

## **Independent Auditor's Report**

**To the Members of M/s. All Colour Garments Private Limited**

**Report on the Audit of the Standalone Financial Statements**

### **OPINION**

We have audited the standalone financial statements of M/s. All Colour Garments Private Limited ("the Company"), which comprise the Balance Sheet as of March 31, 2024, 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, 2024, and Loss, 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.

### **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 statement 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.

The 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 based on 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:

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.

- a) 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.
- b) 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.
- c) 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.
- d) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- e) 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 our separate Report in "**Annexure C**".
- f) 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 13 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.




- g) (i). The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii). The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii). Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- h) The Company does not declare any dividend during the year, hence section 123 of the Companies act, 2013 is not applicable.

3. **DISCLOSURE IN THE AUDIT REPORT UNDER RULE 11(g):**

**In regard to Navision accounting software:**

Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, however, the audit trail feature was not enabled throughout the year for all the relevant transactions at the application level. Further, the audit trail feature was not enabled at the database level to log any direct data changes. The audit trail feature, which was enabled, as reported above has been operated throughout the year for all relevant transactions recorded in this accounting software. Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with, in respect of the accounting software for the period for which the audit trail was operating

For DURGA KRISHNAMURTHY & Co.  
Chartered Accountants  
ICAI Firm Registration No. 008653S

  
Durga Krishnamurthi  
Proprietor  
Membership No. 206962



**UDIN: 24206962BKAREG4985**

Place: Bengaluru  
Date: 24<sup>th</sup> May 2024

**Annexure A to the Independent Auditor's Report on even date on the Standalone Financial Statements of All Colour Garments Private 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

For DURGA KRISHNAMURTHY & Co.

Chartered Accountants

ICAI Firm Registration No. 008653S



Durga Krishnamurthi  
Proprietor  
Membership No. 206962



**UDIN: 24206962BKAREG4985**

Place: Bengaluru

Date: 24<sup>th</sup> May 2024

**Annexure B to Independent Auditors' Report of even date on the Standalone Financial Statements of All Colour Garments Private Limited for the year ended March 31, 2024**

- (i) According to the information and explanations given to us, the company does not have any Property, Plant and Equipment held by the company during the year, Accordingly, the provision stated in paragraph 3(i) (a) to (e) of the order are not applicable.
- (ii) The company does not have any inventory during the year; hence this provision is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) 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 explanation given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Value added tax, cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty, Value added tax, cess and other material statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there were no statutory dues which have not been deposited on account of dispute.
- (viii) The Company has not surrendered or disclosed as income during the year in the tax assessment under the income tax act, 1961, any transactions which is not recorded in the books of account.



- (ix) (a) There was no repayment of loans or other borrowings in the concerned period.  
(b) The Company has not declared willful defaulter by any bank or financial institution or other lender.  
(c) The Company has applied the loan for the purpose for which loan was obtained.  
(d) No fund has been raised on short term basis during the concerned period.  
(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.  
(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, 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) and any term loans from banks. Accordingly, paragraph 3(ix) of the order is not applicable.  
  
(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.
- (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 by its officers or employees.  
  
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
  
(c) According to the information and explanations given to us, no whistle blower complaints have been received during the year by the 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) 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 financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.  
(b) The company has not conducted any Non- Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.





- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the subclause (c) & (d) of the order is not applicable.
- (xvii) The Company has incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that 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) The company is not meeting the condition of CSR applicability under section 135 of the companies' act, 2013. Hence company is not required to create CSR expenditure under the act. Accordingly, the sub clause (a) & (b) is not applicable.
- (xxi) The Company does not require to prepare Consolidated Financial Statements. Accordingly, this clause is not applicable.

For DURGA KRISHNAMURTHY & Co.  
Chartered Accountants  
ICAI Firm Registration No. 008653S



Durga Krishnamurthi  
Proprietor  
Membership No. 206962

**UDIN: 24206962BKAREG4985**



Place: Bengaluru  
Date: 24<sup>th</sup> May 2024

**Annexure C to the Independent Auditor's Report of even date on the Standalone Financial Statements of All Colour Garments Private Limited.**

[Referred to in paragraph 2(e) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls with reference to standalone financial statements of All Colour Garments Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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.

**OPINION**

In our opinion, the Company has, in all material respects, 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, 2024, 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.

For DURGA KRISHNAMURTHY & Co.  
Chartered Accountants  
ICAI Firm Registration No. 008653S



Durga Krishnamurthi  
Proprietor  
Membership No. 206962



**UDIN: 24206962BKAREG4985**

Place: Bengaluru  
Date: 24<sup>th</sup> May 2024

All Colour Garments Private Limited  
Balance Sheet as at March 31, 2024  
All amounts in Indian Rupees in lakhs, except stated otherwise

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non- current assets</b>			
<b>Financial assets</b>			
Other financial assets	3	2.01	2.01
<b>Total non-current assets</b>		<b>2.01</b>	<b>2.01</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	4	0.09	0.09
Other financial assets	3	367.25	368.12
<b>Total current assets</b>		<b>367.34</b>	<b>368.21</b>
<b>Total assets</b>		<b>369.35</b>	<b>370.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	5	2.00	2.00
Other equity	6	366.25	367.17
<b>Total equity</b>		<b>368.25</b>	<b>369.17</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	7	-	-
Total outstanding dues of micro enterprises and small enterprises		1.10	1.05
<b>Total current liabilities</b>		<b>1.10</b>	<b>1.05</b>
<b>Total liabilities</b>		<b>1.10</b>	<b>1.05</b>
<b>Total equity and liabilities</b>		<b>369.35</b>	<b>370.22</b>
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements  
As per our even report


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

  
per Durga Krishnamurthi  
Proprietor  
Membership No.: 206962



Place: Bengaluru  
Date: May 24, 2024

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

  
P Viswanath  
Director  
DIN: 07410446

  
Sathyamurthy A  
Director  
DIN: 07425034

Place: Bengaluru  
Date: May 24, 2024

Place: Bengaluru  
Date: May 24, 2024

**UDIN: 24206962BKAREG4985**



**All Colour Garments Private Limited**

**Statement of Profit and Loss for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

	Notes	March 31, 2024	March 31, 2023
<b>I Income</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total income</b>		-	-
<b>II Expenses</b>	8	0.92	0.40
Other expenses		0.92	0.40
<b>Total expenses</b>		(0.92)	(0.40)
<b>III Profit/(Loss) before tax for the period (I-II)</b>			
<b>IV Tax expenses</b>			
Adjustment of tax relating to earlier years		-	-
Deferred tax (credit)/charge		-	-
<b>V Profit/(Loss) after tax for the period (III-IV)</b>		(0.92)	(0.40)
<b>VI Other comprehensive income/ (loss) (net of tax)</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan		-	-
Income tax effect		-	-
Items that will be reclassified to profit or loss in subsequent periods:		-	-
Total other comprehensive income/ (loss) for the year, net of tax		-	-
<b>VII Total comprehensive income for the period attributable to equity holders</b>		(0.92)	(0.40)
<b>VIII Earnings per equity share [nominal value of ₹ 10 ( March 31, 2023 - ₹ 10)]</b>			
Basic and diluted		(4.60)	(2.00)
Weighted average number of shares - Basic and diluted		20,000	20,000

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For DURGA KRISHNAMURTHI & Co.**

ICAI Firm Registration Number.: 008653S

Chartered Accountants

**per Durga Krishnamurthi**

Proprietor

Membership No.: 206962

Place: Bengaluru

Date: May 24, 2024

**UDIN: 24206962BKAREG4985**



**For and on behalf of the Board of Directors of**

**ALL COLOUR GARMENTS PRIVATE LIMITED**

**P Viswanath**

Director

DIN: 07410446

Place: Bengaluru

Date: May 24, 2024

**Sathyamurthy A**

Director

DIN: 07425034

Place: Bengaluru

Date: May 24, 2024



**All Colour Garments Private Limited**  
**Statement of changes in equity for the year ended March 31, 2024**  
*All amounts in Indian Rupees in lakhs, except stated otherwise*

**a. Equity share capital**

	No of Shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid	20,000	2.00
As at April 01, 2022	-	-
Add: Issued during the year	20,000	2.00
As at March 31, 2023	-	-
Add: Issued during the year	20,000	2.00
As at March 31, 2024		

**b. Other equity**

**For the year ended March 31, 2024**

	Reserves and Surplus			Total
	Capital reserve	Securities premium reserve	Retained earnings	
As at April 1, 2023	1.91	331.98	33.28	367.17
Profit / (loss) for the year	-	-	(0.92)	(0.92)
As at March 31, 2024	1.91	331.98	32.36	366.25

**For the year ended March 31, 2023**

	Reserves and Surplus			Total
	Capital reserve	Securities premium reserve	Retained earnings	
As at April 1, 2022	1.91	331.98	33.68	367.57
Profit / (loss) for the year	-	-	(0.40)	(0.40)
AS at March 31, 2023	1.91	331.98	33.28	367.17

Refer note 2.2 for summary of significant accounting policies.

The accompanying notes are an integral part of the financial statements  
As per our report of even date

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

*[Signature]*

**per Durga Krishnamurthi**  
Proprietor  
Membership No.: 206962

Place: Bengaluru  
Date: May 24, 2024



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

*[Signature]*

**P Viswanath**  
Director  
DIN: 07410446

Place: Bengaluru  
Date: May 24, 2024

*[Signature]*

**Sathyamurthy A**  
Director  
DIN: 07425034

Place: Bengaluru  
Date: May 24, 2024





**All Colour Garments Private Limited**  
**Cash flow statement for the year ended March 31, 2024**  
*All amounts in Indian Rupees in lakhs, except stated otherwise*

	Notes	March 31, 2024	March 31, 2023
<b>Cash flow from operating activities</b>		<b>(0.92)</b>	<b>(0.40)</b>
<b>Profit before tax</b>			
Adjustments to reconcile profit before tax to net cash flows			
<i>Changes in operating assets and liabilities:</i>			
(Increase)/ decrease in other financial and non-financial assets		0.87	0.06
Increase/ (decrease) in trade payables		0.05	0.25
		0.00	(0.09)
Income tax paid (net of refund)		0.00	-
<b>Net cash flows from/ (used in) operating activities (A)</b>		<b>0.00</b>	<b>(0.09)</b>
<b>Cash flow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Net cash flows from/ (used in) investing activities (B)</b>		<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net cash flows from/ (used in) financing activities (C)</b>		<b>-</b>	<b>-</b>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		0.00	(0.09)
Cash and cash equivalents at the beginning of the year		0.09	0.18
<b>Cash and cash equivalents at the end of the year</b>		<b>0.09</b>	<b>0.09</b>
<b>Components of cash and cash equivalents</b>			
Balance with banks		0.09	0.09
- on current account		0.09	0.09
<b>Total cash and cash equivalents</b>	<b>4</b>	<b>0.09</b>	<b>0.09</b>

Summary of significant accounting policies

2.2

As per our report of even date

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

  
**per Durga Krishnamurthi**  
Proprietor  
Membership No.: 206962




Place: Bengaluru  
Date: May 24, 2024

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

  
**P Viswanath**  
Director  
DIN: 07410446

Place: Bengaluru  
Date: May 24, 2024

  
**Sathyamurthy A**  
Director  
DIN: 07425034

Place: Bengaluru  
Date: May 24, 2024



**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

**1 Corporate information**

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

**2 Significant accounting policies**

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

**2.1 Statement of Compliance with Ind AS**

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

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

The functional and presentation currency of the Company is Indian Rupee (₹) 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.





**All Colour Garments Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024**  
*All amounts in Indian Rupees in lakhs, except stated otherwise*

The Company has identified twelve months as its operating cycle.

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

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

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

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

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

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

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

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

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

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

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

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

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

**c. Foreign currencies**

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

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



**d. Revenue recognition**

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

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

*Performance obligations and timing of revenue recognition:*

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

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

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

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

*Determining the transaction price:*

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

*Allocating amounts to performance obligations*

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

*Costs of fulfilling contracts:*

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

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

Advances received from customers are in the nature of contract liability.

**iii. Revenue from export incentives:**

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

**iv. Interest income:**

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

**v. Dividends:**

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





**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

**vi. Others:**

Insurance / other claims are recognized on acceptance basis.

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

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

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

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

**f. Government grants**

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

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

**g. Taxes**

**Current income tax**

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

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



**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

**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 a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

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





**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

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

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

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

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

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

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

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

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

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

<b>Intangible assets</b>	<b>Useful lives</b>	<b>Amortisation method used</b>	<b>Internally generated or acquired</b>
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.



**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

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 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.





**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

**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 Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

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

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

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

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

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

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.





**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

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

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

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

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

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

**o. Financial instruments**

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

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

**Effective interest method**

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



**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

**(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 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.





**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

**(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.

**Financial Liabilities**

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

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

**i. Financial guarantee contracts**

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

**ii. De-recognition**

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

**Off-setting of financial instruments**

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

**p. Derivative financial instruments**

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

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

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



**b. Cash flow hedge accounting**

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

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

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

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

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

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

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

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

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

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

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

**s. Cash and Cash equivalent**

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

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





**All Colour Garments Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024**  
*All amounts in Indian Rupees in lakhs, except stated otherwise*

<b>3 Other financial assets</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Unsecured, considered good</b>		
<b>Non current</b>		
Security and other deposits	2.01	2.01
	<u>2.01</u>	<u>2.01</u>
<b>Current</b>		
Advance to holding company	367.25	368.12
	<u>367.25</u>	<u>368.12</u>
<b>Total other financial assets</b>	<u>369.26</u>	<u>370.13</u>

<b>4 Cash and cash equivalent</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Current</b>		
Balances with banks		
On current accounts	0.09	0.09
	<u>0.09</u>	<u>0.09</u>
<b>Total cash and cash equivalents (Current)</b>	<u>0.09</u>	<u>0.09</u>



All Colour Garments Private Limited  
Notes to the financial statements for the year ended March 31, 2024  
All amounts in Indian Rupees in lakhs, except stated otherwise

5 Share Capital

	Number of shares	Amount
<b>Authorised share capital</b>		
As at April 1, 2022	20,000	2.00
As at March 31, 2023	20,000	2.00
As at March 31, 2024	20,000	2.00
<b>Issued equity capital</b>		
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at April 1, 2022	20,000	2.00
As at March 31, 2023	20,000	2.00
As at March 31, 2024	20,000	2.00

**Terms/ rights attached to equity shares**

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

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

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

	March 31, 2024	March 31, 2023
Gokaldas Exports Limited, holding company	20,000	20,000
Number of shares	100%	100%
% holding in the class		

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.

**Promoter's shareholding**

	March 31, 2024	March 31, 2023
Promoter name	Gokaldas Exports Limited	Gokaldas Exports Limited
No. of shares at the beginning of the year	20,000	20,000
Change during the year	-	-
No. of shares at the end of the year	20,000	20,000
% of total shares	100%	100%
% changes during the year	-	-



All Colour Garments Private Limited  
Notes to the financial statements for the year ended March 31, 2024  
All amounts in Indian Rupees in lakhs, except stated otherwise

6 Other equity		March 31, 2024	March 31, 2023
<i>Reserves and Surplus</i>			
(A) Securities premium reserve	(A)	331.98	331.98
Balance at the end of the year			
(B) Capital Reserve	(B)	1.91	1.91
Balance at the end of the year			
(C) Retained earnings		33.28	33.68
Balance at the beginning of the year		(0.92)	(0.40)
Profit / (Loss) for the year	(C)	32.36	33.28
Balance at the end of the year			
Total other equity	(A+B+C)	366.25	367.17

7 Trade payables		March 31, 2024	March 31, 2023
<i>Current</i>			
Total outstanding dues of micro enterprises and small enterprises		1.10	1.05
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Total trade payables		1.10	1.05

Trade Payables ageing schedule  
At March 31, 2024

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and small enterprises	-	-	-	-	1.10
(ii) Others	1.10	-	-	-	

At March 31, 2023

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and small enterprises	-	-	-	-	1.05
(ii) Others	1.05	-	-	-	



**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

**8 Other expenses**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Rates and taxes	0.25	0.15
Legal and professional fees	0.37	-
Auditors remuneration	0.30	0.25
<b>Total other expenses</b>	<b>0.92</b>	<b>0.40</b>





**All Colour Garments Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024**  
*All amounts in Indian Rupees in lakhs, except stated otherwise*

**9 Income tax**

The Company is subject to income tax in India on the basis of its 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.

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.

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

	March 31, 2024	March 31, 2023
Accounting profit before taxes	(0.92)	(0.40)
Applicable tax rates in India	25.17%	25.17%
Computed tax charge	(0.23)	(0.10)
<b>Tax effect of:</b>		
Expenses disallowed	0.23	0.10
<b>Total tax expenses</b>	-	-

**10 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 split 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 profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

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

	March 31, 2024	March 31, 2023
Face value of equity shares (₹ per share)	10.00	10.00
Profit/ (loss) after tax attributable to equity holders of the Company	(0.92)	(0.40)
Weighted average number of equity shares used for computing	20,000	20,000
EPS (basic and diluted)	(4.60)	(2.00)
EPS - basic and diluted (₹)		

**11 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.



**All Colour Garments Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024**  
*All amounts in Indian Rupees in lakhs, except stated otherwise*

The estimate 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 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 operations 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 Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

**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.

**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.



## 12 Segment information

### (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 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, other than those already given in the financial statements.

## 13 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.

### 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.

	As at	
	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts	5.81	5.81

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

### III. Commitments

#### Capital commitments

	As at	
	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-



**All Colour Garments Private Limited****Notes to the financial statements for the year ended March 31, 2024***All amounts in Indian Rupees in lakhs, except stated otherwise***14 Related party transactions****a. Names of related parties and description of relationships:**

Description of relationship	Name of related parties
Immediate Holding Company	Gokaldas Exports Limited
Fellow Subsidiaries	Vignesh Apparels Private Limited SNS Clothing Private Limited Gokaldasexports Acharpura Private Limited Sri Susamyuta Knits Private Limited Gokaldas Exports FZCO Nava Apparels LLC FZ Matrix Design & Industries Pvt Ltd
Key management personnel	
Director:	Satyamurthy A P Viswanath Prabhat Kumar Singh

**b. Transactions with related parties**

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023 : Rs. Nil).

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

	March 31, 2024	March 31, 2023
Other financial assets		
Gokaldas Exports Limited	367.25	368.12
	<u>367.25</u>	<u>368.12</u>





**All Colour Garments Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024**  
*All amounts in Indian Rupees in lakhs, except stated otherwise*

**15 Ratio Analysis and its elements**

S.No.	Particulars	March 31, 2024	March 31, 2023
(a)	Current ratio	342.12	350.87
(b)	Debt equity ratio	-	-
(c)	Debt Service Coverage ratio	-	-
(d)	Return on Equity ratio	(0.00)	(0.00)
(e)	Inventory turnover ratio	-	-
(f)	Trade receivables Turnover Ratio	-	-
(g)	Trade Payable Turnover Ratio	-	-
(h)	Net Capital Turnover Ratio	-	-
(i)	Net Profit ratio	-	-
(j)	Return on Capital Employed	-0.25%	-0.11%
(k)	Return on Investment	-0.25%	-0.11%

**Formula for computation of ratios:**

S.No.	Particulars	Numerator	Denominator
(a)	Current ratio	Average current Assets	Average current Liabilities
(b)	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
(c)	Debt Service Coverage ratio	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Total Debt (Borrowing) repaid during the year
(d)	Return on Equity ratio	Profit for the period/year	Average total Equity
			Average total Equity = (opening total equity+closing total equity)/2
(e)	Inventory turnover ratio	Cost of goods sold	Average Inventory
			Average Inventory=(opening inventory+closing inventory)/2
(f)	Trade receivables Turnover Ratio	Total sale of finished goods	Average trade receivables
			Average trade receivables=(opening trade receivables+closing trade receivables)/2
(g)	Trade Payable Turnover Ratio	Total Purchases	Average trade payables
			Average trade payable=(opening trade payable+closing trade payable)/2
(h)	Net Capital Turnover Ratio	Revenue from operations	Average total Equity
			Average total Equity = (opening total equity+closing total equity)/2
(i)	Net Profit ratio	Profit for the period/year (PAT)	Revenue from operations
(j)	Return on Capital Employed	Profit Before Tax + Finance cost	((Total Assets - ROU Assets - investment in mutual funds)-(Current Liabilities-borrowings-current lease liabilities))
(k)	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



**All Colour Garments Private Limited****Notes to the financial statements for the year ended March 31, 2024***All amounts in Indian Rupees in lakhs, except stated otherwise***16 Disclosures on Financial instruments**

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

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

**(a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities:

**As at March 31, 2024**

	Amortised cost	Fair value through OCI	Total
<b>Financial assets</b>			
Other financial assets	369.26	-	369.26
Cash and cash equivalents	0.09	-	0.09
	<b>369.35</b>	<b>-</b>	<b>369.35</b>
<b>Financial liabilities</b>			
Trade payables	1.10	-	1.10
	<b>1.10</b>	<b>-</b>	<b>1.10</b>

**As at March 31, 2023**

	Amortised cost	Fair value through OCI	Total
<b>Financial assets</b>			
Other financial assets	370.13	-	370.13
Cash and cash equivalents	0.09	-	0.09
	<b>370.22</b>	<b>-</b>	<b>370.22</b>
<b>Financial liabilities</b>			
Trade payables	1.05	-	1.05
	<b>1.05</b>	<b>-</b>	<b>1.05</b>

**(b) Fair value hierarchy**

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

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

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

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

(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.





**All Colour Garments Private Limited**

**Notes to the financial statements for the year ended March 31, 2024**

*All amounts in Indian Rupees in lakhs, except stated otherwise*

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1, Level 2 and Level 3 during the period ended March 31, 2024 and March 31, 2023.

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

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

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

**Market risk**

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

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

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

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

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

**Credit risk**

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 369.35 lakhs and ₹ 370.22 lakhs as at March 31, 2024 and March 31, 2023 respectively, being the total carrying value of Investments, Loans, other financial assets, Cash and cash equivalents, Bank balances.

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





**All Colour Garments Private Limited****Notes to the financial statements for the year ended March 31, 2024***All amounts in Indian Rupees in lakhs, except stated otherwise*

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.

**Liquidity risk**

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

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

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

Particulars	0-1 year	> 1 year	Total
<b>March 31, 2024</b>			
Trade payables	1.10	-	1.10
	<b>1.10</b>	<b>-</b>	<b>1.10</b>
<b>March 31, 2023</b>			
Trade payables	1.05	-	1.05
	<b>1.05</b>	<b>-</b>	<b>1.05</b>

**Excessive risk concentration**

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, 2024 and March 31, 2023 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.

**17 Capital management**

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

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

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



**All Colour Garments Private Limited**  
**Notes to the financial statements for the year ended March 31, 2024**  
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The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

Particulars	March 31, 2024	March 31, 2023
Borrowings	-	-
<b>Total debt</b>	<b>-</b>	<b>-</b>
<b>Capital components</b>		
Equity share capital	2.00	2.00
Other equity	366.25	367.17
<b>Total capital</b>	<b>368.25</b>	<b>369.17</b>
<b>Capital and borrowings</b>	<b>368.25</b>	<b>369.17</b>
<b>Gearing ratio</b>	<b>0%</b>	<b>0%</b>

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

18 Previous year figures have been regrouped/ rearranged wherever necessary to confirm to the current year presentation.

As per our report of even date

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



per Durga Krishnamurthi  
Proprietor  
Membership No.: 206962

Place: Bengaluru  
Date: May 24, 2024



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



P Viswanath  
Director  
DIN: 07410446

Place: Bengaluru  
Date: May 24, 2024



Sathyamurthy A  
Director  
DIN: 07425034

Place: Bengaluru  
Date: May 24, 2024

