45	143.44	-	677.89
1 to 2 years	-	1,045.80	-	1,045.80
2 to 3 years	-	322.62	-	322.62
More than 3 years	-	673.40	-	673.40
Total	**17,983.57**	**2,185.26**	**-**	**20,168.83**

12 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

	March 31, 2022	March 31, 2021
Current		
Balances with banks		
In current accounts [1,2]	1,245.54	1,490.37
Cash on hand	11.78	7.20
Total Financial assets - Cash and cash equivalents (Current)	**1,257.32**	**1,497.57**
Non-current		
Bank balances other than cash and cash equivalents		
Deposits with remaining maturity for more than 12 months	386.94	386.94
Deposits with original maturity of more than 3 months but less than/equal to 12 months	1,109.90	14,305.17
	1,496.84	**14,692.11**
Amount disclosed under other financial assets	(1,496.84)	(14,692.11)
Total Financial assets - Cash and cash equivalents (Non current)	**-**	**-**

Notes:

[1] Balances with bank on current accounts does not earn interest.

[2] includes balances in Exchange Earner's Foreign Currency Accounts.

[3] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

	March 31, 2022	March 31, 2021
Balances with banks		
On current accounts	1,245.54	1,490.37
Cash on hand	11.78	7.20
	1,257.32	**1,497.57**
Less : Bank overdraft *	-	(2,446.81)
Net debt	**1,257.32**	**(949.24)**

Net debt reconciliation:

	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 01, 2020	1,223.45	(2,175.32)	(951.87)
Cash flows	274.12	(64.12)	210.00
Interest charge	-	(207.37)	(207.37)
Net debt as at March 31, 2021	**1,497.57**	**(2,446.81)**	**(949.24)**
Cash flows	(240.25)	2,539.58	2,299.33
Interest charge	-	(92.77)	(92.77)
Net debt as at March 31, 2022	**1,257.32**	**-**	**1,257.32**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

13 EQUITY SHARE CAPITAL

	Number of shares	Amount
Authorised share capital		
At April 1, 2020	5,50,00,000	2,750.00
Increase during the year	-	-
At March 31, 2021	**5,50,00,000**	**2,750.00**
Increase during the year	1,00,00,000	500.00
At March 31, 2022	**6,50,00,000**	**3,250.00**

(a) Issued equity capital

	Number of shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2020	4,28,25,663	2,141.28
Add: Share options issued during the year	70,000	3.50
At March 31, 2021	4,28,95,663	2,144.78
Add: received during the year on account of issue of shares (Refer Note 51)	1,54,24,164	771.21
Add: received during the year on account of exercise of share options	6,57,167	32.86
At March 31, 2022	**5,89,76,994**	**2,948.85**

Notes to the standalone financial statements

for the year ended March 31, 2022 *All amounts in Indian Rupees in lakhs, except stated otherwise*

(b) Terms/ rights attached to equity shares

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

(i) The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity is entitled to one vote per share.

(ii) 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, except in case of interim dividend.

(iii) 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. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

	March 31, 2022	March 31, 2021
Clear Wealth Consultancy Services LLP:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	1,39,55,957	1,39,55,957
% holding in the class	23.66%	32.53%
SBI Mutual Fund		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	57,50,020	-
% holding in the class	9.75%	-
Nippon Life India Trustee Ltd		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	35,98,972	-
% holding in the class	6.10%	-
Teesta Retail Private Limited:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	22,80,513	22,80,513
% holding in the class	3.87%	5.32%

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.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, Refer note 41.

14 OTHER EQUITY

		March 31, 2022	March 31, 2021
	Reserves and Surplus		
(A)	**Securities premium reserve**		
	Balance at the beginning of the year	20,509.74	20,459.15
	Add: received during the year on account of issue of shares*	28,444.08	-
	Add: received during the year on account of exercise of share options	10.20	-
	Add: transfer from share based payments reserve	465.03	50.59
	Balance at the end of the year	**49,429.05**	**20,509.74**
	* net of share issue expenses of ₹ 784.70 lakhs (refer note 28 and 30)		
	This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.		

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

		March 31, 2022	March 31, 2021
(B)	**General reserve**		
	Balance at the end of the year	**2,192.09**	**2,192.09**
	Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.		
(C)	**Capital Reserve on Amalgamation**		
	Balance at the end of the year	**9,754.45**	**9,754.45**
	Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor company.		
(D)	**Share based payments reserve**		
	Balance at the beginning of the year	1,601.53	1,131.81
	Add: addition during the year	135.82	520.31
	Less: transfer to securities premium reserve	(465.03)	(50.59)
	Balance at the end of the year	**1,272.32**	**1,601.53**
	Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		
(E)	**Retained earnings**		
	Balance at the beginning of the year	(7,996.68)	(10,786.68)
	Profit for the year	11,672.97	2,624.32
	Add: Remeasurement of post employment benefits obligations (net of deferred tax)	312.88	165.68
	Balance at the end of the year	**3,989.17**	**(7,996.68)**
	Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
(F)	**Cash flow hedging reserve**		
	Balance at the beginning of the year	981.01	(2,025.77)
	Add: Reclassified to the statement of profit and loss	396.02	3,006.78
	Balance at the end of the year	**1,377.03**	**981.01**
	When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss when related forecasted transaction (hedged item) affects the profit or loss.		
	Total other equity (A+B+C+D+E+F)	**68,014.11**	**27,042.14**

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

15 FINANCIAL LIABILITIES - BORROWINGS

	March 31, 2022	March 31, 2021
Non-current borrowings		
Term loans from banks (Secured)		
Indian rupee term loan from bank	238.06	1,884.27
Total non-current borrowings (Secured) (Refer Note 15(A))	**238.06**	**1,884.27**
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan [1,2,3,4]	1,500.00	22,337.89
Bill discounting from banks [5,6,7,8]	4,102.28	7,210.56
Bank overdraft [9]	-	2,446.81
Current maturities of long-term borrowings	466.60	2,642.17
Total current borrowings (Secured)	**6,068.88**	**34,637.43**
Total current borrowings (Refer Note 15(B))	**6,068.88**	**34,637.43**
Total Financial liabilities - Borrowings	**6,306.94**	**36,521.70**
The above amount includes:		
Secured non-current borrowings	238.06	1,884.27
Secured current borrowings	6,068.88	34,637.43
Unsecured current borrowings	-	-
	6,306.94	**36,521.70**

15(A): NOTES ON NON-CURRENT BORROWINGS

Indian rupee term loan from bank (Secured)

	March 31, 2022	March 31, 2021
Gross amount of indian rupee term loan taken	5,013.10	5,013.10
Outstanding balance:		
Non current borrowings	238.06	1,884.27
Current maturities of long-term borrowings	466.60	2,642.17
Total outstanding balance	**704.66**	**4,526.44**
Applicable Interest rate	8%	8% to 8.45%

Terms of repayment:

Indian rupee term loan from banks is repayable in 24 to 48 equal monthly instalments with a morotorium period of 6 months.

	March 31, 2022	March 31, 2021
Number of instalments due as at Balance sheet date (months)	19	14 to 42
Maturity profile including current maturities:		
Not later than one year	466.60	2,642.17
Later than one year but not later than two years	238.06	1,106.60
Later than two years but not later than three years	-	466.60
Later than three years but not later than four years	-	311.07
Later than four years but not later than five years	-	-
More than five years	-	-
	704.66	**4,526.44**

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Repayment of non current borrowings and Interest:
During the year and as on the balance sheet date, the Company has not defaulted in repayment of non-current borrowings and interest there on.

Loans from related parties:
During the year and as on the balance sheet date, the Company has not taken any non-current borrowings from related parties.

Disclosure about the nature of security:
The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) Current assets (including trade receivables) of the Company (iii) hypothication of Plant & Machinery and Equipments and Land & Buildings.

During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/ KMP's as defined in note 39) have given any personal guarantee or personal security for any non-current borrowings taken by the Company and is outstanding as at balance sheet date.

15(B): NOTES ON CURRENT BORROWINGS:

[1] Indian rupee packing credit loan from a bank of ₹ 2,000 lakhs (March 31, 2021: ₹ 6,000 lakhs) carries interest @ Marginal cost of funds based lending rate ('MCLR') + 0.75% (March 31, 2021: MCLR + 0.75%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 5,634.06 lakhs). Also refer note 15(B) [9] and [10] below.

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs which is reduced to ₹ Nil by March 31, 2022 (March 31, 2021: ₹ 21,000 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2021: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 15,829.96 lakhs). Also refer note 15(B) [9] and [10] below.

[3] Indian rupee packing credit loan from a bank of ₹ 3,000 lakhs (March 31, 2021: ₹ 3,000) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2021: MCLR) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021:₹ 873.87 lakhs). Also refer note 15(B) [9] and [10] below.

[4] Indian rupee packing credit loan from a bank of ₹ 7,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @3 months MCLR for Indian rupee packing credit loan and 6 months SOFR for foreign currency packing credit loan (March 31, 2021: Nil). Another Indian rupee packing credit loan from a bank of ₹ 6,000 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @ 6 months MCLR (March 31, 2021: Nil). Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ 1,500.00 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ Nil). Also refer note 15(B) [9] and [10] below.

[5] Bill discounting from a bank of ₹ 3,000 lakhs (March 31, 2021: ₹ 4,000 lakhs) carries interest @LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and @ MCLR plus 0.75% for Indian Rupee bills discounting (March 31, 2021: Same as in the year FY 2021-22) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 2,868.15 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ 1,073.12 lakhs). Also refer note 15(B) [9] and [10] below.

[6] Bill discounting from a bank of ₹ 10,850 lakhs which is reduced to ₹ nil by March 31, 2022 (March 31, 2021: ₹ 10,850 lakhs) carries interest @6 months LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2021: Same as in the year FY 2021-22) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 4,753.37 lakhs). Also refer note 15(B) [9] and [10] below.

[7] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2021: ₹ 2,000 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') for Indian Rupee bills discounting (March 31, 2021: @MCLR for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 453.45 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ 1,384.07). Also refer note 15(B) [9] and [10] below.

[8] Bill discounting from a bank of ₹1,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @3 months MCLR for Indian rupee bill discounting loan and @6 months SOFR for foreign currency bill discounting loan (March 31, 2021: Nil). Another bill discounting from a bank of ₹ 2,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @6 months MCLR for Indian rupee

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bill discounting loan and 6 months SOFR for foreign currency bill discounting loan (March 31, 2021: Nil). Interest on the above loans is payable on transaction basis. These loans are secured by pari passu charge on (i) current assets of the Company; and (ii) Fixed assets of the Company. Out of the above, ₹ 780.68 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ Nil). Also refer note 15(B) [9] and [10] below.

[9] Bank overdraft from banks of ₹ 2,500 lakhs (March 31, 2021: ₹ Nil) carries interest linked to @6 month MCLR plus applicable spreads ranging from 0.75% to 2.50% p.a. (March 31, 2021: Not applicable). Another bank overdraft of ₹ Nil (March 31, 2021: ₹ 2,800 lakhs) carries interest linked to @one year MCLR plus applicable spreads of 2.50% p.a. (March 31, 2021: same as in the FY2021-22). Interest on the above loans is payable on monthly basis.

These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 2,446.81 lakhs). Also refer note 15(B) [10] below.

[10] The Company has further provided the following as the collateral to the Multiple Banking Arrangement (MBA) lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 15(B).

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company and its subsidiary,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

[11] The Company has availed the interest subvention during the years ended March 31, 2022 and March 31, 2021 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

[12] **Repayment of current borrowings and Interest:**
During the year and as on the balance sheet date, the Company has not defaulted in repayment of current borrowings and interest there on.

[13] **Loans from related parties:**
During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties.

16 LEASE LIABILITIES

	March 31, 2022	March 31, 2021
Non current		
Lease Liabilities	10,170.08	8,435.87
	10,170.08	**8,435.87**
Current		
Lease Liabilities	2,638.16	2,667.28
	2,638.16	**2,667.28**
Total Lease Liabilities (Current + Non-current)	**12,808.24**	**11,103.15**

Refer Note 36 (I) for maturity profile and other details.

17 PROVISION FOR EMPLOYEE BENEFITS

	March 31, 2022	March 31, 2021
(a) Non current		
Gratuity	661.82	521.68
	661.82	**521.68**
(b) Current		
Gratuity	2,364.43	1,923.84
Leave benefits	1,357.85	860.63
	3,722.28	**2,784.47**
Total provision for employee benefits	**4,384.10**	**3,306.15**

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for the year ended March 31, 2022

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18 FINANCIAL LIABILITIES - TRADE PAYABLES

	March 31, 2022	March 31, 2021
Current		
Total outstanding dues of micro, small and medium enterprises	94.75	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises	11,658.68	8,500.78
Total financial liabilities - Trade payables	**11,753.43**	**8,552.49**

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.

- For explanations on the Company's credit risk management processes, Refer note 42.

Aging of trade payables:

There are no disputed trade payables as at and for the years ended March 31, 2022 and March 31, 2021.

Below is the list of undisputed trade payables outstanding for following periods from the due date.

March 31, 2022:

Periods	MSME	Others
Less than 1 year	94.75	11,437.84
1 to 2 years	-	220.84
2 to 3 years	-	-
More than 3 years	-	-
Total	**94.75**	**11,658.68**

March 31, 2021:

Periods	MSME	Others
Less than 1 year	51.71	8,421.60
1 to 2 years	-	79.18
2 to 3 years	-	-
More than 3 years	-	-
Total	**51.71**	**8,500.78**

19 FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2022	March 31, 2021
Other Financial liabilities at amortised cost		
Interest accrued and not due on loans	233.75	100.93
Payable to related parties	1,690.43	1,635.84
Employee related payables	8,610.89	6,010.54
Accrued expenses *	4,161.57	2,574.59
Liability for capital assets	390.57	270.09
Total financial liabilities - other current financial liabilities	**15,087.21**	**10,591.99**

* Accrued expenses represent amounts accrued for other operational expenses.

20 OTHER CURRENT LIABILITIES

	March 31, 2022	March 31, 2021
Advances received from customers	250.02	144.47
Statutory liabilities payable*	1,047.75	756.69
Total other current liabilities	**1,297.77**	**901.16**

* Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

Notes to the standalone financial statements

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All amounts in Indian Rupees in lakhs, except stated otherwise

21 CURRENT TAX LIABILITY (NET)

	March 31, 2022	March 31, 2021
Current tax liability (net)	-	337.79
Total Current tax liability (net)	**-**	**337.79**

22 REVENUE FROM OPERATIONS

	March 31, 2022	March 31, 2021
(a) Sale of finished goods		
Exports	1,49,112.14	94,173.84
Domestic	17,616.75	20,214.59
	1,66,728.89	**1,14,388.43**
(b) Other operating revenues		
Export incentives and others *	8,813.05	4,712.80
Sale of accessories, fabrics, scrap and others	3,096.27	1,592.08
Job work income	270.59	238.97
	12,179.91	**6,543.85**
Total revenue from operations	**1,78,908.80**	**1,20,932.28**

* Others represents government grant, which is in the form of import duty savings, have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2022 and March 31, 2021.

i. Disaggregation of Revenue from sale of finished goods

The Company has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 35.

Primary Geographic Markets	**Sale of finished goods**	
(Name of the country)	**March 31, 2022**	**March 31, 2021**
United States of America	1,34,221.24	76,754.26
Canada	5,595.42	3,612.89
Netherlands	2,203.18	1,149.33
United Kingdom	1,355.07	1,344.44
France	1,116.98	1,554.71
China	729.86	1,056.04
Denmark	622.58	1,185.77
Spain	506.02	1,561.73
Japan	320.02	669.51
Germany	122.20	731.94
Other Overseas Countries	2,319.57	4,553.22
India	17,616.75	20,214.59
Total	**1,66,728.89**	**1,14,388.43**

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counterparties, timing of transfer of goods, uncertainty of revenue and cashflows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

Notes to the standalone financial statements

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ii. Remaining performance Obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

iii. Estimates and assumptions

There are no significant estimates and assumptions.

iv. Contract balances

	Contract liabilities	
	March 31, 2022	**March 31, 2021**
Balance at the beginning of the year	144.47	188.96
Less: Amount included in contract liabilities that was recognised as revenue during the period	(144.47)	(188.96)
Add: Cash received in advance of performance and not recognised as revenue during the period	250.02	144.47
Balance at the end of the year	**250.02**	**144.47**

23 OTHER INCOME

	March 31, 2022	March 31, 2021
Interest income on:		
Bank deposits	453.74	690.20
Security deposits	134.37	185.83
Loans given to subsidiaries	31.19	-
Income tax refunds	52.54	51.89
Other non-operating income :		
Net gain on disposal of property, plant and equipment	60.55	61.39
Gain on sale of investments in mutual fund units	85.36	14.32
Fair value gain on investments in mutual fund units	193.83	129.44
Excess provision of earlier years written back	62.31	-
Miscellaneous income	20.80	74.93
Total other income	**1,094.69**	**1,208.00**

24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	March 31, 2022	March 31, 2021
Inventory at the beginning of the year	9,200.50	8,321.11
Add: Purchases	1,04,757.74	57,423.85
	1,13,958.24	**65,744.96**
Less: inventory at the end of the year	13,674.99	9,200.50
Total cost of raw materials and components consumed	**1,00,283.25**	**56,544.46**

25 PURCHASES OF STOCK-IN-TRADE

	March 31, 2022	March 31, 2021
Purchases of stock-in-trade	1,403.40	-
Total Purchases of stock-in-trade	**1,403.40**	**-**

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26 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	March 31, 2022	March 31, 2021
Inventories at the beginning of the year		
Work-in-progress	11,736.31	15,473.90
Finished goods (Readymade garments)	4,191.00	4,258.21
	15,927.31	**19,732.11**
Inventories at the end of the year		
Work-in-progress	17,646.49	11,736.31
Finished goods (Readymade garments)	11,257.63	4,191.00
	28,904.12	**15,927.31**
Total Changes in inventories of finished goods and work-in-progress	**(12,976.81)**	**3,804.80**

27 EMPLOYEE BENEFITS EXPENSE

	March 31, 2022	March 31, 2021
Salaries and wages	46,026.44	32,248.20
Contribution to provident and other funds	5,042.99	3,128.69
Share based payment expenses (Refer note 41)	135.82	520.31
Gratuity expense (net) (Refer note 38)	1,327.80	722.01
Staff welfare expense	1,317.32	502.65
Total employee benefit expenses	**53,850.37**	**37,121.86**

28 FINANCE COSTS

	March 31, 2022	March 31, 2021
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	1,259.38	1,910.90
on bill discounting and others	410.20	281.75
on lease liabilities	1,353.04	633.25
Bank charges and other borrowing costs *	972.65	600.13
Total finance costs	**3,995.27**	**3,426.03**

* Doesn't include expenses of ₹ 16.80 lakhs as the same is relating to share issue expenses adjusted to security premium account (Refer note 51).

29 DEPRECIATION AND AMORTIZATION EXPENSE

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment	2,986.54	2,580.92
Amortisation of other intangible assets	165.70	162.73
Amortisation on right-of-use assets	2,677.05	2,470.26
Total depreciation and amortisation expenses	**5,829.29**	**5,213.91**

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30 OTHER EXPENSES

	March 31, 2022	March 31, 2021
Consumption of stores, spares and other manufacturing expenses	1,901.22	1,180.75
Water, electricity and fuel charges	2,601.20	2,020.37
Clearing, forwarding and freight	3,208.06	1,652.34
Rental charges	1,698.40	1,625.15
Legal and professional fees	1,127.45	744.01
Travelling and conveyance	534.55	362.41
Rates and taxes	236.60	367.90
Insurance	526.69	515.43
Repairs and maintenance		
Plant and machinery	827.30	474.84
Buildings	161.24	186.49
Others	630.71	397.10
Telephone and internet expenses	170.29	157.20
Payments to auditors [Refer note 30(a)]	34.64	34.03
Sitting fees	58.40	50.40
Corporate social responsibility expenditure [Refer note 30(b)]	46.58	9.05
Provision for doubtful deposits and advances	160.52	-
Irrecoverable balances written off	272.72	84.00
Provision for doubtful debts	8.07	813.77
Miscellaneous expenses	1,073.65	1,364.29
Total other expenses *	**15,278.29**	**12,039.53**

* Doesn't include expenses of ₹ 767.90 lakhs as the same is relating to share issue expenses adjusted to security premium account (Refer note 51).

NOTE 30(A): PAYMENT TO AUDITORS (EXCLUSIVE OF GST)

	March 31, 2022	March 31, 2021
Audit fees (including fees for audit of consolidated and standalone financial statements and quaterly limited reviews)	33.00	33.00
Out of pocket expenses	1.64	1.03
Total payment to auditors (exclusive of GST)	**34.64**	**34.03**

NOTE 30(B): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	March 31, 2022	March 31, 2021
Amount required to be spent by the Company during the year	46.58	-
Amount of expenditure incurred	47.00	-
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-

There is no unspent amount to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

Notes to the standalone financial statements

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31 RATIO ANALYSIS AND ITS ELEMENTS

	March 31, 2022	March 31, 2021
Current ratio [Refer note 31(a)]	1.37	0.87
Debt equity ratio [Refer note 31(b)]	0.43	1.45
Debt Service Coverage ratio [Refer note 31(c)]	0.09	0.07
Return on Equity ratio [Refer note 31(d)]	0.23	0.10
Inventory turnover ratio [Refer note 31(e)]	2.57	2.22
Trade receivables Turnover Ratio [Refer note 31(f)]	12.26	7.07
Trade Payable Turnover Ratio [Refer note 31(g)]	10.46	5.76
Net Capital Turnover Ratio [Refer note 31(h)]	3.57	4.65
Net Profit ratio [Refer note 31(i)]	6.52%	2.17%
Return on Capital Employed [Refer note 31(j)]	24.82%	9.36%
Return on Investment [Refer note 31(k)]	19.27%	11.59%

Formula for computation of ratios:

Particulars	Numerator	Denominator
Current ratio	Average Current Assets	Average Current Liabilities
Debt equity ratio	Average Debt (Borrowing)	Average total Equity
	Average Debt (Borrowing)= (opening debt+closing debt)/2	Average total Equity = (opening total equity+closing total equity)/2
Debt Service Coverage ratio	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Total Debt (Borrowing) repaid during the year
Return on Equity ratio	Profit for the period/year	Average total Equity
		Average total Equity = (opening total equity+closing total equity)/2
Inventory turnover ratio	Cost of goods sold	Average Inventory
		Average Inventory=(opening inventory+closing inventory)/2
Trade receivables Turnover Ratio	Total sale of finished goods	Average trade receivables
		Average trade receivables=(opening trade receivables+closing trade receivables)/2
Trade Payable Turnover Ratio	Total Purchases	Average trade payables
		Average trade payable=(opening trade payable+closing trade payable)/2
Net Capital Turnover Ratio	Revenue from operations	Average total Equity
		Average total Equity = (opening total equity+closing total equity)/2
Net Profit ratio	Profit for the period/year (PAT)	Revenue from operations
Return on Capital Employed	Profit Before Tax + Finance cost	((Total Assets - ROU Assets - investment in mutual funds)-(Current Liabilities-borrowings-current lease liabilities))
Return on Investment	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Average total assets = (opening total assets+closing total assets)/2

Notes on reason for variances:

31(a): Due to increased investment on current assets in line with the increase in revenue.

31(b): Reduced due to repayment of borrowings.

31(c): Increased DSCR due to repayment of borrowing while increasing the operating profit.

31(d): Growth in revenue has helped in higher profit after tax and better return on equity.

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31(e): Better inventory management in a higher revenue base helped higher turns.

31(f): Early realisation from customers in a growing revenue base helped higher receivable turns.

31(g): With increased liquidity, trade payables were paid on time on a higher purchase base helped better payable turns.

31(h): Increase in equity was consequent to infusion of equity capital, thereby reduced the net capital ratio.

31(i): Increased due to higher profit after tax in relation to increase in sales of finished goods.

31(j): Increased due to higher earnings before interest and tax consequent to increase in sales of finished goods.

31(k): Increased due to higher operating profit during the year in relation to the increase in the total assets.

32 INCOME TAX

The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/ deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

	March 31, 2022	March 31, 2021
(a) Current tax	1,170.15	680.90
(b) Adjustment of tax relating to earlier periods	(672.07)	5.71
(c) Deferred tax (credit)/charge	(498.08)	(680.90)
Total tax expenses	-	**5.71**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	March 31, 2022	March 31, 2021
Profit/(Loss) after exceptional items and before tax	11,672.97	2,630.03
Applicable normal income tax rate in India	25.168%	34.944%
Computed tax expense	2,937.85	919.04
Tax effect of:		
Exempted income	(4,566.39)	(2,840.84)
Expenses disallowed	3,207.04	3,150.67
Carried forwarded tax losses	(1,578.50)	(1,223.16)
Total tax expenses	-	**5.71**

The Company has accumulated tax losses which arose in India of ₹ Nil (March 31, 2021:₹ 2,787.29 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose.

The Company has unabsorbed depreciation of ₹ Nil (March 31, 2021:₹ 3,484.56 lakhs) that are available for offsetting for indefinite period.

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33 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the loss 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 table reflects the data used in the basic and diluted EPS computations:

	March 31, 2022	March 31, 2021
Face value of equity shares (₹ per share)	5.00	5.00
Profit attributable to equity holders of the Company	11,672.97	2,624.32
Weighted average number of equity shares used for computing earning per share (basic)	5,07,30,394	4,28,55,005
Weighted average number of equity shares used for computing earning per share (diluted)	5,28,84,069	4,54,10,985
EPS - basic (₹)	23.01	6.12
EPS - diluted (₹)	22.07	5.78

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

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. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in

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the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

d. Impairment of non current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions etc.

e. 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 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.

f. 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 bank 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.

g. Defined benefit obligations

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 interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 38.

h. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "(Increase)/decrease in inventories of finished goods and work-in-progress" in the statement of profit and loss..

i. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

j. Non current assets held for sale

Non current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

k. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/ RSUs granted. The Company estimates fair value of ESOPs/ RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

l. Revenue from Export incentives

For measurement of income from the export incentives, significant estimates and judgments are made which include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate notified/to be notified by the government authorities.

35 SEGMENT INFORMATION- DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENT'

(a) Basis of identifying operating segments:

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues

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and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Company is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

(c) Geographic information

The Company mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

	Segment revenue*		Non current assets**	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
India	27,810.54	26,095.81	28,418.31	23,879.48
Rest of world	1,51,098.26	94,836.47	-	-
Total	**1,78,908.80**	**1,20,932.28**	**28,418.31**	**23,879.48**

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2021: Three) customer amounted to ₹ 125,129.35 lakhs (March 31, 2021: ₹ 70,975.61 lakhs), arising from sales of readymade garments.

*Total Revenue from operations by geographical area are based on the geographical location of the client.

**Non-current assets excludes non current financial assets and non current tax assets.

36 COMMITMENTS AND CONTINGENCIES

I. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and nonlease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both. The Company records the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.

The movement in lease liabilities is as follows:

	March 31, 2022	March 31, 2021
Opening balance	11,103.15	4,897.89
Additions	3,663.38	9,937.96
Deletions	(88.99)	(1,435.61)
Finance cost accrued	1353.04	633.25
Payment of lease liabilities	(3,222.34)	(2,930.34)
Closing balance	**12,808.24**	**11,103.15**

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The break-up of current and non-current lease liabilities is as follows

	March 31, 2022	March 31, 2021
Current lease liabilities	2,638.16	2,667.28
Non-current lease liabilities	10,170.08	8,435.87
Total	**12,808.24**	**11,103.15**

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

	March 31, 2022	March 31, 2021
Less than one year	3,968.83	3,801.96
One to five years	11,914.33	11,188.09
More than five years	1,345.24	972.14
Total	**17,228.40**	**15,962.19**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental charges recorded for short-term leases during the year is ₹ 1,698.40 Lakhs (31 March 2021: ₹ 1,625.15 Lakhs).

II. Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

	March 31, 2022	March 31, 2021
(a) Bank Guarantees		
Sanctioned	150.00	263.00
Outstanding	150.00	171.68
(b) Outstanding letters of credit		
Sanctioned	6,322.00	4,249.00
Outstanding	3,587.68	3,167.32
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	278.43
(ii) Matters relating to other taxes under dispute	122.54	122.54

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(ii) The Company is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Company's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the standalone financial statements.

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III. Capital and other commitments

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	93.46	937.39
Commitments relating to forward contract- hedge of highly probable forecast sales	1,44,555.43	80,141.46

37 HEDGING ACTIVITIES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Company's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Company is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount	Average Strike rate
March 31, 2022	USD	1,850.43	78.12
March 31, 2022	INR	1,44,555.43	
March 31, 2021	USD	1,052.30	76.16
March 31, 2021	INR	80,141.46	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

	March 31, 2022	March 31, 2021
Nominal amount of hedging instrument	1,44,555.43	80,141.46
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	1,377.03	981.01
Liabilities	-	-
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 7
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:

	March 31, 2022	March 31, 2021
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	1,377.03	981.01
For hedges no longer applied	-	-
Total balance	**1,377.03**	**981.01**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

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The cash flow hedges of the expected future sales during the year ended March 31, 2022 and March 31, 2021 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2022 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2023.

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on :

Cash flow hedge reserve	March 31, 2022	March 31, 2021
Opening balance	981.01	(2,025.77)
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	2,130.54	3,442.13
Less: amount reclassified to standalone statement of profit and loss as hedged item has affected profit or loss	(1,734.52)	(435.35)
Less: amount reclassified to standalone statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	396.02	3,006.78
Less: amount recognised in the standalone statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**1,377.03**	**981.01**

The Company offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

38 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the standalone statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit.

(a) Net benefit expenses (recognised in the standalone statement of profit and loss)

Particulars	March 31, 2022	March 31, 2021
Current service cost	1,173.36	585.03
Net interest cost on defined benefit obligations / (assets)	154.44	136.98
Net benefit expenses	**1,327.80**	**722.01**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2022	March 31, 2021
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(131.50)	5.44
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(181.42)	(171.23)
Actuarial (gain)/loss arising during the year	**(312.92)**	**(165.79)**
Return on plan assets (greater)/less then discount rate	0.04	0.11
Actuarial (gain)/ loss recognised in other comprehensive income	**(312.88)**	**(165.68)**

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(c) Net defined benefit asset / (liability)

Particulars	March 31, 2022	March 31, 2021
Defined benefit obligation	3,053.85	2,471.40
Fair value of plan assets	27.60	25.88
Plan liability/ (asset)	**3,026.25**	**2,445.52**

(d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation	2,471.40	2,611.18
Current service cost	1,173.36	585.03
Interest cost on the defined benefit obligation	156.20	138.46
Benefits paid	(434.19)	(697.48)
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(131.50)	5.44
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(181.42)	(171.23)
Closing defined benefit obligation	**3,053.85**	**2,471.40**

(e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2022	March 31, 2021
Opening fair value of plan assets	25.88	24.00
Interest income on plan assets	1.76	1.48
Contributions by employer	434.19	697.99
Benefits paid	(434.19)	(697.48)
Return on plan assets (lesser)/greater than discount rate	(0.04)	(0.11)
Closing fair value of plan assets	**27.60**	**25.88**

The Company expects to contribute ₹ 2,364.43 lakhs (March 31, 2021: ₹ 1,923.84 lakhs) towards gratuity fund.

(f) The following benefit payments (undiscounted) are expected in future years:

Particulars	March 31, 2022
March 31, 2023	506.76
March 31, 2024	375.43
March 31, 2025	270.58
March 31, 2026	231.72
March 31, 2027	175.02
March 31, 2028 to March 31, 2032	3,122.23

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2022	March 31, 2021
Investments with insurer	100%	100%

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(h) The principal assumptions used in determining gratuity for the Company's plan is as shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate (in %)	6.93%	6.12%
Salary escalation (in %)	5% to 8%	5% to 8%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.

2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.

5. Refer note 17 for current and non current classification.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(156.38)	(100.49)
Impact of defined benefit obligation due to 1% decrease in discount rate	173.10	109.28
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	157.98	93.87
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(144.84)	(87.71)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(17.69)	(19.60)
Impact of defined benefit obligation due to 1% decrease in attrition rate	17.49	20.01

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

39 RELATED PARTY TRANSACTIONS

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Entity which has significant influence on the Company	Clear Wealth Consultancy Services LLP
Wholly owned subsidiaries	All Colour Garments Private Limited
	SNS Clothing Private Limited
	Vignesh Apparels Private Limited
	Gokaldasexports Acharpura Private Limited
	Sri Susamyuta Knits Private Limited
	Gokaldas Exports FZCO
Other body corporates	Yepme UK Limited

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Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Sivaramakrishnan Ganapathi, Managing Director
	Mr. Mathew Cyriac (Non Executive Director)
	Ms. Anuradha Sharma (Independent Director)
	Mr. Gautham Madhavan (Non Executive Director)
	Mr. Prabhat Kumar Singh (Director)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Shrithee MS (Company Secretary) (appointed w.e.f November 11, 2020)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019) (resigned w.e.f November 10, 2020)

b. Summary of transactions during the year with the above related parties are as follows:

Particulars	March 31, 2022	March 31, 2021
i) Sale of accessories, fabrics, etc		
Subsidiary companies		
SNS Clothing Private Limited	13.53	17.38
	13.53	**17.38**
ii) Purchase of raw materials / finished goods		
Subsidiary companies		
SNS Clothing Private Limited	-	29.82
	-	**29.82**
iii) Rent		
Subsidiary companies		
SNS Clothing Private Limited	246.00	246.00
	246.00	**246.00**
iv) Interest income on loan given to subsidiary		
Subsidiary companies		
Gokaldas Exports Acharpura Private Limited	31.19	-
	31.19	**-**
v) Stock options exercised during the year at face value		
Sathyamurthy A	3.75	-
	3.75	**-**
vi) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Ganapathi [1]	687.59	241.48
Sathyamurthy A [2]	173.94	115.63
Prabhat Kumar Singh	65.00	40.00
Shrithee MS	13.53	3.47
Sameer Sudarshan R V	-	7.25
	940.06	**407.83**

[1] Remuneration includes variable pay of ₹ 150 Lakhs pertaining to 2020-21 and paid during the year 2021-22 (March 31, 2021: ₹ Nil).

[2] Remuneration includes variable pay of ₹ 40 Lakhs pertaining to 2020-21 and paid during the year 2021-22 (March 31, 2021: ₹ 15 Lakhs, pertaining to 2019-20 and paid during the year 2020-21).

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Particulars	March 31, 2022	March 31, 2021
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Richard B. Saldanha	14.40	13.60
Mathew Cyriac	14.40	12.80
Anuradha Sharma	16.80	13.60
Gautham Madhavan	12.80	10.40
	58.40	**50.40**
c) Summary of compensation of key managerial personnel of the Company		
Managerial remuneration	940.06	407.83
Sitting fees	58.40	50.40
Share based payment expenses	72.77	376.98
	1,071.23	**835.21**

c. Summary of outstanding balances with the above related parties are as follows:

Particulars	March 31, 2022	March 31, 2021
i) Other financial liabilities		
Payable to subsidiaries		
All Colour Garments Private Limited	368.49	368.54
SNS Clothing Private Limited	1,225.85	1,171.16
Vignesh Apparels Private Limited	96.09	96.14
	1,690.43	**1,635.84**
ii) Loans		
Receivable from subsidiaries		
Gokaldas Exports Acharpura Private Limited	1,800.00	-
Sri Susamyuta Knits Pvt Ltd	1,150.00	-
	2,950.00	**-**
iii) Other financial assets		
Receivable from subsidiaries		
Gokaldas Exports Acharpura Private Limited	33.20	-
Sri Susamyuta Knits Pvt Ltd	7.62	-
	40.82	**-**
iv) Remuneration payable to Key managerial personnel		
Sivaramakrishnan Ganapathi	423.37	150.00
Sathyamurthy A	40.00	40.00
	463.37	**190.00**

As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Company as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

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40 DISCLOSURES OF DUES/PAYMENTS TO MICRO, SMALL AND MEDIUM ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE COMPANY

Particulars	March 31, 2022	March 31, 2021
i. The principal amount due thereon remaining unpaid as at the year end Interest amount due and remaining unpaid as at the year end	94.75	51.71
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

41 SHARE- BASED PAYMENTS

The Company's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Company approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Company including employees of subsidiaries and directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Company and provided for the issue of 2,133,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Company recognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is ranging from two to three years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

Employee stock option expense is as set out below:

Particulars	March 31, 2022	March 31, 2021
Expense arising from equity-settled share based payment transactions	135.82	520.31
	135.82	**520.31**

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for the year ended March 31, 2022

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Movement during the year for ESOP 2010 Plan:

The activity in the ESOP 2010 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2022		March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	5,41,667	78.30	5,41,667	78.30
Granted during the year	-	-	-	-
Exercised during the year	(21,667)	-	-	-
Lapsed during the year	(35,000)	-	-	-
Closing balance	**4,85,000**	**78.30**	**5,41,667**	**78.30**
Exercisable as at year end	4,85,000		4,81,667	

The weighted average share price at the date of exercise of the options during the period is ₹ 231.99 (March 31, 2021 : not applicable).

The weighted average remaining contractual life for the share options outstanding is 4.88 years (March 31, 2021: 5.64 years)

The range of exercise prices for options outstanding at the end of the year was ₹ 60.95 to ₹ 85.96 (March 31, 2021: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:

The activity in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2022		March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	18,05,000	5.00	20,98,040	5.00
Granted during the year	1,00,000	5.00	-	-
Exercised during the year	(6,35,500)	5.00	(70,000)	5.00
Lapsed during the year	-	5.00	(2,23,040)	5.00
Closing balance	**12,69,500**	**5.00**	**18,05,000**	**5.00**
Exercisable as at year end	11,69,500		15,55,000	

The weighted average share price at the date of exercise of the options during the period is ₹ 193.52 (March 31, 2021 : not applicable).

The weighted average remaining contractual life for the share options outstanding is 4.40 years (March 31, 2021: 5.14 years)

The weighted average fair value of options granted during the year was ₹ 194 (March 31, 2021: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2021: ₹ 5).

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for the year ended March 31, 2022

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The following table list the inputs to the models used for the ESOP 2010 plan:

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under ESOP 2010 during the year ended March 31, 2022 and March 31, 2021.

The following table list the inputs to the models used for the RSU 2018 plan :

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	-	-
Expected volatility (%)	59.00%	-
Risk-free interest rate (%)	5.50% to 7.70%	-
Expected life of share options (years)	6 to 7	-
Weighted average exercise price (₹)	5.00	-
Model used	Black-Scholes Merton (BSM) options pricing model	-

* No options were granted under RSU 2018 during the year ended March 31, 2021.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

42 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 Note 2.2 (b) and Note 2.2 (o) to the standalone 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, 2022

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments (other than investments in subsidiaries)	15,445.64	-	15,445.64
Loans	2,950.00	-	2,950.00
Trade receivables	9,217.11	-	9,217.11
Cash and cash equivalents	1,257.32	-	1,257.32
Other financials assets	4,299.17	-	4,299.17
Foreign exchange forward contracts	-	1,377.03	1,377.03
Total assets	**33,169.24**	**1,377.03**	**34,546.27**

Notes to the standalone financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Particulars	Amortised cost	Fair value through OCI	Total
Financial liabilities			
Lease liabilities	12,808.24	-	12,808.24
Borrowings	6,068.88	-	6,068.88
Trade payables	11,753.43	-	11,753.43
Other financial liabilities	15,087.21	-	15,087.21
Total liabilities	**45,717.76**	**-**	**45,717.76**

As at March 31, 2021

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments (other than investments in subsidiaries)	3,681.16	-	3,681.16
Loans	-	-	-
Trade receivables	17,983.57	-	17,983.57
Cash and cash equivalents	1,497.57	-	1,497.57
Other financials assets	17,993.20	-	17,993.20
Foreign exchange forward contracts	-	981.01	981.01
Total assets	**41,155.50**	**981.01**	**42,136.51**
Financial liabilities			
Lease liabilities	11,103.15	-	11,103.15
Borrowings	34,637.43	-	34,637.43
Trade payables	8,552.49	-	8,552.49
Other financial liabilities	10,591.99	-	10,591.99
Total liabilities	**64,885.06**	**-**	**64,885.06**

(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.

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2022				
Financial assets				
Foreign exchange forward contracts	-	1,377.03	-	1,377.03
March 31, 2021				
Financial liabilities				
Foreign exchange forward contracts	-	981.01	-	981.01

Notes to the standalone financial statements

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(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

Fair value of loans (security deposits) having a carrying amount of ₹ 2,593.91 lakhs as at March 31, 2022 (March 31, 2021: ₹ 2,802.25 lakhs) was ₹ 2,593.91 lakhs (March 31, 2021: ₹ 2,802.25).

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) 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 year ended March 31, 2022 and March 31, 2021.

(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 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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ (decrease) in basis points	Effect on profit before tax
March 31, 2022	50	31.53
March 31, 2021	50	182.61

(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. The Company's exposure to foreign currency changes from investing activities is not material.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2022 and March 31, 2021, the Company hedged ₹ 144,555.43 lakhs (USD 1,850.43 lakhs) and ₹ 80,141.46 lakhs (USD 1,052.30 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

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The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2022 and March 31, 2021

Particulars	Currency	March 31, 2022	March 31, 2021
Assets			
Trade receivables	USD	43.53	133.55
Trade receivables	EUR	-	4.99
Advance to suppliers	USD	25.25	13.37
Capital advances	USD	0.06	0.57
Capital advances	EUR	-	0.09
Cash and cash equivalents	USD	-	0.95
Liabilities			
Trade payables	USD	7.34	7.26
Liability for capital assets	USD	2.71	1.45
Liability for capital assets	EUR	0.97	-
Advances received from customers	USD	1.10	0.30
Advances received from customers	EUR	0.46	-

Note: All figures are in lakhs

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2022		
₹ in lakhs	5%	218.41
March 31, 2021		
₹ in lakhs	5%	512.75

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2022 and March 31, 2021. The period end balances are not necessarily representative of the average debt outstanding during the period.

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, loans receivables, investments and cash and cash equivalents.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹34,546.27 lakhs, ₹ 42,136.51 lakhs, as at March 31, 2022 and March 31, 2021 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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.

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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 has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and government securities, 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 etc. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

Particulars	0-1 year	> 1 year	Total
March 31, 2022			
Lease liabilities	2,638.16	10,170.08	12,808.24
Borrowings	6,068.88	238.06	6,306.94
Trade payables	11,532.59	220.84	11,753.43
Other financial liabilities	15,087.21	-	15,087.21
	35,326.84	**10,628.98**	**45,955.82**
March 31, 2021			
Lease liabilities	2,667.28	8,435.87	11,103.15
Borrowings	34,637.43	1,884.27	36,521.70
Trade payables	8,552.49	-	8,552.49
Other financial liabilities	10,591.99	-	10,591.99
	56,449.19	**10,320.14**	**66,769.33**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Company's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ Nil as on March 31, 2022 and March 31, 2021 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Company's investment in a foreign associate.

43 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 issue of securities.

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.

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Particulars	March 31, 2022	March 31, 2021
Borrowings including current maturities	6,306.94	36,521.70
Total debts	**6,306.94**	**36,521.70**
Capital components		
Equity share capital	2,948.85	2,144.78
Other equity	68,014.11	27,042.14
Total capital	**70,962.96**	**29,186.92**
Capital and borrowings	77,269.90	65,708.62
Gearing ratio (%)	**8.16%**	**55.58%**

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, 2022 and March 31, 2021.

44 The Company is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Company during financial year ended March 31, 2022. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

45 The Company assessed the fair value less cost of sale of the investment in an associate held for sale. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Company's investment. The Company has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the year ended March 31, 2019. The Company continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss. Further to related developments during the year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.

46 The Company had filed petition with the Company Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

47 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting company). Consequently, the director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Company is confident to receive a favourable order and that there will not be a material impact on the standalone Ind AS financial statements of the Company.

48 Under the Remission of Duties and Taxes on Export Products (RoDTEP), the Company is eligible to claim a government grant inthe form of refunds of embedded taxes and duties All the items previously under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme.

The scheme has been effective since January 1, 2021 However, the incentive rates are yet to be notified by the authorities. For the textile/garment industry sector, the RoSCTL scheme was introduced with effect from March 7, 2019. Later, for the textile/ garment manufacturing sector, the Government retrospectively withdrew 4% MEIS w.e. f. March 7, 2019 through a notification issued on January 14, 2020.

For the relevant period January 1, 2021 onwards, the Company has recognized ₹ 7.57 Crore of income towards RoDTEP and corresponding receivable which is lower than the rates applicable up to 31st December 2020. Pursuant to the notification of the rates and eligibility, the Company has recognised the RoSCTL income for the period from April 1, 2021 to June 30, 2021 in line with the rates notified and additionally also recognised the balance income to the extent previously not recognised during the year ended March 31, 2021.

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For measurement of income from the aforementioned government grants, significant estimates and judgments are made by the management The estimates, inputs, and judgments used by the management. include eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate expected to be notified by the government authorities, the estimation on the rate involves a high level of uncertainty considering the delay in notification of the rate, the Company has performed sensitivity analysis on the sources of estimation uncertainty and appropriately considered the same while recognizing the income from government grants.

49 The Company is in the process of augmenting its production capacity at cost-efficient locations. The Company intends to carry out the expansion projects under new wholly-owned subsidiary companies to regulate the business in an efficient manner and to be in a better position to service international customers.

In view of the above, during the board meeting held on July 30, 2021, the Company has obtained approval of the board to incorporate two new wholly-owned subsidiary companies. Consequently, "Gokaldasexports Acharpura Private Limited" and "Sri Susamyuta Knits Private Limited" were incorporated on August 28, 2021 and January 14, 2022 respectively.

Further, during the board meeting held on December 07, 2021, the Company has obtained approval of the board to incorporate a new wholly-owned subsidiary company in Dubai, UAE. Consequently, "Gokaldas Exports FZCO" was incorporated on January 10, 2022.

Further, during the board meeting held on December 07, 2021, the Company has obtained approval of the board to enter into an Joint Venture Agreement to make an investment in an Overseas Company in Bangladesh to carry out the expansion of manufacturing facility in offshore locations.

50 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2022 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial statements as at March 31, 2022 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Company has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets, the Company has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

51 The Board of Directors, in their meeting held on August 24, 2021, had approved:

(a) To increase the authorised share capital of the Company, from existing ₹ 275,000,000 (Rupees Twenty Seven Crores Fifty Lakhs Only) divided into 55,000,000 (Five Crores Fifty Lakhs Only) equity shares of ₹ 5/- each ("Equity Shares") to ₹ 325,000,000/- (Rupees Thirty Two Crores Fifty Lakhs Only) divided into 65,000,000 (Six Crores Fifty Lakhs Only) Equity Shares of ₹ 5/- each ranking pari-passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company, and consequent to alteration of capital clause V of the Memorandum of Association of the Company.

(b) Raising of funds for an amount aggregating up to ₹ 300 Crores, by way of issuance of any instrument or security including equity shares, fully or partly convertible debentures, non-convertible debenture warrants, any other equity based instruments or securities or any combination thereof in one or more tranches, including by way of a public issue, preferential allotment or a private placement (including one or more Qualified Institutions Placement ("QIP")) in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law, or through any other permissible mode and/or any combination thereof, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, subject to the receipt of necessary approvals, including the approval of the members of the Company and such other regulatory and statutory approvals as maybe required.

In order to give effect to the above, the Board has also constituted and authorized the Fund Raise Committee of the Board to, inter-alia, decide the terms and conditions of the proposed fund raise.

In relation to the above, pursuant to the resolution passed by the Board of Directors of the Company on August 24,

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2021 and the resolution passed by the shareholders of the Company on September 17, 2021, the Fund Raise Committee have, on October 07, 2021, issued and allotted 15,424,164 equity shares of ₹ 5 each, at an issue price of ₹ 194.50 per equity share (including ₹ 189.50 per equity share towards securities premium) aggregating to ₹ 300 Crores (rounded off) to Qualified Institutional Buyers under chapter VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and under provisions of all other applicable laws.

52 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

a. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks are in agreement with the books of accounts.

c. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

d. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

f. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

   The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

h. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

i. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

j. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

53 The statement of audited standalone financial statements for the year ended March 31, 2022 have been reviewed by the Audit Committee in their meeting on April 29, 2022 and approved by the Board of Directors in their meeting held on April 29, 2022.

54 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

55 Previous period/ year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/ year's classification.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Financial Statements

Consolidated financial statements

Independent Auditor's Report

To the Members of Gokaldas Exports Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries ,the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022 (current period). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition - Cut off	
Refer Note 2.3 of consolidated financial statements with respect to the accounting policies followed by the Company for recognizing revenue. In accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. Revenue is one of the key measures of performance. Revenue is identified as an area of significant risk. As per the Accounting Policy, the Company derives its revenue primarily from sale 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. At the year-end management has to exercise significant judgement & control as the volume of transactions are high. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	Our audit procedures included the following: 1. Assessed the appropriateness of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115"). 2. Obtained an understanding and assessed the design, implementation, and operating effectiveness of key internal controls over recognition and measurement of revenue in accordance with customer contracts, including correct timing of revenue recognition. 3. Performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year, verifying with the underlying documents like sales invoices/ contracts and related logistics documents. 4. Performed the cut-off testing to test that the revenue is recorded in the appropriate period and traced the sales with Bill of lading to confirm the recognition of revenue. 5. Assessed manual journals posted to revenue to identify unusual items & tested the same on a sample basis.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group .

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 5,228.49 lakhs as at March 31, 2022, total revenues of ₹ 387.57 lakhs and net cash flows amounting to ₹ (17.70) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ Nil as at March 31, 2022, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the period from January 10, 2022 (date of incorporation) to March 31, 2022, respectively, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

    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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note 34 to the consolidated financial statements.

        ii. The Group has long-term contracts including derivative contracts as on March 31, 2022 for which there were no material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, incorporated in India.

        iv. (1) The Management of the Holding Company and that of its associate companies and jointly controlled companies have represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies to or in any other person(s) / entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary have, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        (2) The Management of the Holding Company and that of its associate companies and jointly controlled companies have represented that, to the best of it's knowledge and belief, no funds have been received by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies from any person(s) / entity(ies), including foreign entities, that the Holding Company and its subsidiary companies, associate companies and jointly controlled companies have directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

        (3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management of Holding Company and that of its associate companies and jointly controlled companies in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management of Holding Company and that of its associate companies and jointly controlled companies under sub-clause (i) and (ii) contain any material misstatement.

v. The Holding Company, and its subsidiary companies, incorporated in India have neither declared nor paid any dividend during the year.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of four subsidiaries, , as the provisions of the aforesaid section is not applicable to private company/companies.

3. According to the information and explanations given to us and based on the report issued by us for the Holding Company as required by the Companies (Auditor's Report) Order, 2020 ('CARO'), issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we report that there are no qualifications / adverse remarks. Further, CARO report is not applicable in respect of the subsidiary company.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBIKE2147

Place: Bengaluru
Date: April 29, 2022

Annexure A

to the Independent Auditor's Report on even date on the Consolidated Financial Statements of Gokaldas Exports Limited

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBIKE2147

Place: Bengaluru
Date: April 29, 2022

Annexure B

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Gokaldas Exports Limited

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the Consolidated Financial Statements for the year ended March 31, 2022]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to the subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.216181
UDIN: 22216181AIBIKE2147

Place: Bengaluru
Date: April 29, 2022

Consolidated Balance Sheet

as at March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non- current assets			
Property, plant and equipment	3(A)	15,530.43	12,531.40
Right-of-use assets	3(B)	12,985.61	11,016.15
Capital work-in-progress	3(A)	1,104.36	-
Other intangible assets	4	273.88	190.11
Financial assets			
Investments	5(A)	0.29	0.29
Other financial assets	6(A)	4,219.40	17,594.34
Deferred tax assets	7(A)	1,178.98	680.90
Non-current tax assets (net)	7(B)	1,176.97	664.62
Other non-current assets	8(A)	1,772.55	336.21
Total non-current assets		**38,242.47**	**43,014.02**
Current assets			
Inventories	9	43,362.00	25,920.02
Financial assets			
Investments	5(B)	15,445.37	3,680.89
Trade receivables	10	9,219.38	17,983.76
Cash and cash equivalents	11	1,268.24	1,526.19
Other financial assets	6(B)	1,507.02	1,464.14
Other current assets	8(C)	12,082.72	5,402.89
Total current assets		**82,884.73**	**55,977.89**
Total assets		**1,21,127.20**	**98,991.91**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	2,948.85	2,144.78
Other equity	13	67,868.70	26,861.99
Total equity		**70,817.55**	**29,006.77**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	238.06	1,884.27
Lease liabilities	15	10,315.19	8,555.17
Provision for employee benefits	16(A)	668.33	527.00
Total non-current liabilities		**11,221.58**	**10,966.44**
Current liabilities			
Financial liabilities			
Borrowings	14	6,068.88	34,637.43
Trade payables	17		
Total outstanding dues of micro, small and medium enterprises		94.75	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises		11,689.58	8,545.40
Lease liabilities	15	2,682.17	2,773.56
Other current financial liabilities	18	13,524.03	8,980.01
Other current liabilities	19	1,304.92	906.94
Provision for employee benefits	16(B)	3,723.74	2,785.86
Current tax liability (net)	20	-	337.79
Total current liabilities		**39,088.07**	**59,018.70**
Total equity and liabilities		**1,21,127.20**	**98,991.91**
Summary of significant accounting policies.	2.3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

		Notes	March 31, 2022	March 31, 2021
I	**Income**			
	Revenue from operations	21	1,79,031.57	1,21,072.73
	Other income	22	1,068.77	1,220.96
	Total income		**1,80,100.34**	**1,22,293.69**
II	**Expenses**			
	Cost of raw materials and components consumed	23	1,00,269.72	56,562.36
	Purchases of stock-in-trade	24	1,478.89	-
	Changes in inventories of finished goods and work-in-progress	25	(12,929.02)	3,941.80
	Employee benefits expense	26	53,877.58	37,156.38
	Finance costs	27	4,020.74	3,446.23
	Depreciation and amortization expenses	28	5,894.82	5,261.50
	Job work charges		2,776.86	1,203.70
	(Gain)/loss on account of foreign exchange fluctuations (net)		(2,109.40)	155.96
	Other expenses	29	15,117.02	11,903.96
	Total expenses		**1,68,397.21**	**1,19,631.89**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**11,703.13**	**2,661.80**
IV	**Exceptional items**		-	-
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**11,703.13**	**2,661.80**
VI	**Tax expenses**	30		
	Current tax		1,170.15	685.90
	Adjustment of tax relating to earlier years		(677.07)	7.64
	Deferred tax (credit)/charge		(498.08)	(680.90)
			(5.00)	**12.64**
VII	**Profit/(Loss) after tax for the period (V-VI)**		**11,708.13**	**2,649.16**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains on defined benefit plan		312.46	165.69
	Items that will be reclassified to profit or loss in subsequent periods:			
	The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		396.02	3,006.78
	Total other comprehensive income for the year		**708.48**	**3,172.47**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**12,416.61**	**5,821.63**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2021- ₹ 5)]**			
	Basic earnings per share (refer note 31)		23.08	6.18
	Diluted earnings per share (refer note 31)		22.14	5.83
	Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Consolidated statement of changes in equity

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

A. EQUITY SHARE CAPITAL

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2020	4,28,25,663	2,141.28
Add: Issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**
At April 1, 2021	4,28,95,663	2,144.78
Add: Issued during the year	1,60,81,331	804.07
At March 31, 2022	**5,89,76,994**	**2,948.85**

B. OTHER EQUITY

For the year ended March 31, 2022

Particulars	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2021	20,509.74	2,192.09	9,769.12	1,601.53	(8,191.50)	981.01	26,861.99
Profit for the year	-	-	-	-	11,708.13	-	11,708.13
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	396.02	396.02
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	312.46	-	312.46
Total comprehensive income	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**3,829.09**	**1,377.03**	**39,278.60**
Additions (refer note 48)	28,454.28	-	-	-	-	-	28,454.28
Transfer to securities premium on exercise of equity stock options	465.03	-	-	(465.03)	-	-	-
Share based payment expense	-	-	-	135.82	-	-	135.82
At March 31, 2022	**49,429.05**	**2,192.09**	**9,769.12**	**1,272.32**	**3,829.09**	**1,377.03**	**67,868.70**

All amounts in Indian Rupees in lakhs, except stated otherwise

For the year ended March 31, 2021

Particulars	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2020	20,459.15	2,192.09	9,769.12	1,131.81	(11,006.35)	(2,025.77)	20,520.05
Profit for the year	-	-	-	-	2,649.16	-	2,649.16
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	3,006.78	3,006.78
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	165.69	-	165.69
Total comprehensive income	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(8,191.50)**	**981.01**	**26,341.68**
Additions	-	-	-	-	-	-	-
Transfer to securities premium on exercise of equity stock options	50.59	-	-	(50.59)	-	-	-
Share based payment expense	-	-	-	520.31	-	-	520.31
At March 31, 2021	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**(8,191.50)**	**981.01**	**26,861.99**

Refer note 2.3 for summary of significant accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Consolidated cash flow statement

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Particulars	Notes	March 31, 2022	March 31, 2021
Cash flow from operating activities			
Profit before exceptional items and tax		**11,703.13**	**2,661.80**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		5,894.82	5,261.50
Net loss/(gain) on disposal of property, plant and equipment		(60.55)	(61.39)
Unrealised foreign exchange (gain)/loss, (net)		102.11	(189.10)
Gain on sale of investments in mutual fund units		(279.19)	(143.76)
Income from government grants		(687.27)	(158.17)
Share based payment expenses		135.82	520.31
Interest income		(645.92)	(744.66)
Finance costs		4,020.74	3,446.23
Irrecoverable balances written off		272.72	84.00
Provision for doubtful deposits and advances		160.52	-
Provision for doubtful debts		8.07	813.77
Excess provision of earlier years written back		(62.31)	-
Operating profit/(loss) before working capital changes		**20,562.69**	**11,490.53**
Changes in operating assets and liabilities:			
(Increase)/ decrease in other financial assets		(1,058.50)	(141.45)
(Increase)/ decrease in other assets		(6,493.65)	1,707.71
(Increase)/ decrease in inventories		(17,441.98)	3,004.03
(Increase)/ decrease in trade receivables		8,767.83	(4,665.08)
Increase/ (decrease) in provisions for employee benefits		1,391.67	(20.70)
Increase/ (decrease) in trade payables		2,843.13	(32.39)
Increase/ (decrease) in other financial liabilities		4,199.36	325.59
Increase/ (decrease) in other liabilities		292.43	(57.50)
		13,062.98	**11,610.74**
Direct taxes refunded/ (paid) (net of refund/payments)		(1,343.22)	260.10
Net cash flows from/ (used in) operating activities (A)		**11,719.76**	**11,870.84**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(7,981.09)	(3,622.12)
Proceeds from sale of property, plant and equipment		159.20	214.25
Investments in bank deposits		(14,989.14)	(14,703.28)
Proceeds from redemption of bank deposits		28,184.41	13,911.01
Investment in mutual funds		(27,000.00)	(1,599.92)
Proceeds from sale of investment in mutual funds		15,514.71	1,614.24
Interest income		882.69	963.63
Net cash flows from/ (used in) investing activities (B)		**(5,229.22)**	**(3,222.19)**
Cash flow from financing activities			
"Proceeds from issue of shares / exercise of share options/Share application money pending allotment"		29,258.35	3.50
Proceeds of short-term borrowings		2,11,418.05	1,68,326.26
Repayment of short-term borrowings		(2,39,131.77)	(1,71,088.69)
Payment of lease liabilities		(3,335.12)	(3,008.25)
Finance costs		(2,511.19)	(2,856.05)
Net cash flows from/ (used in) financing activities (C)		**(4,301.68)**	**(8,623.23)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		2,188.86	25.42
Cash and cash equivalents at the beginning of the year	11	(920.62)	(946.04)
Cash and cash equivalents at the end of the year		**1,268.24**	**(920.62)**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents		1,268.24	1,526.19
Bank overdraft		-	(2,446.81)
Balances per statement of cash flows	11	**1,268.24**	**(920.62)**

Refer note 2.3 for summary of significant accounting policies.

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

All amounts in Indian Rupees in lakhs, except stated otherwise

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

1. Changes in liabilities arising from financial activities:

Particulars	March 31, 2022	March 31, 2021
Liabilities arising from financing activities		
Short term borrowings		
Opening balance	**29,548.45**	**36,919.75**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(24,000.40)	(7,453.73)
Non-cash changes:		
Foreign exchange fluctuations	54.23	82.43
Closing balance	**5,602.28**	**29,548.45**

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

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Chairman
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DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

1 CORPORATE INFORMATION

Gokaldas Exports Limited ('GEL' or 'the Company') (having Corporate Identity Number(CIN): L18101KA2004PLC033475) and its subsidiaries ('the Group') are mainly engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Group is from manufacture and sale of garments and related products, both domestic and overseas.

The Company is a public company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bengaluru.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group 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 consolidated financial statements of the Group, have been prepared and presented in accordance with Ind AS.

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

These consolidated financial statements are presented in Indian Rupees("₹"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns"

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders."

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities."

2.3 Summary of significant accounting policies

a. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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

All other liabilities are classified as non-current.

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 Group has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

The Group 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"

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

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

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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.

c. Foreign currencies

In preparing the consolidated financial statements, transactions in foreign currencies 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 Consolidated Statement of Profit and Loss for the year.

d. Revenue recognition

i Revenue from Contracts with Customers:

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Performance obligations and timing of revenue recognition:

The Group 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 Group 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 Groups'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.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

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

Advances received from customers are in the nature of contract liability.

ii. 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.

iii. 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 Group 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 Consolidated Statement of Profit and Loss.

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

v. Others:
Insurance / other claims are recognised on acceptance basis.

e. Non-current assets held for sale

The Group 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 Group 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.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

f. Government grants

The Group 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 Consolidated Statement of Profit and Loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the Consolidated 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.

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 on income

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 consolidated 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 Group'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

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

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 consolidated 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 tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets are recognised 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.

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 recognised 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)

On transition to Ind AS, the Group had 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 Group 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 Group 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 ('WDV') as per the useful lives of the assets estimated by the management with residual value upto 5%, which is equal to the corresponding rates prescribed under Schedule II of the Companies Act, 2013 ('the Act').

Category of asset	Estimated useful life (in years)
Buildings	30 years
Plant and machinery	15 years
Electrical equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalised at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less on a straight line basis.

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 recognised is derecognised 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

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proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

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 affect 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 consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

A summary of the policies applied to the Group'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 cost

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 had determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group 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 consolidated statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

The Group's lease asset classes primarily consist of leases for Buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-

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term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

k. Inventories

Inventories are valued as follows:

Raw materials, packing materials, stores, spares and consumables are valued at lower of cost and 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 and net realizable 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 recognised when the Group 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 Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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 recognised 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 Group 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 Group does not recognise a contingent liability but discloses its existence in the consolidated 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 schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group 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 consolidated 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 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 Group measures the expected cost of such

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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 Group 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 Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

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 Consolidated 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 Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated 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 Group 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 Group's best estimate of the number of equity instruments that will ultimately vest. The Consolidated 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 Group'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.

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 in anti-dilution cases).

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group 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

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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 consolidated statement of profit and loss.

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 consolidated statement of profit and loss. 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

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the consolidated statement of profit and loss.

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 consolidated statement of profit or loss.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group 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 Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

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 consolidated statement of profit and loss.

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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 Group 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 consolidated 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 consolidated 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 Group uses 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 recognised initially at fair value and attributable transaction costs are recognised in net profit in the consolidated 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 consolidated statement of profit and loss.

b. Cash flow hedge accounting

The Group 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 recognised 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 recognised immediately in the net profit in the Consolidated 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 recognised 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 recognised in the cash flow hedging reserve is transferred to the net profit in the Consolidated 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 Consolidated Statement of Profit and Loss.

q. Impairment of non-financial assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary 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

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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 Group 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 consolidated 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 consolidated statement of profit and loss.

r. Corporate social responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated statement of profit and loss.

s. Cash and Cash equivalent

Cash and cash equivalents in the consolidated 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 Group's cash management.

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2.4 THE ENTITIES CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE LISTED BELOW:

Particulars	Gokaldas Exports Limited		All Colour Garments Private Limited		SNS Clothing Private Limited		Vignesh Apparels Private Limited		Gokaldasexports Acharpura Private Limited		Sri Susamyuta Knits Private Limited		Gokaldas Exports FZCO		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Country of incorporation	India		India		India		India		India		India		Dubai			
Relationship as at the year end	Holding Company		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary			
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA	100%	NA	100%	NA		
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%	100%	NA	100%	NA	100%	NA		
Net assets i.e. total assets minus total liabilities [1]																
- As a % of consolidated net assets	100.21%	100.62%	0.52%	1.28%	1.98%	4.60%	0.14%	0.33%	0.00%	-	0.00%	-	-	-	102.84%	106.83%
- ₹ in lakhs (A)	70,962.96	29,186.92	369.57	369.96	1,404.18	1,333.14	96.56	96.91	(2.88)	-	0.50	-	-	-	72,830.89	30,986.93
Consolidation adjustments/eliminations (B) [2]															(2,013.34)	(1,980.16)
Total (A-B)															**70,817.55**	**29,006.77**
Share in total comprehensive income																
- As a % of total comprehensive income	99.72%	99.57%	0.00%	-0.01%	0.57%	0.45%	0.00%	-0.01%	-0.03%	-	0.00%	-	-	-	100.25%	100.00%
- ₹ in lakhs (C)	12,381.88	5,796.78	(0.39)	(0.80)	71.04	26.39	(0.35)	(0.74)	(3.88)	-	(0.50)	-	-	-	12,447.80	5,821.63
Consolidation adjustments/eliminations (D) [2]															(31.19)	(0.00)
Total (C-D)															**12,416.61**	**5,821.63**

[1] The figures have been considered from the respective standalone financial statements and the consolidated net asset figure has been arrived after consolidation adjustments/eliminations.

[2] Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidaries have been drawn upto the same reporting date as of the Company.

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3. (A) PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value[1]												
At April 1, 2020	734.78	1,643.57	1,444.37	14,287.97	551.10	364.72	422.11	462.47	74.26	19,985.35	78.98	78.98
Additions	-	21.87	703.87	1,131.61	152.06	241.99	158.58	143.90	-	2,553.88	6.72	6.72
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(85.70)	(85.70)
Disposals	-	-	-	(368.80)	-	(0.16)	-	-	(2.61)	(371.57)	-	-
At March 31, 2021	**734.78**	**1,665.44**	**2,148.24**	**15,050.78**	**703.16**	**606.55**	**580.69**	**606.37**	**71.65**	**22,167.66**	**-**	**-**
Additions	-	33.69	556.14	4,757.01	101.51	203.58	243.84	138.80	52.84	6,087.41	1,104.36	1,104.36
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(1,859.16)	(13.28)	(31.40)	-	-	(13.38)	(1,917.22)	-	-
At March 31, 2022	**734.78**	**1,699.13**	**2,704.38**	**17,948.63**	**791.39**	**778.73**	**824.53**	**745.17**	**111.11**	**26,337.85**	**1,104.36**	**1,104.36**
Depreciation												
At April 1, 2020	-	629.27	521.22	5,159.97	174.02	216.16	192.62	341.65	37.26	7,272.17	-	-
Charge for the year	-	92.11	417.91	1,728.37	80.03	109.01	52.57	96.58	6.21	2,582.79	-	-
Disposals	-	-	-	(216.67)	-	(0.09)	-	-	(1.94)	(218.70)	-	-
At March 31, 2021	**-**	**721.38**	**939.13**	**6,671.67**	**254.05**	**325.08**	**245.19**	**438.23**	**41.53**	**9,636.26**	**-**	**-**
Charge for the year	-	87.12	519.02	1,858.54	102.66	178.54	87.15	149.62	7.09	2,989.74	-	-
Disposals	-	-	-	(1,766.14)	(12.26)	(27.47)	-	-	(12.71)	(1,818.58)	-	-
At March 31, 2022	**-**	**808.50**	**1,458.15**	**6,764.07**	**344.45**	**476.15**	**332.34**	**587.85**	**35.91**	**10,807.42**	**-**	**-**
Net book value												
At March 31, 2022	**734.78**	**890.63**	**1,246.23**	**11,184.56**	**446.94**	**302.58**	**492.19**	**157.32**	**75.20**	**15,530.43**	**1,104.36**	**1,104.36**
At March 31, 2021	**734.78**	**944.06**	**1,209.11**	**8,379.11**	**449.11**	**281.47**	**335.50**	**168.14**	**30.12**	**12,531.40**	**-**	**-**

[1] The Group has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 14 for information on property, plant and equipment pledged as security by the Company.

Capital work-in-progress mainly comprises of leasehold improvements under construction.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

3 (B) RIGHT-OF-USE ASSETS

Particulars	Right-of-use Buildings	Total
Right-of-use assets		
At April 1, 2020	7,289.70	7,289.70
Additions	10,260.54	10,260.54
Disposals	(1,615.21)	(1,615.21)
At March 31, 2021	**15,935.03**	**15,935.03**
Additions	4,797.83	4,797.83
Disposals	(123.39)	(123.39)
At March 31, 2022	**20,609.47**	**20,609.47**
Amortisation		
At April 1, 2020	2,981.64	2,981.64
Additions	2,515.98	2,515.98
Disposals	(578.74)	(578.74)
At March 31, 2021	**4,918.88**	**4,918.88**
Additions	2,739.38	2,739.38
Disposals	(34.40)	(34.40)
At March 31, 2022	**7,623.86**	**7,623.86**
Net Book value		
At March 31, 2022	**12,985.61**	**12,985.61**
At March 31, 2021	**11,016.15**	**11,016.15**

4 OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Total
Gross carrying value[1]		
At April 1, 2020	563.48	563.48
Additions	132.78	132.78
At March 31, 2021	**696.26**	**696.26**
Additions	249.47	249.47
At March 31, 2022	**945.73**	**945.73**
Amortisation and impairment		
At April 1, 2020	343.42	343.42
Amortisation for the year	162.73	162.73
At March 31, 2021	**506.15**	**506.15**
Amortisation for the year	165.70	165.70
At March 31, 2022	**671.85**	**671.85**
Net book value		
At March 31, 2022	**273.88**	**273.88**
At March 31, 2021	**190.11**	**190.11**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

5 (A) NON CURRENT INVESTMENTS

	March 31, 2022	March 31, 2021
Investments carried at amortised cost		
(i) Investment in unquoted Government securities		
Investment in National Savings Certificates and Indira Vikas Patra	0.29	0.29
Total investment in unquoted government securities	**0.29**	**0.29**
Investments carried at cost		
(ii) Unquoted equity shares in a body corporate		
Yepme UK Limited [22,577 (March 31, 2021: 22,577) 0.1% preference shares of GBP 1 each fully paid up]	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
Total investment in unquoted equity shares in a body corporates	-	-
Total (i+ii)	**0.29**	**0.29**

Note 1:

	March 31, 2022	March 31, 2021
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
	-	-

	March 31, 2022	March 31, 2021
Aggregate amount of quoted investments and market value there of	Not applicable	Not applicable
Aggregate amount of unquoted investments	0.29	0.29
Aggregate amount of impairment in value of investments	626.56	626.56

5 (B) CURRENT INVESTMENTS

	March 31, 2022	March 31, 2021
Investments carried at fair value through profit and loss		
Investment in liquid mutual fund units		
Quoted		
9,44,257 (March 31, 2021 : 6,21,513) Units ICICI Pru Liquid Direct -G	2,976.83	1,893.98
44,191 (March 31, 2021 : 44,170) Units HDFC Liquid Direct - G	1,849.29	1,786.91
3,41,193 (March 31, 2021 : Nil) Units Aditya Birla SL Savings Direct - G	1,519.37	-
54,54,818 (March 31, 2021 : Nil) Units Axis Credit risk Direct-G	1,023.52	-
65,036 (March 31,2021: Nil) Units HDFC Money market Direct -G	3,027.29	-
986,691 (March 31, 2021:Nil) Units ICICI Prud Money market direct-G	3,028.10	-
28,083 (March 31, 2021:Nil) Units Kotak Money market direct-G	1,016.82	-
15,126 (March 31, 2021 : Nil) Units SBI Liquid Direct - G	504.17	-
14,922 (March 31, 2021 : Nil) Units Nippon India Money Market fund	499.98	-
Total Investment in mutual fund units	**15,445.37**	**3,680.89**
Aggregate carrying amount and market value of mutual fund investments	15,445.37	3,680.89

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

6 FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

	March 31, 2022	March 31, 2021
Carried at amortised cost		
Unsecured, considered good		
(A) Non-current		
Security and other deposits (refer note below)	2,684.95	2,886.52
Bank balances (including term deposits) (refer note 11)	1,496.84	14,692.11
Loans to employees	37.61	15.71
Total other financial assets - non current	**4,219.40**	**17,594.34**
(B) Current		
Derivative instruments at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	1,377.03	981.01
Other financial assets at amortised cost		
Interest accrued on bank deposits	41.29	417.70
Loans to employees	88.70	65.43
Total other financial assets - current	**1,507.02**	**1,464.14**
Total other financial assets (A+B)	**5,726.42**	**19,058.48**

Note: Security and other deposits are primarily in relation to public utility services and rental agreements.

7 (A) DEFERRED TAX ASSETS

	March 31, 2022	March 31, 2021
Deferred tax assets		
Impact of difference between tax depreciation and depreciation for financial reporting	302.21	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years on payment basis	876.77	-
MAT credit entitlement	-	680.90
Total Deferred tax assets	**1,178.98**	**680.90**

Movement in deferred tax is as below:

	March 31, 2022	March 31, 2021
Opening balance	680.90	74.19
Recognised in profit and loss	1,178.98	680.90
MAT credit entitlement reversed	(680.90)	**(74.19)**
Closing balance	**1,178.98**	**680.90**

7 (B) NON-CURRENT TAX ASSETS (NET)

	March 31, 2022	March 31, 2021
Advance payment of income tax (including tax paid under protest)	1,176.97	664.62
Total non-current tax assets (net)	**1,176.97**	**664.62**

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

8 OTHER CURRENT / NON-CURRENT ASSETS

	March 31, 2022	March 31, 2021
Non current		
(A) Unsecured, considered good		
Export incentives receivable	36.45	119.89
Capital advances	1541.88	102.93
Prepaid expenses	117.47	113.39
Preoperative expenses	76.75	-
	1,772.55	**336.21**
(B) Unsecured, considered doubtful		
Advance to suppliers	272.63	272.63
Export incentives receivable	190.52	30.00
Less: Provision for doubtful advances and receivables	(463.15)	(302.63)
	-	-
Total non-current assets (A+B)	**1,772.55**	**336.21**
Current		
(C) Unsecured, considered good		
Prepaid expenses	1,002.78	693.64
Balances with statutory / government authorities	2,422.98	1,230.73
Advance to suppliers	2,137.88	1,793.79
Export Incentives receivable	6,519.08	1,684.73
Total current assets	**12,082.72**	**5,402.89**
Total other current / non-current assets (A+B+C)	**13,855.27**	**5,739.10**

9 INVENTORIES

	March 31, 2022	March 31, 2021
Raw materials (including packing materials) and components	13,674.99	9,200.50
Work-in-progress	17,646.49	11,736.31
Finished goods (readymade garments)	11,366.43	4,347.59
Consumables, stores and spares parts	674.09	635.62
Total inventories	**43,362.00**	**25,920.02**
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	204.21	319.62
Finished goods (readymade garments)	9,167.36	1,055.43
	9,371.57	**1,375.05**

(a) For method of valuation for each class of inventories, refer note 2.2(k)

(b) The value of inventores above is stated net of writedown of ₹ 3,842.31 Lakhs as at March 31, 2022 (as at March 31, 2021: ₹ 4,505.98 lakhs)

(c) The carrying value of inventories as at March 31, 2022 and March 31, 2021 is pledged as security against the borrowings (refer note 15)

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

10 FINANCIAL ASSETS - TRADE RECEIVABLES

	March 31, 2022	March 31, 2021
Trade receivables:		
From related parties	-	-
From others	9,219.38	17,983.76
Total	**9,219.38**	**17,983.76**
(A) Breakup of trade receivables		
Secured, considered good		
Unsecured, considered good	9,219.38	17,983.76
Trade Receivables which have significant increase in credit Risk	231.91	2,185.26
Trade Receivables - credit impaired	-	-
	9,451.29	**20,169.02**
(B) Impairment Allowance (allowance for bad and doubtful debts)		
Unsecured, considered good		
Trade Receivables which have significant increase in credit Risk	(231.91)	(2,185.26)
Trade Receivables - credit impaired	-	-
	(231.91)	**(2,185.26)**
Total Financial assets - Trade receivables (A+B)	**9,219.38**	**17,983.76**

Notes:

i. The Group follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

ii. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

iii. Trade receivables are non-interest bearing.

Aging of trade receivables:

There are no disputed trade receivables as at and for the years ended March 31, 2022 and March 31, 2021.

Below is the list of undisputed trade receivables outstanding for following periods from the due date.

March 31, 2022:

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Less than 6 months	9,219.38	48.71	-	9,268.09
6 months to 1 year	-	9.10	-	9.10
1 to 2 years	-	127.57	-	127.57
2 to 3 years	-	45.87	-	45.87
More than 3 years	-	0.66	-	0.66
Total	**9,219.38**	**231.91**	**-**	**9,451.29**

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

March 31, 2021:

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Less than 6 months	17,449.31	-	-	17,449.31
6 months to 1 year	534.45	143.44	-	677.89
1 to 2 years	-	1,045.80	-	1,045.80
2 to 3 years	-	322.62	-	322.62
More than 3 years	-	673.40	-	673.40
Total	**17,983.76**	**2,185.26**	**-**	**20,169.02**

11 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

	March 31, 2022	March 31, 2021
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [1,2]	1,255.45	1,518.12
Cash on hand	12.79	8.07
Total Financial assets - Cash and cash equivalents (Current)	**1,268.24**	**1,526.19**
Non-current		
Bank balances other than cash and cash equivalents		
Bank deposits with remaining maturity for more than 12 months	386.94	386.94
Bank deposits with original maturity of more than 3 months but less than/equal to 12 months	1,109.90	14,305.17
	1,496.84	**14,692.11**
Amount disclosed under other financial assets	(1,496.84)	(14,692.11)
Total Financial assets - Cash and cash equivalents (Non current)	-	-

Notes:

[1] Balances with bank on current accounts does not earn interest.

[2] includes balances in Exchange Earner's Foreign Currency Accounts.

[3] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

	March 31, 2022	March 31, 2021
Balances with banks		
On current accounts	1,255.45	1,518.12
Cash on hand	12.79	8.07
	1,268.24	**1,526.19**
Less : Bank overdraft *	-	(2,446.81)
Net debt	**1,268.24**	**(920.62)**

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Net debt reconciliation:

	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 01, 2020	**1,229.28**	**(2,175.32)**	**(946.04)**
Cash flows	296.91	(64.12)	232.79
Interest charge	-	(207.37)	(207.37)
Net debt as at March 31, 2021	**1,526.19**	**(2,446.81)**	**(920.62)**
Cash flows	(257.95)	2,539.58	2,281.63
Interest charge	-	(92.77)	(92.77)
Net debt as at March 31, 2022	**1,268.24**	**-**	**1,268.24**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

12 EQUITY SHARE CAPITAL

	Number of shares	Amount
Authorised share capital		
At April 1, 2020	5,50,00,000	2,750.00
Increase during the year	-	-
At March 31, 2021	**5,50,00,000**	**2,750.00**
Increase during the year	1,00,00,000	500.00
At March 31, 2022	**6,50,00,000**	**3,250.00**

(a) Issued equity capital

	Number of shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2020	4,28,25,663	2,141.28
Add: ESOP's issued during the year	70,000	3.50
At March 31, 2021	4,28,95,663	2,144.78
Add: received during the year on account of issue of shares (refer note 48)	1,54,24,164	771.21
Add: received during the year on account of exercise of share options	6,57,167	32.86
At March 31, 2022	**5,89,76,994**	**2,948.85**

(b) Terms/ rights attached to equity shares

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

(i) The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity is entitled to one vote per share.

(ii) 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, except in case of interim dividend.

(iii) 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. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

(c) Details of shareholders holding more than 5% shares in the Company

	March 31, 2022	March 31, 2021
Clear Wealth Consultancy Services LLP:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	1,39,55,957	1,39,55,957
% holding in the class	23.66%	32.53%
SBI Mutual Fund		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	57,50,020	-
% holding in the class	9.75%	-
Nippon Life India Trustee Ltd		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	35,98,972	-
% holding in the class	6.10%	-
Teesta Retail Private Limited:		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	22,80,513	22,80,513
% holding in the class	3.87%	5.32%

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.

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 39.

13 OTHER EQUITY

		March 31, 2022	March 31, 2021
	Reserves and Surplus		
(A)	**Securities premium reserve**		
	Balance at the beginning of the year	20,509.74	20,459.15
	Add: received during the year on account of issue of shares*	28,444.08	-
	Add: received during the year on account of exercise of ESOP's	10.20	-
	Add: transfer from share-based payments reserve	465.03	50.59
	Balance at the end of the year	**49,429.05**	**20,509.74**
	* net of share issue expenses of ₹ 784.70 lakhs (Refer note 27 and 29)		
	This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.		
(B)	**General reserve**		
	Balance at the end of the year	**2,192.09**	**2,192.09**
	Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.		
(C)	**Capital Reserve on Amalgamation**		
	Balance at the end of the year	**9,769.12**	**9,769.12**
	Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor company.		

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

		March 31, 2022	March 31, 2021
(D)	**Share-based payments reserve**		
	Balance at the beginning of the year	1,601.53	1,131.81
	Add: addition during the year	135.82	520.31
	Less: transfer to securities premium reserve	(465.03)	(50.59)
	Balance at the end of the year	**1,272.32**	**1,601.53**
	Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		
(E)	**Retained earnings**		
	Balance at the beginning of the year	(8,191.50)	(11,006.35)
	Profit / (Loss) for the year	11,708.13	2,649.16
	Add: Remeasurement of post employment benefits obligations (net of deferred tax)	312.46	165.69
	Balance at the end of the year	**3,829.09**	**(8,191.50)**
	Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
(F)	**Cash flow hedging reserve**		
	Balance at the beginning of the year	981.01	(2,025.77)
	Add: gain/(loss) for the year	396.02	3,006.78
	Balance at the end of the year	**1,377.03**	**981.01**
	When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss when related forecasted transaction (hedged item) affects the profit or loss.		
	Total other equity (A+B+C+D+E+F+G)	**67,868.70**	**26,861.99**

14 FINANCIAL LIABILITIES - BORROWINGS

	March 31, 2022	March 31, 2021
Non-current borrowings		
Term loans from banks (Secured)		
Indian rupee term loan from bank	238.06	1,884.27
Total non-current borrowings (Secured) (Refer Note 14(A))	**238.06**	**1,884.27**
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan [1,2,3,4]	1,500.00	22,337.89
Bill discounting from banks [5,6,7,8]	4,102.28	7,210.56
Bank overdraft [9]	-	2,446.81
Current maturities of long-term borrowings	466.60	2,642.17
Total current borrowings (Secured)	**6,068.88**	**34,637.43**
Total current borrowings (Secured+Unsecured) (Refer Note 14(B))	**6,068.88**	**34,637.43**
Total Financial liabilities - Borrowings	**6,306.94**	**36,521.70**

Notes to the consolidated financial statements

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All amounts in Indian Rupees in lakhs, except stated otherwise

14(A): NOTES ON NON-CURRENT BORROWINGS

Indian rupee term loan from bank (Secured)

	March 31, 2022	March 31, 2021
Gross amount of indian rupee term loan taken	5,013.10	5,013.10
Outstanding balance:		
Non current borrowings	238.06	1,884.27
Current maturities of long-term borrowings	466.60	2,642.17
Total outstanding balance	**704.66**	**4,526.44**
Applicable Interest rate	8%	8% to 8.45%

Terms of repayment:

Indian rupee term loan from banks is repayable in 24 to 48 equal monthly instalments with a morotorium period of 6 months.

	March 31, 2022	March 31, 2021
Number of instalments due as at Balance sheet date (months)	19	14 to 42
Maturity profile including current maturities:		
Not later than one year	466.60	2,642.17
Later than one year but not later than two years	238.06	1,106.60
Later than two years but not later than three years	-	466.60
Later than three years but not later than four years	-	311.07
Later than four years but not later than five years	-	-
More than five years	-	-
	704.66	**4,526.44**

Repayment of non current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of non-current borrowings and interest there on.

Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any non-current borrowings from related parties.

Disclosure about the nature of security:

The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) Current assets (including trade receivables) of the Company (iii) hypothication of Plant & Machinery and Equipments and Land & Buildings.

During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 37) have given any personal guarantee or personal security for any non-current borrowings taken by the Company and is outstanding as at balance sheet date.

14(B): NOTES ON CURRENT BORROWINGS:

[1] Indian rupee packing credit loan from a bank of ₹ 2,000 lakhs (March 31, 2021:₹ 6,000 lakhs) carries interest @ Marginal cost of funds based lending rate ('MCLR') + 0.75% (March 31, 2021: MCLR + 0.75%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 5,634.06 lakhs). Also refer note 14(B) [9] and [10] below.

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs which is reduced to ₹ Nil by March 31, 2022 (March 31, 2021: ₹ 21,000 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2021: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021:₹ 15,829.96 lakhs). Also refer note 14(B) [9] and [10] below.

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[3] Indian rupee packing credit loan from a bank of ₹ 3,000 lakhs (March 31, 2021: ₹ 3,000) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2021: MCLR) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021:₹ 873.87 lakhs). Also refer note 14(B) [9] and [10] below.

[4] Indian rupee packing credit loan from a bank of ₹ 7,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @3 months MCLR for Indian rupee packing credit loan and 6 months SOFR for foreign currency packing credit loan (March 31, 2021: Nil). Another Indian rupee packing credit loan from a bank of ₹ 6,000 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @ 6 months MCLR (March 31, 2021: Nil). Interest on loans is payable monthly. These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables and current assets and fixed assets of the Company. Out of the above, ₹ 1,500.00 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ Nil). Also refer note 14(B) [9] and [10] below.

[5] Bill discounting from a bank of ₹ 3,000 lakhs (March 31, 2021: ₹ 4,000 lakhs) carries interest @LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and @ MCLR plus 0.75% for Indian Rupee bills discounting (March 31, 2021: Same as in the year FY 2021-22) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 2,868.15 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ 1,073.12 lakhs). Also refer note 14(B) [9] and [10] below.

[6] Bill discounting from a bank of ₹ 10,850 lakhs which is reduced to ₹ nil by March 31, 2022 (March 31, 2021: ₹ 10,850 lakhs) carries interest @6 months LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2021: Same as in the year FY 2021-22) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 4,753.37 lakhs). Also refer note 14(B) [9] and [10] below.

[7] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2021: ₹ 2,000 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') for Indian Rupee bills discounting (March 31, 2021: @MCLR for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 453.45 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ 1,384.07). Also refer note 14(B) [9] and [10] below.

[8] Bill discounting from a bank of ₹ 1,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @3 months MCLR for Indian rupee bill discounting loan and @6 months SOFR for foreign currency bill discounting loan (March 31, 2021: Nil). Another bill discounting from a bank of ₹ 2,500 lakhs (March 31, 2021: ₹ Nil) carries interest rate linked to @6 months MCLR for Indian rupee bill discounting loan and 6 months SOFR for foreign currency bill discounting loan (March 31, 2021: Nil). Interest on the above loans is payable on transaction basis. These loans are secured by pari passu charge on (i) current assets of the Company; and (ii) Fixed assets of the Company. Out of the above, ₹ 780.68 lakhs is outstanding as at March 31, 2022 (March 31, 2021: ₹ Nil). Also refer note 14(B) [9] and [10] below.

[9] Bank overdraft from banks of ₹ 2,500 lakhs (March 31, 2021: ₹ Nil) carries interest linked to @6 month MCLR plus applicable spreads ranging from 0.75% to 2.50% p.a. (March 31, 2021: Not applicable). Another bank overdraft of ₹ Nil (March 31, 2021: ₹ 2,800 lakhs) carries interest linked to @one year MCLR plus applicable spreads of 2.50% p.a. (March 31, 2021: same as in the FY2021-22). Interest on the above loans is payable on monthly basis.

These loans are secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ Nil is outstanding as at March 31, 2022 (March 31, 2021: ₹ 2,446.81 lakhs). Also refer note 14(B) [10] below.

[10] The Company has further provided the following as the collateral to the Multiple Banking Arrangement (MBA) lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 14(B).

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company and its subsidiary,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

[11] The Company has availed the interest subvention during the years ended March 31, 2022 and March 31, 2021 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

[12] Repayment of current borrowings and Interest:
During the year and as on the balance sheet date, the Company has not defaulted in repayment of current borrowings and interest there on.

[13] Loans from related parties:
During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties

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15 LEASE LIABILITIES

	March 31, 2022	March 31, 2021
Non current		
Lease Liabilities	10,315.19	8,555.17
	10,315.19	**8,555.17**
Current		
Lease Liabilities	2,682.17	2,773.56
	2,682.17	**2,773.56**
Total Lease Liabilities (Current + Non-current)	**12,997.36**	**11,328.73**

Refer Note 34 for maturity profile and other details.

16 PROVISION FOR EMPLOYEE BENEFITS

	March 31, 2022	March 31, 2021
(a) Non-current		
Gratuity	668.33	527.00
Total Provision for employee benefits - non-current (A)	**668.33**	**527.00**
(b) Current		
Gratuity	2,365.48	1,924.60
Leave benefits	1,358.26	861.26
Total Provision for employee benefits - current (B)	**3,723.74**	**2,785.86**

17 FINANCIAL LIABILITIES - TRADE PAYABLES

	March 31, 2022	March 31, 2021
Current		
Total outstanding dues of micro, small and medium enterprises	94.75	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises	11,689.58	8,545.40
Total Financial liabilities - Trade payables	**11,784.33**	**8,597.11**

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.
- For explanations on the Company's credit risk management processes, refer note 40.

Aging of trade payables:

There are no disputed trade payables as at and for the years ended March 31, 2022 and March 31, 2021.

Below is the list of undisputed trade payables outstanding for following periods from the due date.

March 31, 2022:

Periods	MSME	Others
Less than 1 year	94.75	11,468.74
1 to 2 years	-	220.84
2 to 3 years	-	-
More than 3 years	-	-
Total	**94.75**	**11,689.58**

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March 31, 2021:

Periods	MSME	Others
Less than 1 year	51.71	8,466.22
1 to 2 years	-	79.18
2 to 3 years	-	-
More than 3 years	-	-
Total	**51.71**	**8,545.40**

18 FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2022	March 31, 2021
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	-	-
Other financial liabilities at amortised cost		
Interest accrued and not due on loans	233.75	100.93
Employee related payables	8,646.78	6,034.40
Accrued expenses*	4,161.57	2,574.59
Liability for capital assets	481.93	270.09
Total financial liabilities - other current financial liabilities	**13,524.03**	**8,980.01**

* Accrued expenses represent amounts accrued for other operational expenses.

19 OTHER CURRENT LIABILITIES

	March 31, 2022	March 31, 2021
Advances received from customers	250.02	144.47
Statutory liabilities payable*	1,054.90	762.47
Total Other current liabilities	**1,304.92**	**906.94**

*Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

20 CURRENT TAX LIABILITY (NET)

	March 31, 2022	March 31, 2021
Current tax liability (net)	-	337.79
Total Other current liabilities	**-**	**337.79**

Notes to the consolidated financial statements

for the year ended March 31, 2022

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21 REVENUE FROM OPERATIONS

	March 31, 2022	March 31, 2021
(a) Sale of finished goods		
Exports	1,49,112.14	94,173.84
Domestic	17,753.05	20,372.42
	1,66,865.19	**1,14,546.26**
(b) Other operating revenues		
Export incentives and others*	8,813.05	4,712.80
Sale of accessories, fabrics, scrap and others	3,082.74	1,574.70
Job work income	270.59	238.97
	12,166.38	**6,526.47**
Total revenue from operations	**1,79,031.57**	**1,21,072.73**

* Others represents government grant, which is in the form of import duty savings, have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2022 and March 31, 2021.

i. Disaggregation of Revenue from sale of finished goods

The Group has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 33.

Primary Geographic Markets	Sale of finished goods	
(Name of the country)	**March 31, 2022**	**March 31, 2021**
United States of America	1,34,221.24	76,754.26
Canada	5,595.42	3,612.89
Netherlands	2,203.18	1,149.33
United Kingdom	1,355.07	1,344.44
France	1,116.98	1,554.71
China	729.86	1,056.04
Denmark	622.58	1,185.77
Spain	506.02	1,561.73
Japan	320.02	669.51
Germany	122.20	731.94
Other Overseas Countries	2,319.57	4,553.22
India	17,753.05	20,372.42
Total	**1,66,865.19**	**1,14,546.26**

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counterparties, timing of transfer of goods, uncertainty of revenue and cashflows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

ii. Remaining performance Obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

iii. Estimates and assumptions

There are no significant estimates and assumptions.

Notes to the consolidated financial statements

for the year ended March 31, 2022

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iv. **Contract balances**

	Contract liabilities	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	144.47	188.96
Less: Amount included in contract liabilities that was recognised as revenue during the period	(144.47)	(188.96)
Add: Cash received in advance of performance and not recognised as revenue during the period	250.02	144.47
Balance at the end of the year	**250.02**	**144.47**

22 OTHER INCOME

	March 31, 2022	March 31, 2021
Interest income on:		
Bank deposits	453.74	690.20
Security deposits	139.64	196.22
Income tax refunds	52.54	54.46
Others	-	-
Other non-operating income :		
Net gain on disposal of property, plant and equipment	60.55	61.39
Gain on sale of investments in mutual fund units	85.36	14.32
Fair value gain on Investment in mutual funds	193.83	129.44
Provisions no longer required, written back	62.31	-
Miscellaneous income	20.80	74.93
Total Other income	**1,068.77**	**1,220.96**

23 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	March 31, 2022	March 31, 2021
Inventory at the beginning of the year	9,200.50	8,321.11
Add: Purchases	1,04,744.21	57,441.75
	1,13,944.71	**65,762.86**
Less: inventory at the end of the year	(13,674.99)	(9,200.50)
Total cost of raw materials and components consumed	**1,00,269.72**	**56,562.36**

24 PURCHASES OF STOCK-IN-TRADE

	March 31, 2022	March 31, 2021
Purchases of stock-in-trade	1,478.89	-
Total Purchases of stock-in-trade	**1,478.89**	**-**

Notes to the consolidated financial statements

for the year ended March 31, 2022

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25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	March 31, 2022	March 31, 2021
Inventories at the beginning of the year		
Work-in-progress	11,736.31	15,473.90
Finished goods (Readymade garments)	4,347.59	4,551.80
	16,083.90	**20,025.70**
Inventories at the end of the year		
Work-in-progress	17,646.49	11,736.31
Finished goods (Readymade garments)	11,366.43	4,347.59
	29,012.92	**16,083.90**
Total changes in inventories of finished goods and work-in-progress	**(12,929.02)**	**3,941.80**

26 EMPLOYEE BENEFITS EXPENSE

	March 31, 2022	March 31, 2021
Salaries and wages	46,049.36	32,277.23
Contribution to provident and other funds	5,045.55	3,132.16
Share based payment expenses	135.82	520.31
Gratuity expense (net)	1,328.86	722.98
Staff welfare expense	1,317.99	503.70
Total employee benefit expenses	**53,877.58**	**37,156.38**

27 FINANCE COSTS

	March 31, 2022	March 31, 2021
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	1,259.38	1,910.90
on bill discounting and others	410.20	281.75
on lease liabilities	1,376.73	651.70
Bank charges and other borrowing costs*	974.43	601.88
Total finance costs	**4,020.74**	**3,446.23**

* Doesn't include expenses of ₹ 16.80 lakhs as the same is relating to share issue expenses adjusted to security premium account (Refer note 48).

28 DEPRECIATION AND AMORTIZATION EXPENSE

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment	2,989.74	2,582.79
Amortisation of other intangible assets	165.70	162.73
Amortisation on right-of-use assets	2,739.38	2,515.98
Total depreciation and amortisation expense	**5,894.82**	**5,261.50**

Notes to the consolidated financial statements

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29 OTHER EXPENSES

	March 31, 2022	March 31, 2021
Consumption of stores and spares and other manufacturing expenses	1,907.15	1,302.77
Water, electricity and fuel charges	2,601.20	1,906.57
Clearing, forwarding and freight	3,208.06	1,652.34
Rental charges	1,513.52	1,459.05
Legal and professional fees	1,129.82	745.41
Travelling and conveyance	535.61	364.65
Rates and taxes	237.02	369.41
Insurance	526.69	515.43
Repairs and maintenance		
Plant and machinery	827.30	474.84
Buildings	161.24	186.49
Others	632.46	398.77
Communication costs	170.51	157.54
Payments to auditors [Refer note 29(a)]	34.64	34.03
Sitting fees	58.40	50.40
Corporate social responsibility expenditure [Refer note 29(b)]	46.58	9.05
Provision for doubtful deposits and advances	160.52	-
Irrecoverable balances written off	272.72	84.00
Provision for doubtful debts	8.07	813.77
Miscellaneous expenses	1,085.51	1,379.44
Total other expenses*	**15,117.02**	**11,903.96**

* Doesn't include expenses of ₹ 767.90 lakhs as the same is relating to share issue expenses adjusted to security premium account (Refer note 48).

NOTE 29(A) PAYMENT TO AUDITORS (EXCLUSIVE OF GST)

	March 31, 2022	March 31, 2021
Audit fees (including fees for consolidated financial statements and quaterly limited reviews)	33.00	33.00
Out of pocket expenses	1.64	1.03
Total payment to auditors (exclusive of GST)	**34.64**	**34.03**

NOTE 29(B) CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	March 31, 2022	March 31, 2021
Amount required to be spent by the Company during the year	46.58	-
Amount of expenditure incurred	47.00	-
Amount of shortfall for the year	-	-
Amount of cumulative shortfall at the end of the year	-	-

There is no unspent amount to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

Notes to the consolidated financial statements

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30 INCOME TAX

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. These companies can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Companies are liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

	March 31, 2022	March 31, 2021
(a) Adjustment of tax relating to earlier periods	(677.07)	7.64
(b) Current tax	1,170.15	685.90
(c) Deferred tax	(498.08)	(680.90)
Total taxes	**(5.00)**	**12.64**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	March 31, 2022	March 31, 2021
Profit/(Loss) after exceptional items and before tax	11,703.13	2,661.80
Applicable tax rates in India	25.168%	34.944%
Computed tax expense	2,945.44	930.14
Tax effect of:		
Exempted income	(4,568.98)	(2,923.60)
Expenses disallowed	3,197.04	3,224.50
Carried forwarded tax losses	(1,578.50)	(1,218.40)
Total current tax expenses	**(5.00)**	**12.64**

The Group has accumulated tax losses which arose in India of ₹ 197.62 lakhs (March 31, 2021:₹ 2,995.39 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2024.

The Company has unabsorbed depreciation of ₹ 40.23 lakhs (March 31, 2021: ₹ 3,593.58 lakhs) that are available for offsetting for indefinite period.

31 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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Diluted EPS amounts are calculated by dividing the profit/(loss) 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 table reflects the data used in the basic and diluted EPS computations

	March 31, 2022	March 31, 2021
Face value of equity shares (₹ per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Group	11,708.13	2,649.16
Weighted average number of equity shares used for computing earning per share (basic)	5,07,30,394	4,28,55,005
Weighted average number of equity shares used for computing earning per share (diluted)	5,28,84,069	4,54,10,985
EPS - basic (₹)	23.08	6.18
EPS - diluted (₹)	22.14	5.83

32 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

d. Impairment of non-current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions, etc.

e. 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 DCF model. The inputs to

Notes to the consolidated financial statements

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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.

f. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, 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 bank guarantees provided by the Group to third parties, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

g. Defined benefit obligations

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 interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 36.

h. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "Changes in inventories of finished goods and work-in-progress" in the statement of profit and loss.

i. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

j. Non current assets held for sale

Non current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

k. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/ RSUs granted. The Company estimates fair value of ESOPs/ RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

l. Revenue from Export incentives

For measurement of income from the export incentives, significant estimates and judgments are made which include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate notified/to be notified by the government authorities.

33 SEGMENT INFORMATION- DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENT'

(a) Basis of identifying operating segments:

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses; (b) whose operating results are regularly reviewed by the Group's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Group is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

Notes to the consolidated financial statements

for the year ended March 31, 2022

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(c) Geographic information

The Group mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

	Segment revenue*		Non current assets**	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
India	27,933.31	26,236.26	31,666.83	24,073.87
Rest of world	1,51,098.26	94,836.47	-	-
Total	**1,79,031.57**	**1,21,072.73**	**31,666.83**	**24,073.87**

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2021: Three) customer amounted to ₹ 125,129.35 lakhs (March 31, 2021: ₹ 70,975.61 lakhs), arising from sales of readymade garments.

*Total Revenue from operations by geographical area are based on the geographical location of the client.

**Non-current assets excludes non current financial assets and non current tax assets.

34 COMMITMENTS AND CONTINGENCIES

I. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and nonlease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both. The Group records the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.

The movement in lease liabilities is as follows:

	March 31, 2022	March 31, 2021
Opening balance	11,328.73	5,066.47
Additions	3,716.01	10,054.42
Deletions	(88.99)	(1,435.61)
Finance cost accrued	1,376.73	651.70
Payment of lease liabilities	(3,335.12)	(3,008.25)
Closing balance	**12,997.36**	**11,328.73**

The break-up of current and non-current lease liabilities is as follows

	March 31, 2022	March 31, 2021
Current lease liabilities	2,682.17	2,773.56
Non-current lease liabilities	10,315.19	8,555.17
Total	**12,997.36**	**11,328.73**

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for the year ended March 31, 2022 *All amounts in Indian Rupees in lakhs, except stated otherwise*

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

	March 31, 2022	March 31, 2021
Less than one year	4,018.89	3,944.74
One to five years	12,031.26	11,330.08
More than five years	1,345.24	997.14
Total	**17,395.39**	**16,271.96**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases during the year is ₹ 1,513.52 Lakhs (31 March 2021: ₹ 1,459.05 Lakhs).

II. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

	March 31, 2022	March 31, 2021
(a) Performance Bank Guarantees		
Sanctioned	150.00	263.00
Outstanding	150.00	171.68
(b) Outstanding letters of credit		
Sanctioned	6,322.00	4,249.00
Outstanding	3,587.68	3,167.32
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	278.43
(ii) Matters relating to other taxes under dispute	122.54	132.15

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(ii) The Group is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Group's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the consolidated financial statements.

III. Capital and other commitments

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	93.46	937.39
Commitments relating to forward contract- hedge of highly probable forecast sales	1,44,555.43	80,141.46

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for the year ended March 31, 2022

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35 HEDGING ACTIVITIES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount	Average Strike rate
March 31, 2022	USD	1,850.43	78.12
March 31, 2022	INR	1,44,555.43	
March 31, 2021	USD	1,052.30	76.16
March 31, 2021	INR	80,141.46	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

	March 31, 2022	March 31, 2021
Nominal amount of hedging instrument	1,44,555.43	80,141.46
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	1,377.03	981.01
Liabilities	-	-
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 7
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:

	March 31, 2022	March 31, 2021
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	1,377.03	981.01
For hedges no longer applied	-	-
Total balance	**1,377.03**	**981.01**

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The cash flow hedges of the expected future sales during the year ended March 31, 2022 and March 31, 2021 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2022 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ended March 31, 2023.

Notes to the consolidated financial statements

for the year ended March 31, 2022 *All amounts in Indian Rupees in lakhs, except stated otherwise*

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on :

Cash flow hedge reserve	March 31, 2022	March 31, 2021
Opening balance	981.01	(2,025.77)
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	2,130.54	3,442.13
Less: amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	(1,734.52)	(435.35)
Less: amount reclassified to consolidated statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	396.02	3,006.78
Less: amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**1,377.03**	**981.01**

The Group offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

36 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the consolidated statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit.

(a) Net benefit expenses (recognised in the consolidated statement of profit and loss)

Particulars	March 31, 2022	March 31, 2021
Current service cost	1,174.05	585.76
Net interest cost on defined benefit obligations / (assets)	154.81	137.22
Net benefit expenses	**1,328.86**	**722.98**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2022	March 31, 2021
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(131.97)	5.63
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(180.53)	(171.43)
Actuarial (gain)/loss arising during the year	(312.50)	(165.80)
Return on plan assets (greater)/less than discount rate	0.04	0.11
Actuarial (gain)/ loss recognised in other comprehensive income	(312.46)	(165.69)

(c) Net defined benefit asset / (liability)

Particulars	March 31, 2022	March 31, 2021
Defined benefit obligation	3,061.41	2,477.48
Fair value of plan assets	(27.60)	(25.88)
Plan liability/ (asset)	**3,033.81**	**2,451.60**

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for the year ended March 31, 2022

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(d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation	2,477.48	2,616.30
Current service cost	1,174.05	585.76
Interest cost on the defined benefit obligation	156.57	138.70
Benefits paid	(434.19)	(697.48)
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(131.97)	5.63
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(180.53)	(171.43)
Closing defined benefit obligation	3,061.41	2,477.48

(e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2022	March 31, 2021
Opening fair value of plan assets	25.88	24.00
Interest income on plan assets	1.76	1.48
Contributions by employer	434.19	697.99
Benefits paid	(434.19)	(697.48)
Return on plan assets (lesser)/greater than discount rate	(0.04)	(0.11)
Closing fair value of plan assets	**27.60**	**25.88**

The Group expects to contribute ₹ 2,365.48 lakhs (March 31, 2021: ₹ 1,924.60 lakhs) towards gratuity fund.

(f) The following benefit payments (undiscounted) are expected in future years:

Particulars	March 31, 2022
March 31, 2023	507.86
March 31, 2024	376.12
March 31, 2025	271.06
March 31, 2026	232.08
March 31, 2027	175.31
March 31, 2028 to March 31, 2032	3,129.52

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2022	March 31, 2021
Investments with insurer	100%	100%

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for the year ended March 31, 2022 *All amounts in Indian Rupees in lakhs, except stated otherwise*

(h) The principal assumptions used in determining gratuity for the Group's plan is as shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate (in %)	6.93%	6.12%
Salary escalation (in %)	5% to 8%	5% to 8%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.

2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.

3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.

5. Refer note 16 for current and non current classification.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(156.72)	(100.76)
Impact of defined benefit obligation due to 1% decrease in discount rate	173.46	109.57
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	158.32	94.14
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(145.17)	(87.96)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(17.73)	(19.66)
Impact of defined benefit obligation due to 1% decrease in attrition rate	17.53	20.07

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

37 RELATED PARTY TRANSACTIONS

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Sivaramakrishnan Ganapathi, Managing Director
	Mr. Mathew Cyriac (Non Executive Director)
	Ms. Anuradha Sharma (Independent Director)
	Mr. Gautham Madhavan (Non Executive Director)
	Mr. Prabhat Kumar Singh (Director)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Shrithee MS (Company Secretary) (appointed w.e.f November 11, 2020)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019) (resigned w.e.f November 10, 2020)

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b. Summary of transactions during the year with the above related parties are as follows:

	March 31, 2022	March 31, 2021
i) Stock options exercised during the year at face value		
Sathyamurthy A	3.75	-
ii) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Vilayur Ganapathi [1]	687.59	241.48
Sathyamurthy A [2]	173.94	115.63
Prabhat Kumar Singh	65.00	40.00
Shrithee MS	13.53	3.47
Sameer Sudarshan R V	-	7.25
	940.06	**407.83**
[1] Remuneration includes variable pay of ₹ 150 Lakhs pertaining to 2020-21 and paid during the year 2021-22 (March 31, 2021: ₹ Nil).		
[2] Remuneration includes variable pay of ₹ 40 Lakhs pertaining to 2020-21 and paid during the year 2021-22 (March 31, 2021: ₹ 15 Lakhs, pertaining to 2019-20 and paid during the year 2020-21).		
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Richard B. Saldanha	14.40	13.60
Mathew Cyriac	14.40	12.80
Anuradha Sharma	16.80	13.60
Gautham Madhavan	12.80	10.40
	58.40	**50.40**
c) Summary of compensation of key managerial personnel of the Company [1]		
Managerial remuneration	940.06	407.83
Sitting fees	58.40	50.40
Share based payment expenses	72.77	376.98
	1,071.23	**835.21**

c. Summary of outstanding balances with the above related parties are as follows:

	March 31, 2022	March 31, 2021
i) Remuneration payable to Key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	423.37	150.00
Mr. Sathyamurthy A	40.00	40.00
	463.37	**190.00**

[1] As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Group as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

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38 DISCLOSURES OF DUES/PAYMENTS TO MICRO, SMALL AND MEDIUM ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE GROUP

	March 31, 2022	March 31, 2021
i. The principal amount due thereon remaining unpaid as at the year end Interest amount due and remaining unpaid as at the year end	94.75	51.71
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

39 SHARE- BASED PAYMENTS

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Group approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries and directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Group by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Group and provided for the issue of 2,133,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Grouprecognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is ranging from two to three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

Particulars	March 31, 2022	March 31, 2021
Expense arising from equity-settled share based payment transactions	135.82	520.31
	135.82	**520.31**

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Movement during the year for ESOP 2010 Plan:

The activity in the ESOP 2010 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2022		March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	5,41,667	78.30	5,41,667	78.30
Granted during the year	-	-	-	-
Exercised during the year	(21,667)	-	-	-
Lapsed during the year	(35,000)	-	-	-
Closing balance	**4,85,000**	**78.30**	**5,41,667**	**78.30**
Exercisable as at year end	4,85,000		4,81,667	

The weighted average share price at the date of exercise of the options during the period is ₹ 231.99 (March 31, 2021 : not applicable).

The weighted average remaining contractual life for the share options outstanding is 4.88 years (March 31, 2021: 5.64 years)

The range of exercise prices for options outstanding at the end of the year was ₹ 60.95 to ₹ 85.96 (March 31, 2021: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:

The activit y in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2022		March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	18,05,000	5.00	20,98,040	5.00
Granted during the year	1,00,000	5.00	-	-
Exercised during the year	(6,35,500)	5.00	(70,000)	5.00
Lapsed during the year	-	5.00	(2,23,040)	5.00
Closing balance	**12,69,500**	**5.00**	**18,05,000**	**5.00**
Exercisable as at year end	11,69,500		15,55,000	

The weighted average share price at the date of exercise of the options during the period is ₹ 193.52 (March 31, 2021 : not applicable).

The weighted average remaining contractual life for the share options outstanding is 4.40 years (March 31, 2021: 5.14 years)

The weighted average fair value of options granted during the year was ₹ 194 (March 31, 2021: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2021: ₹ 5).

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The following table list the inputs to the models used for the ESOP 2010 plan

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under ESOP 2010 during the year ended March 31, 2022 and March 31, 2021.

The following table list the inputs to the models used for the RSU 2018 plan:

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	-	-
Expected volatility (%)	59.00%	-
Risk-free interest rate (%)	5.50% to 7.70%	-
Expected life of share options (years)	6 to 7	-
Weighted average exercise price (₹)	5.00	-
Model used	Black-Scholes Merton (BSM) options pricing model	-

* No options were granted under RSU 2018 during the year ended March 31, 2021.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

40 DISCLOSURES ON FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Group 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 Note 2.2 (b) and Note 2.3 (o) to the consolidated 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, 2022

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	15,445.66	-	15,445.66
Trade receivables	9,219.38	-	9,219.38
Cash and cash equivalents	1,268.24	-	1,268.24
Other financials assets	4,349.39	-	4,349.39
Foreign exchange forward contracts	-	1,377.03	1,377.03
Total assets	**30,282.67**	**1,377.03**	**31,659.70**

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Particulars	Amortised cost	Fair value through OCI	Total
Financial liabilities			
Lease liabilities	12,997.36	-	12,997.36
Borrowings	6,306.94	-	6,306.94
Trade payables	11,784.33	-	11,784.33
Other financial liabilities	13,524.03	-	13,524.03
Total liabilities	**44,612.66**	**-**	**44,612.66**

As at March 31, 2021

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,681.18	-	3,681.18
Trade receivables	17,983.76	-	17,983.76
Cash and cash equivalents	1,526.19	-	1,526.19
Other financials assets	18,077.47	-	18,077.47
Foreign exchange forward contracts	-	981.01	981.01
Total assets	**41,268.60**	**981.01**	**42,249.61**
Financial liabilities			
Lease liabilities	11,328.73	-	11,328.73
Borrowings	36,521.70	-	36,521.70
Trade payables	8,597.11	-	8,597.11
Other financial liabilities	8,980.01	-	8,980.01
Total liabilities	**65,427.55**	**-**	**65,427.55**

(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.

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2022				
Financial assets				
Foreign exchange forward contracts	-	1,377.03	-	1,377.03
March 31, 2021				
Financial liabilities				
Foreign exchange forward contracts	-	981.01	-	981.01

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

Fair value of loans (security deposits) having a carrying amount of ₹ 2,684.95 lakhs as at March 31, 2022 (March 31, 2021: ₹ 2,886.52 lakhs) was ₹ 2,684.95 Lakhs (March 31, 2020: ₹ 2,886.52 lakhs).

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) 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 Group 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 year ended March 31, 2022 and March 31, 2021.

(c) Financial risk management objectives and policies

In the course of its business, the Group 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 Group 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 Group'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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ (decrease) in basis points	Effect on profit before tax
March 31, 2022	50	31.53
March 31, 2021	50	182.61

(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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from investing activities is not material.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2022 and March 31, 2021, the Group hedged ₹ 144,555.43 lakhs (USD 1,850.43 lakhs) and ₹ 80,141.46 lakhs (USD 1,052.30 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2022 and March 31, 2021

Particulars	Currency	March 31, 2022	March 31, 2021
Assets			
Trade receivables	USD	43.53	133.55
Trade receivables	EUR	-	4.99
Advance to suppliers	USD	25.25	13.37
Capital advances	USD	0.06	0.57
Capital advances	EUR	-	0.09
Cash and cash equivalents	USD	-	0.95
Liabilities			
Trade payables	USD	7.34	7.26
Liability for capital assets	USD	2.71	1.45
Liability for capital assets	EUR	0.97	-
Advances received from customers	USD	1.10	0.30
Advances received from customers	EUR	0.46	-

Note: All figures are in lakhs

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2022		
USD	5%	218.41
March 31, 2021		
USD	5%	512.75

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2022 and March 31, 2021. The period end balances are not necessarily representative of the average debt outstanding during the period.

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, loans receivables, investments and cash and cash equivalents.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹31,659.70 lakhs and ₹ 42,249.61 lakhs, as at March 31, 2022 and March 31, 2021 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

Customer credit risk is managed by each business unit subject to the Group'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 Group does not hold collateral as security.

With respect to trade receivables, the Group has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Group 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 Group's treasury department in accordance with the Group'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.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Liquidity risk

Liquidity risk refers to the risk that the Group 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 Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

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

The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Group's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

Particulars	0-1 year	> 1 year	Total
March 31, 2022			
Lease liabilities	2,682.17	10,315.19	12,997.36
Borrowings	6,068.88	238.06	6,306.94
Trade payables	11,784.33	-	11,784.33
Other financial liabilities	13,524.03	-	13,524.03
	34,059.41	**10,553.25**	**44,612.66**
March 31, 2021			
Lease liabilities	2,773.56	8,555.17	11,328.73
Borrowings	34,637.43	1,884.27	36,521.70
Trade payables	8,597.11	-	8,597.11
Other financial liabilities	8,980.01	-	8,980.01
	54,988.11	**10,439.44**	**65,427.55**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Group's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ Nil as on March 31, 2022 and March 31, 2021 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Group's investment in a foreign associate.

41 CAPITAL MANAGEMENT

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

The Group 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 issue of securities.

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

The Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Group's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with..

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

Particulars	March 31, 2022	March 31, 2021
Borrowings including current maturities	6,306.94	36,521.70
Total debts	**6,306.94**	**36,521.70**
Capital components		
Equity share capital	2,948.85	2,144.78
Other equity	67,868.70	26,861.99
Total capital	**70,817.55**	**29,006.77**
Capital and borrowings	**77,124.49**	**65,528.47**
Gearing ratio (%)	**8.18%**	**55.73%**

In order to achieve this overall objective, the Group'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, 2022 and March 31, 2021.

42 The Group is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Group during financial year ended March 31, 2022. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

43 The Group assessed the fair value less cost of sale of the investment in an associate held for sale. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Group's investment. The Group has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the year ended March 31, 2019. The Group continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss. Further to related developments during the year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.

44 The Group had filed petition with the Group Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

45 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting Company). Consequently, the Director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Group is confident to receive a favourable order and that there will not be a material impact on the Consolidated Ind AS financial statements of the Company.

46 Under the Remission of Duties and Taxes on Export Products (RoDTEP), the Company is eligible to claim a government grant in the form of refunds of embedded taxes and duties All the items previously under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme The scheme has been effective since January 1, 2021 However, the incentive rates are yet to be notified by the authorities. For the textile/garment industry sector, the RoSCTL scheme was introduced with effect from March 7, 2019. Later, for the textile/garment manufacturing sector, the Government retrospectively withdrew 4% MEIS w.e. f. March 7, 2019 through a notification issued on January 14, 2020.

For the relevant period January 1, 2021 onwards, the Company has recognized ₹ 7.57 Crore of income towards RoDTEP and corresponding receivable which is lower than the rates applicable up to 31st December 2020. Pursuant to the notification of the rates and eligibility, the Company has recognised the RoSCTL income for the period from April 1, 2021 to June 30, 2021 in line with the rates notified and additionally also recognised the balance income to the extent previously not recognised during the year ended March 31, 2021.

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

For measurement of income from the aforementioned government grants, significant estimates and judgments are made by the management The estimates, inputs, and judgments used by the management. include eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate expected to be notified by the government authorities, the estimation on the rate involves a high level of uncertainty considering the delay in notification of the rate, the Company has performed sensitivity analysis on the sources of estimation uncertainty and appropriately considered the same while recognizing the income from government grants.

47 The Company is in the process of augmenting its production capacity at cost-efficient locations. The Company intends to carry out the expansion projects under new wholly-owned subsidiary companies to regulate the business in an efficient manner and to be in a better position to service international customers.

In view of the above, during the board meeting held on July 30, 2021, the Company has obtained approval of the board to incorporate two new wholly-owned subsidiary companies. Consequently, "Gokaldasexports Acharpura Private Limited" and "Sri Susamyuta Knits Private Limited" were incorporated on August 28, 2021 and January 14, 2022 respectively.

Further, during the board meeting held on December 07, 2021, the Company has obtained approval of the board to incorporate a new wholly-owned subsidiary company in Dubai, UAE. Consequently, "Gokaldas Exports FZCO" was incorporated on January 10, 2022.

Further, during the board meeting held on December 07, 2021, the Company has obtained approval of the board to enter into an Joint Venture Agreement to make an investment in an overseas Company in Bangladesh to carry out the expansion of manufacturing facility in offshore locations.

48 The Board of Directors, in their meeting held on August 24, 2021, had approved:

(a) To increase the authorised share capital of the Company, from existing ₹ 275,000,000 (Rupees Twenty Seven Crores Fifty Lakhs Only) divided into 55,000,000 (Five Crores Fifty Lakhs Only) equity shares of ₹ 5/- each ("Equity Shares") to ₹ 325,000,000/- (Rupees Thirty Two Crores Fifty Lakhs Only) divided into 65,000,000 (Six Crores Fifty Lakhs Only) Equity Shares of ₹ 5/- each ranking pari-passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company, and consequent to alteration of capital clause V of the Memorandum of Association of the Company.

(b) Raising of funds for an amount aggregating up to ₹ 300 Crores, by way of issuance of any instrument or security including equity shares, fully or partly convertible debentures, non-convertible debenture warrants, any other equity based instruments or securities or any combination thereof in one or more tranches, including by way of a public issue, preferential allotment or a private placement (including one or more Qualified Institutions Placement ("QIP")) in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law, or through any other permissible mode and/or any combination thereof, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, subject to the receipt of necessary approvals, including the approval of the members of the Company and such other regulatory and statutory approvals as maybe required.

In order to give effect to the above, the Board has also constituted and authorized the Fund Raise Committee of the Board to, inter-alia, decide the terms and conditions of the proposed fund raise.

In relation to the above, pursuant to the resolution passed by the Board of Directors of the Company on August 24, 2021 and the resolution passed by the shareholders of the Company on September 17, 2021, the Fund Raise Committee have, on October 07, 2021, issued and allotted 15,424,164 equity shares of ₹ 5 each, at an issue price of ₹ 194.50 per equity share (including ₹ 189.50 per equity share towards securities premium) aggregating to ₹ 300 Crores (rounded off) to Qualified Institutional Buyers under chapter VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended and under provisions of all other applicable laws.

49 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the quarter and year ended March 31, 2021 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at March 31, 2021 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Group has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Group has performed sensitivity analysis on the assumptions

Notes to the consolidated financial statements

for the year ended March 31, 2022

All amounts in Indian Rupees in lakhs, except stated otherwise

used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets, the Group has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

50 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

a. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks are in agreement with the books of accounts.

c. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

d. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

f. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

   The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

h. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

i. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

j. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

51 The statement of audited consolidated financial statements for the year ended March 31, 2022 have been reviewed by the Audit Committee in their meeting on April 29, 2022 and approved by the Board of Directors in their meeting held on April 29, 2022.

52 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

53 Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's classification.

As per our report of even date

For **MSKA & Associates**
Chartered Accountants
ICAI Firm registration number: 105047W

Pradeep Mysore Suresh
Partner
Membership No.: 216181

Place: Bengaluru
Date: April 29, 2022

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560
Place: Bengaluru

Sathyamurthy A
Chief Financial Officer
Place: Bengaluru
Date: April 29, 2022

Shrithee MS
Company Secretary
Membership No: A56563
Place: Bengaluru
Date: April 29, 2022

Gokaldas Exports Ltd

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