

# Integrate. Diversify. Grow.





In the ever-evolving landscape of global apparel manufacturing, Gokaldas Exports Limited has embarked on a transformative journey encapsulated by themed vision: Integrate. Diversify. Grow.

Gokaldas Exports has made significant strides in its journey towards business excellence. We have streamlined our operations by ushering in far reaching improvements to our manufacturing and investing in digitalisation and automation. Investing judiciously for consistent growth and obsessing on our customers through continuous engagement, we have expanded the business organically at a rate much faster than the industry.

The recent strategic acquisitions of Atraco and Matrix Design mark a pivotal moment in our history. By integrating these entities, we've not only expanded our geographical footprint but also embraced new manufacturing paradigms. This integration goes beyond mere consolidation; it's about weaving together diverse strengths to create a more resilient and adaptable organisation.

Diversification has been the natural outcome of this integration. With Atraco, we've gained a strong presence in Africa, unlocking duty-free access to key markets. Matrix Design has bolstered our position in the high-value knitwear segment, opening doors to new European and UK markets. These additions have significantly broadened our product portfolio and customer base, allowing us to navigate market fluctuations with greater agility.

The ultimate goal of our strategy is sustainable growth. By leveraging our expanded capabilities, we're poised to capitalise on the ongoing shift in global sourcing patterns. Our enhanced scale and diversified offerings position us favourably amidst the consolidation trend towards efficient, well-capitalised players.

As we move forward, our focus remains on realising synergies, driving operational excellence, and creating value for all stakeholders.

**This theme represents not just our strategy, but our commitment to evolving with the industry, embracing new opportunities, and cementing our position as a global leader in apparel manufacturing.**

# Integrate. Diversify. Grow.

## FORWARD-LOOKING STATEMENTS

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







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## ABOUT THE COMPANY

# Empower. Expand. Evolve.

GOKALDAS EXPORTS LIMITED, ESTABLISHED IN 1979, STANDS AS ONE OF THE LEADING PLAYERS IN INDIA'S APPAREL MANUFACTURING INDUSTRY. WITH OVER FOUR DECADES OF EXPERIENCE, WE HAVE CULTIVATED A REPUTATION FOR DELIVERING HIGH-QUALITY GARMENTS TO PRESTIGIOUS FASHION BRANDS AND RETAILERS ACROSS MORE THAN 50 COUNTRIES. OUR COMMITMENT TO INNOVATION, SUSTAINABILITY, AND CUSTOMER SATISFACTION HAS POSITIONED US AS A LEADER IN THE GLOBAL APPAREL MARKET.

At Gokaldas Exports, we pride ourselves on our fully integrated manufacturing capabilities, spanning the entire value chain from design and development to cutting, sewing, printing, washing, and finishing. Our state-of-the-art facilities, equipped with over 30,000 advanced machines, enable us to produce a diverse range of apparel products with precision and efficiency.

Our workforce of over 51,000 skilled employees, predominantly women, forms the backbone of our operations. We are committed to fostering an inclusive and empowering work environment, contributing significantly to social upliftment in the communities where we operate.

Recently, we have strategically expanded our global footprint through key acquisitions. The addition of Atraco, with operations in Kenya and Ethiopia, has provided us with valuable duty-free access to key markets and strengthened our global presence. Similarly, the acquisition of Matrix Design has enhanced our capabilities in the high-value knitwear segment and expanded our customer base in Europe and the UK.

Sustainability is at the core of our business philosophy. We have set ambitious goals to achieve net-zero emissions, water positivity, and zero solid waste in landfills. Our efforts in implementing energy-efficient systems, reducing water consumption, and minimising waste generation have yielded significant

results, positioning us as a responsible corporate citizen in the global apparel industry. Innovation drives our growth strategy. We continue to invest in advanced technologies, including 3D design capabilities, modern printing setups, and comprehensive waste management systems. These investments, coupled with our focus on operational excellence and cost optimization, enable us to meet the evolving demands of our global customer base efficiently.

As we look to the future, Gokaldas Exports is well-positioned to capitalise on the shifting dynamics of the global apparel industry. With our strong manufacturing base, growing technological capabilities, and strategic acquisitions, we are poised to play a pivotal role in India's journey to become a global hub for apparel manufacturing.



## GLOBAL OPERATIONS

WITH MARKETING, PRODUCT DEVELOPMENT AND CORPORATE FUNCTIONS IN INDIA, UAE & USA, AND MANUFACTURING OPERATIONS IN INDIA, KENYA & ETHIOPIA

**50+**  
COUNTRIES  
EXPORTED TO

**51,000+**  
SKILLED WORKFORCE

**30+**  
STATE-OF-THE-ART  
MANUFACTURING  
FACILITIES

**75%+**  
WOMEN IN WORKFORCE

**87 MN+**  
PIECES ANNUAL  
PRODUCTION CAPACITY

**30,000+**  
ADVANCED  
MACHINERIES

**45+**  
YEARS  
OF MANUFACTURING  
EXCELLENCE

# HIGHLIGHTS



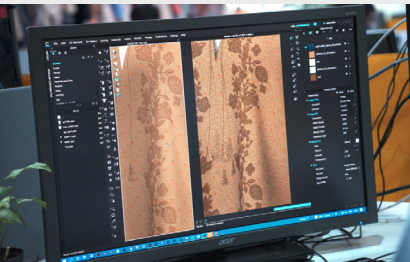
ABOUT THE COMPANY (CONTD.)



Capabilities and Infrastructure

Gokaldas Exports Limited has built a robust infrastructure and comprehensive capabilities that position it as a leader in the global market. A relentless commitment to innovation, quality, and sustainability drives our operations, enabling us to deliver exceptional value to clients worldwide.

At Gokaldas Exports, we pride ourselves on our fully integrated value chain, which spans the entire spectrum of apparel manufacturing. Our capabilities include:



DESIGN AND DEVELOPMENT

Our world-class design studio, equipped with 3D design capabilities, allows us to create innovative and high-quality products that meet the evolving demands of our customers. Our robust product development and sampling setup ensures that we stay ahead of market trends.



CUTTING AND SEWING

With over 30,000 advanced machines across more than 30 state-of-the-art manufacturing facilities, we have the capacity to produce 87 million garments annually. Our cutting and sewing operations are optimised for efficiency and precision, ensuring the highest standards of quality.



PRINTING AND EMBROIDERY

Our modern printing setup, featuring state-of-the-art automatic machines has a capacity of 43 million impressions per month. We also have an integrated embroidery setup with advanced capabilities, allowing us to offer a wide range of embellishments and value-added services.



POLYFILL AND QUILTING

We manufacture polyfill using the latest technology and have a quilting capacity of 15,000 metres per day. Our pneumatic fibre filler for making puffer jackets further enhances our product offerings.



WASHING AND FINISHING

Our laundry facilities, equipped with most modern machinery offers a combined capacity of 150,000 pieces per day. We provide innovative washes on denim and non-denim, garment dyeing, and all kinds of dry processes. Our modern effluent treatment plant (ETP) with zero liquid discharge ensures environmentally responsible operations.

Recent Expansions



BHOPAL, MADHYA PRADESH

NEW SEWING FACTORY

CAPACITY 3 MILLION PIECES PER ANNUM

CURRENT STATUS RAMPING UP, EXPECTED FULL CAPACITY BY EARLY TO MID-Q3FY25

PERUNDURAI, TAMIL NADU

NEW FABRIC PROCESSING UNIT

ENHANCES VERTICAL INTEGRATION CAPABILITIES

STATUS COMMISSIONING IN PROGRESS, UNIT OPERATIONAL BY Q3 FY25



Investment for the Future

Gokaldas Exports is committed to continuous improvement and expansion. Here's a breakdown of our recent capital expenditures:

(IN ₹ CRORES)

YEAR	MODERNI-ZATION AND UPGRADES	NEW CAPACITY AND NEW PROJECTS	TOTAL
FY22	28	56	84
FY23	28	97	135
FY24	39	104	143

The company intends to exercise judicious control over capex spending taking into consideration the market conditions.

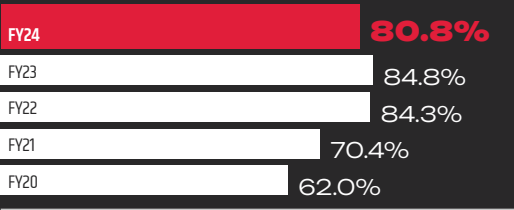


GLOBAL PRESENCE

# Creating Opportunities Globally

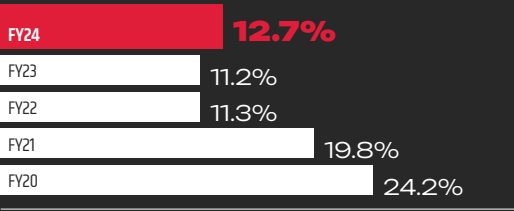
WE SET OURSELVES APART WITH OUR EXTENSIVE GLOBAL REACH, A WELL-ESTABLISHED INTERNATIONAL CUSTOMER BASE, AND A STEADFAST COMMITMENT TO EXCELLENCE. WHILE WE SUPPLY PRODUCTS ACROSS ALL CONTINENTS, OUR PRIMARY FOCUS REMAINS ON NORTH AMERICA. LOOKING AHEAD, WE AIM TO SUSTAIN THIS MOMENTUM AND STRENGTHEN OUR PRESENCE IN EUROPE AND OTHER REGIONS.

NORTH AMERICA (NA) (IN %)



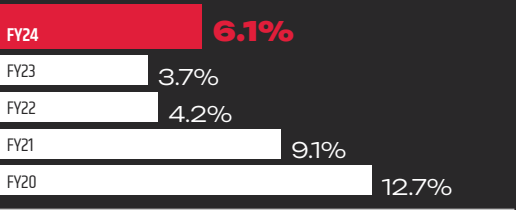
North American market witnessed a strong recovery in FY22.

ASIA (AS) (IN %)

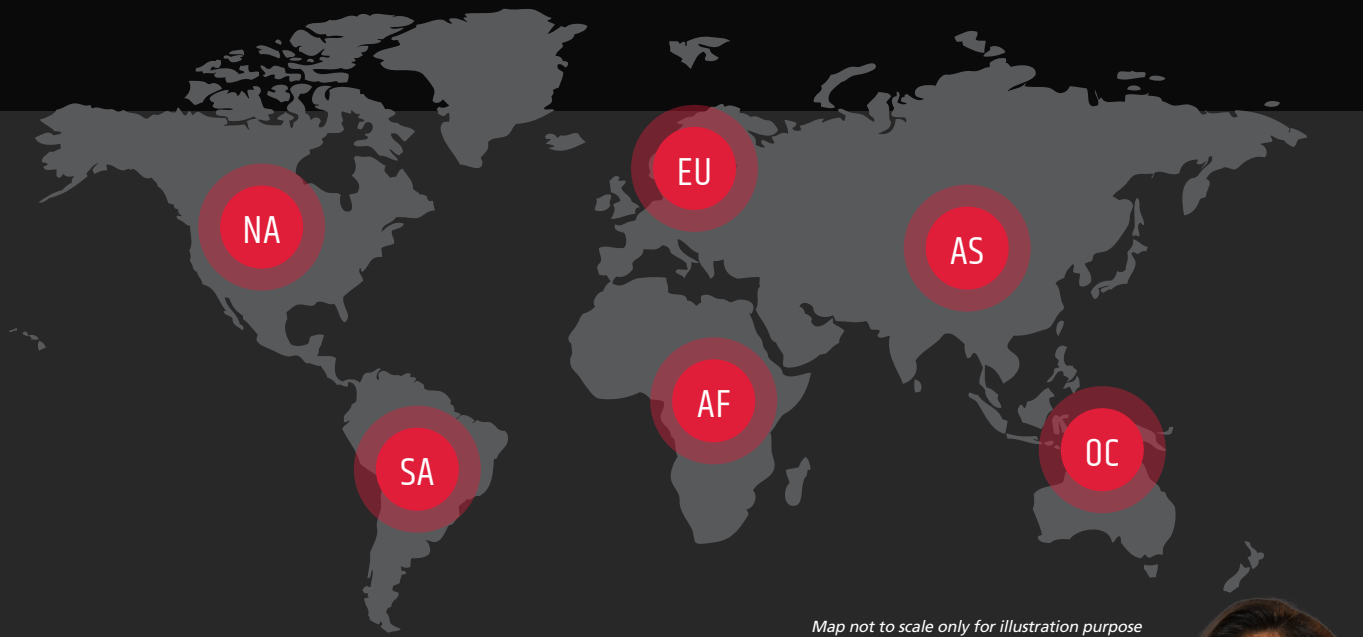
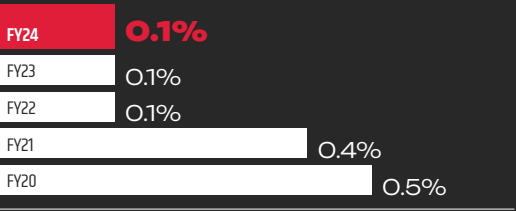


Data excludes recently acquired entities

EUROPE (EU) (IN %)

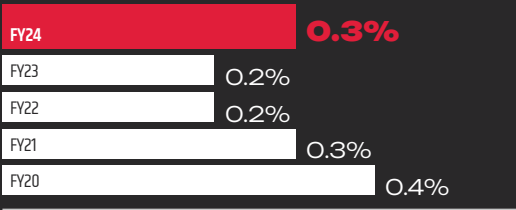


SOUTH AMERICA (SA) (IN %)

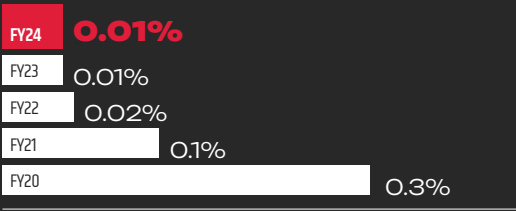


Map not to scale only for illustration purpose

OCEANIA (OC) (IN %)



AFRICA (AF) (IN %)





STRATEGIC PRIORITIES

# Strengthen. Evolve. Advance.

AT GOKALDAS EXPORTS LIMITED, OUR STRATEGIC PRIORITIES ARE DESIGNED TO DRIVE SUSTAINABLE GROWTH, ENHANCE OUR COMPETITIVE EDGE, AND ENSURE LONG-TERM VALUE CREATION FOR OUR STAKEHOLDERS. OUR FOCUS AREAS INCLUDE OPERATIONS EXCELLENCE, CAPACITY EXPANSION, PRODUCT INNOVATION, GEOGRAPHICAL DIVERSIFICATION, TECHNOLOGY UPGRADATION AND SUSTAINABLE PRACTICES.

## Operations Excellence

**PRIORITY**

To ensure that we strive to achieve best in class in manufacturing excellence.

**ACTIONS TAKEN**

**IE Up-gradation**

Significantly upgraded our Industrial Engineering (IE) capabilities.

**Digital Supply Chain**

Digitalised the entire supply chain and manufacturing process for control and continuous improvement.

**Process Automation**

Automation of many processes, including material handling.

## Product Innovation

**PRIORITY**

To continuously innovate and expand our product offerings to meet evolving customer demands.

**ACTIONS TAKEN**

**Focus on Key Segments**

We continue to focus on women's fashion, outerwear, sportswear, and knits, ensuring that we cater to the latest trends and preferences in the global apparel market.

**Advanced Design Capabilities**

Our world-class design studio, equipped with 3D design capabilities, allows us to create innovative and high-quality products.

## Capacity Expansion

**PRIORITY**

To increase our production capabilities and meet growing demand.

**ACTIONS TAKEN**

**New Sewing Factory in Bhopal**

We commissioned Phase I of a new sewing factory in Bhopal, Madhya Pradesh, with a capacity to manufacture 3 million pieces per annum.

**Fabric Processing Unit in Tamil Nadu**

We are diversifying into knit fabric processing with a new facility in Perundurai, Tamil Nadu. The commissioning activity is ongoing, and this unit will enhance our vertical integration capabilities.

**Acquisition of Atraco Group**

We acquired Atraco Group for US \$55 million, gaining a strong market position in the US and Europe. Atraco operates five manufacturing facilities in Kenya and Ethiopia, providing us with valuable duty-free access to key markets.

**Acquisition of Matrix Clothing**

We acquired 100% equity of Matrix Clothing for ₹489 crore. This acquisition enhances our capabilities in the high-value knitwear segment and expands our customer base in Europe and the UK.

## Sustainability Initiatives

**PRIORITY**

To integrate sustainable practices across our operations and achieve long-term environmental goals.

**ACTIONS BEING TAKEN**

**Net Zero by 2045**

We have set an ambitious goal to achieve net-zero emissions by 2045.

**Water Positive by 2030**

We aim to become water-positive by 2030, ensuring that we replenish more water than we consume.

**Recycled Inputs**

We increased the use of recycled fiber in our fabrics by 3x since 2021.

**Zero Solid Waste-to-Landfill by 2030**

We are committed to achieving zero solid waste to landfill by 2030.

**Certifications**

We have obtained various sustainability certifications, including GRS, BCI, FSC, RCS, SMETA, SLCP, GOTS, OCS, and HIGG FEM 3.

## Geographical Diversification

**PRIORITY**

To reduce dependency on specific markets and enhance our global presence.

**ACTIONS TAKEN**

**Expansion through Atraco Acquisition**

The acquisition of Atraco has expanded our operations to Kenya and Ethiopia, providing us with a strategic advantage in accessing new markets and customers.

## Employee Empowerment

**PRIORITY**

To foster a culture of continuous learning and development, ensuring that our workforce remains skilled and motivated.

**ACTIONS TAKEN**

**Training and Development Programs**

We have invested over 2.65 lakh person-hours in skill development and training programs, benefiting more than 29,600 employees.

**Leadership Development**

We have launched leadership development programs to nurture future leaders within the organisation.

**Employee Engagement Initiatives**

Various cultural and engagement programs have been conducted to foster a sense of belonging and community among our employees.

## Technology Upgradation

**PRIORITY**

To leverage advanced technologies to enhance productivity and operational efficiency.

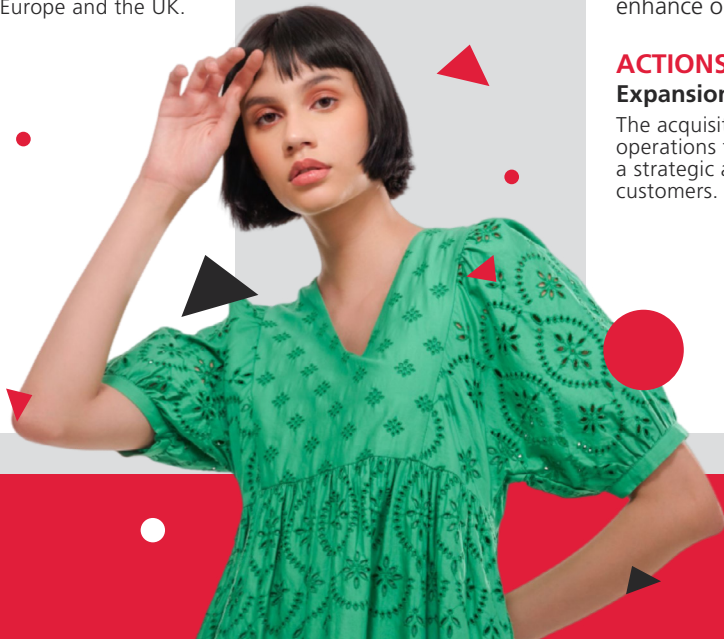
**ACTIONS TAKEN**

**Modernised Plant and Machinery**

We have invested significantly in modernising our plant and machinery, ensuring that we remain at the forefront of technological advancements in the apparel manufacturing industry.

**Automation and Digitalization**

We continue to adopt automation and digitalization across our operations to improve efficiency, reduce costs, and enhance product quality.

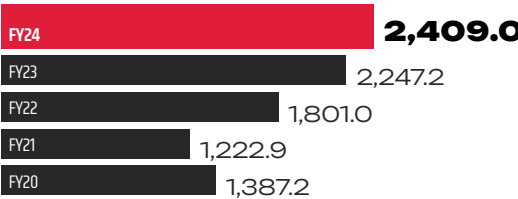




KEY PERFORMANCE INDICATORS

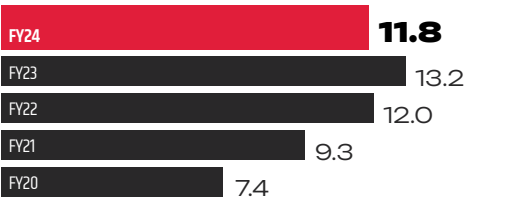
Evaluate.  
Benchmark.  
Progress.

TOTAL INCOME (IN ₹ CRORES)



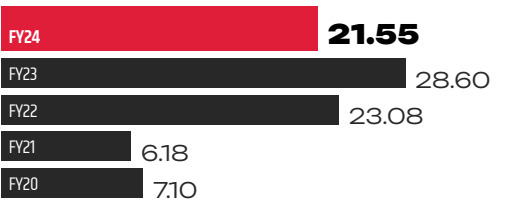
↑ 14.80% CAGR Growth

EBITDA MARGIN (IN %)



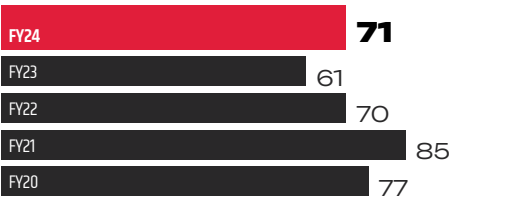
↑ 440 BPS Increase

BASIC EPS (IN ₹)



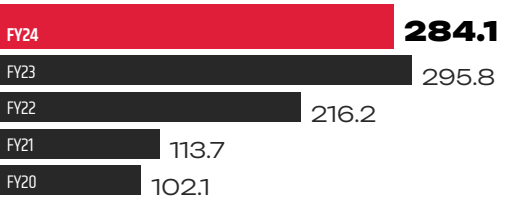
↑ 31.99% CAGR Growth

WORKING CAPITAL (IN DAYS)



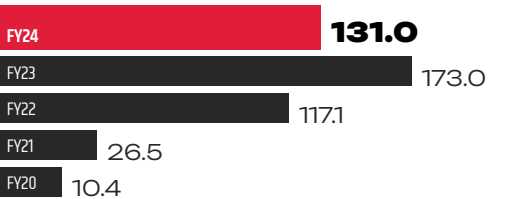
Note: Cash and cash equivalents (other than funds committed for Capex) and lease assets are not included in working capital

EBITDA (IN ₹ CRORES)



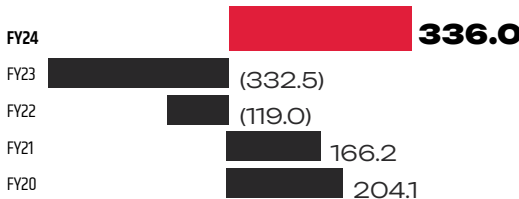
↑ 29.16% CAGR Growth

NET PROFIT (IN ₹ CRORES)

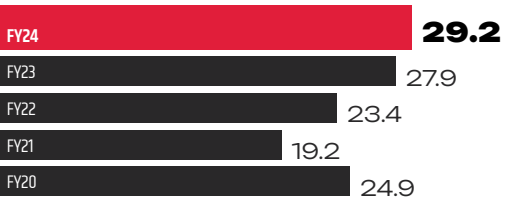


↑ 88.39% CAGR Growth

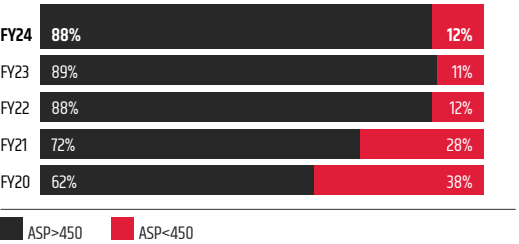
NET DEBT (IN ₹ CRORES)



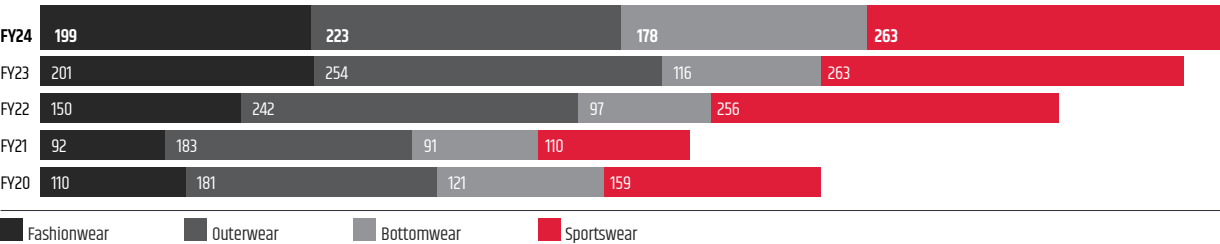
NO. OF PIECES SHIPPED (IN MILLION)



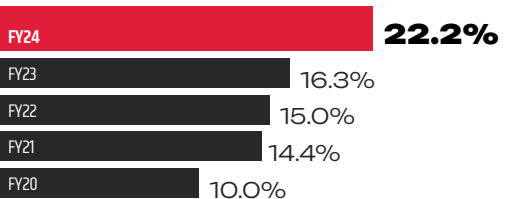
SALES CONTRIBUTION BASIS ASP (IN %)



PRODUCT CATEGORY GROWTH INDEX



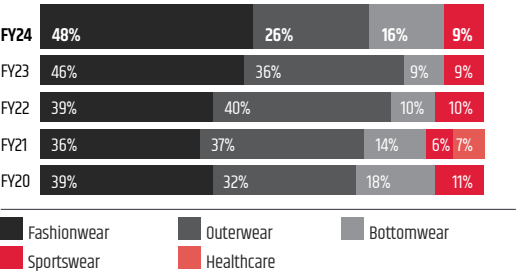
REVENUE CONTRIBUTIONS FROM CUSTOMERS ADDED IN THE LAST 5 YEARS (IN %)



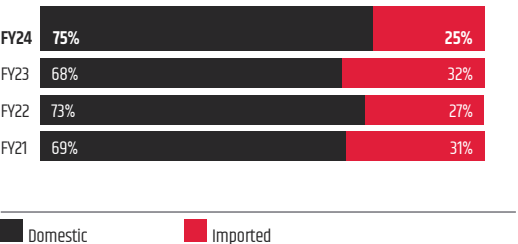
INBOUND SUPPLY CHAIN EFFICIENCY (IN %)



PRODUCT CATEGORY SALES (IN %)



PURCHASE COMPOSITION (IN %)



OUTBOUND SUPPLY CHAIN EFFICIENCY (IN %)





FROM THE CHAIRMAN'S DESK

# Adapt. Strategise. Prosper.

*Dear Shareholders,*

AS WE REFLECT ON FY24, I AM FILLED WITH A SENSE OF PRIDE AND OPTIMISM FOR GOKALDAS EXPORTS LIMITED. IN A YEAR MARKED BY GLOBAL ECONOMIC CHALLENGES AND INDUSTRY-WIDE TRANSFORMATIONS, OUR COMPANY HAS NOT ONLY WEATHERED THE STORM BUT HAS EMERGED STRONGER, MORE AGILE, AND WELL-POSITIONED FOR FUTURE GROWTH. AS THE CHAIRMAN, I AM EXCITED TO SHARE WITH YOU THE STRIDES WE HAVE MADE AND THE OPPORTUNITIES THAT LIE AHEAD FOR OUR ORGANISATION.

## INDUSTRY DYNAMICS AND GLOBAL TRENDS

The global apparel industry is undergoing significant transformations, driven by shifting consumer preferences, technological advancements, and geopolitical factors. The ongoing trend of diversification away from China as a primary sourcing hub has opened new avenues for countries like India to expand their market share. This 'China Plus One' strategy adopted by major brands is reshaping the global supply chain, presenting a unique opportunity for Indian manufacturers.

Sustainability has emerged as a critical focus area for the industry. Consumers, particularly in developed markets, are increasingly demanding environmentally responsible and ethically produced garments. This shift is compelling brands to reassess their supply chains and partner with manufacturers who can meet these evolving standards.

The potential implementation of Free Trade Agreements (FTAs) with key markets like the UK and EU presents exciting prospects for increased textile trade. Additionally, government initiatives such as the Production Linked Incentive (PLI) scheme for the Man-Made Fibre (MMF) and technical textile ecosystem are expected to boost investments in the sector.

## STRATEGICALLY POSITIONED FOR GROWTH

In this dynamic environment, Gokaldas Exports is well-positioned to capitalise on these industry trends. Our strategic focus on women's fashion, outerwear, and sportswear aligns with growing market segments. We anticipate organic growth of approximately 15% over the next two to three years, driven by our strong customer relationships and expanding production capabilities. Furthermore, our recent acquisitions of Atraco and Matrix Design have significantly enhanced our global footprint and product offerings. These strategic moves have provided access to new markets, expanded our customer base, and strengthened our position in key product categories. The integration of these entities is progressing well, and we expect to realise synergies in the coming years.

## INVESTING IN CAPACITY AND CAPABILITIES

We continue to invest in our organic growth through strategic capacity expansions. Our new manufacturing unit in Bhopal, Madhya Pradesh, is ramping up well and is expected to reach full capacity utilisation soon. Additionally, our fabric processing unit in Tamil Nadu will enhance our vertical integration capabilities, allowing us to offer a more comprehensive range of services to our customers. These investments, coupled with our focus on operational excellence and cost optimisation, will enable us to meet the growing demand from our global customer base efficiently.

## A CORE FOCUS

At Gokaldas Exports, we recognise that sustainable business practices are not just a responsibility but a competitive advantage. We have set ambitious goals to achieve net-zero emissions, water positivity, and zero solid waste in landfills. Our efforts

include implementing energy-efficient systems, reducing water consumption, and minimising waste generation across our manufacturing units. We are proud to report significant progress in our sustainability initiatives, including a 20% decrease in water usage across our facilities. Our comprehensive waste management system has resulted in 80% of our waste being recycled or repurposed.

Moreover, as a significant employer, particularly of women, we contribute to social upliftment and economic development in the communities where we operate. Our workforce of about 51,000 people, with a large proportion being women, reflects our commitment to creating equitable employment opportunities and fostering a diverse and inclusive work environment.

## LEVERAGING OUR COMPETENCIES

Gokaldas Exports' strength lies in its robust in-house capabilities, encompassing skilled labour and state-of-the-art manufacturing facilities. Our integrated manufacturing facilities enable us to be present across the entire value chain, facilitating our ability to cater to myriad requirements of our customers. Our design and product development capabilities, coupled with our ability to handle complex styles and small batch sizes, set us apart in the industry. We have invested in advanced technologies, including 3D design capabilities and modern printing set-ups, to enhance our product offerings and improve efficiency.

## LOOKING AHEAD

As we move forward, I am optimistic about the future of Gokaldas Exports. The inventory destocking cycle in major markets is nearing its end, with many fashion brands showing reduced inventory levels, improved financial performance, and a renewed appetite for purchases. We expect this trend to translate into stronger demand for our products in the coming quarters. Our focus remains on driving operational excellence, realising synergies from our acquisitions, and capitalising on growth opportunities. We are committed to enhancing shareholder value through sustainable growth, margin improvement, and prudent capital allocation. In conclusion, I would like to express my heartfelt gratitude to our employees, customers, suppliers, and shareholders for their unwavering support. Your trust and confidence in Gokaldas Exports continue to be our greatest strength as we navigate challenges and seize opportunities in our journey towards becoming a global leader in the apparel manufacturing industry.

As we look ahead, our commitment to sustainable growth, operational excellence, and value creation for all our stakeholders remains unwavering. Together, we will continue to build resilience, explore new opportunities, and embrace sustainable growth in the years to come.

THANK YOU FOR YOUR CONFIDENCE AND FAITH IN GOKALDAS EXPORTS LIMITED.

*Warm regards,*

**Mathew Cyriac**  
CHAIRMAN AND  
NON-EXECUTIVE DIRECTOR

# PROSPER.

## LETTER TO SHAREHOLDERS



# Performance. Integration. Opportunity.

Dear Shareholders,

IT IS MY PRIVILEGE TO PRESENT TO YOU THE ANNUAL REPORT OF GOKALDAS EXPORTS LIMITED FOR FY24. AS WE REFLECT ON THE PAST YEAR, I AM PROUD OF OUR TEAM'S RESILIENCE, ADAPTABILITY, AND UNWAVERING COMMITMENT TO EXCELLENCE IN NAVIGATING A CHALLENGING BUSINESS ENVIRONMENT WHILE LAYING THE FOUNDATION FOR FUTURE GROWTH.

## NAVIGATING GLOBAL HEADWINDS

The global apparel industry faced significant headwinds in FY24, with major markets experiencing reduced demand due to inventory destocking. The retail industry continued to grapple with excess inventory for most of the year, resulting in a 20% reduction in apparel purchases from the US, a 19% decline from the EU, and a 28% drop from the UK. Despite these challenges, I am pleased to report that Gokaldas Exports demonstrated remarkable resilience and adaptability.

Our consolidated revenue from operations grew by 7.0% to ₹2,378.9 crores in FY24, compared to ₹2,222.2 crores in the previous year.

## ₹2,378.9 CR

CONSOLIDATED REVENUE FROM  
OPERATIONS GREW BY 7.0% IN FY24

This growth is particularly noteworthy given that India's overall apparel exports declined by 10% during the same period. Our EBITDA margin stood at 11.8% for the year, reflecting the impact of newly acquired entities. While facing cost pressures from increased statutory minimum wages and start-up costs for new units, we maintained our focus on operational excellence and cost optimisation. Additionally, our consolidated profit after tax (PAT) for FY24 was ₹131 crores, compared to ₹173 crores in FY23, reflecting the challenging market conditions and integration costs associated with our recent acquisitions.

## EXPANDING HORIZONS THROUGH STRATEGIC ACQUISITIONS

In line with our growth strategy, we completed two significant acquisitions during the year – Atraco and Matrix Design. These strategic moves have expanded our product offerings, provided access to low-cost manufacturing locations, and brought on board new, high-value customers. The integration of these entities is progressing well, and we expect to realise synergies over the next 4-6 quarters.

Atraco, with its strong presence in Africa, brings valuable duty-free access to key markets and enhances our global footprint. The acquisition, completed in January 2024, adds five manufacturing facilities across Kenya and Ethiopia, along with over 11,000 skilled workers to our workforce. In the fourth quarter, Atraco contributed ₹201 crores to our revenue, with an operating EBITDA of 5.7%.

Matrix Design strengthens our position in the high-value knitwear segment and provides greater access to European and UK markets. With five manufacturing facilities in India and a workforce of 4,500+, Matrix brings expertise in knitwear manufacturing and a complementary customer base. Although only 19 days of Matrix's operations were consolidated in Q4 FY24, we are optimistic about its future contributions to our growth.

These acquisitions, totalling an investment of ₹934 crores, were funded through a combination of debt and equity. I'm pleased to report that we subsequently raised ₹600 crores through a qualified institutional placement in April 2024, which has restored our net cash position positive.

## INVESTING IN ORGANIC GROWTH

We continue to invest in organic growth as well. Our new manufacturing unit in Bhopal, Madhya Pradesh, is ramping up well and is expected to reach full capacity utilisation by early to mid-Q2 FY25. Currently operating at about 50% capacity with 500 machines, we anticipate reaching full complement by early Q2 and achieving optimal productivity levels by the end of FY25.

We are also in the advanced stages of setting up a fabric processing unit in Tamil Nadu, which will enhance our vertical integration capabilities.





## LETTER TO SHAREHOLDERS (CONTD.)

Trial production is expected to commence in Q4FY24 or early Q1FY25, further strengthening our position in the value chain.

### EMBRACING OPPORTUNITIES AND STRENGTHENING COMPETITIVENESS

As we look ahead, we see significant opportunities for growth. The ongoing shift of global sourcing away from China, coupled with supplier consolidation towards efficient and well-capitalised players, positions Gokaldas Exports favourably. We are witnessing strong demand traction, particularly from our existing customer base, and are well-positioned to capitalise on this trend.

To prepare for the next phase of growth, we have strengthened our management by adding talent at multiple levels. We are also focusing on leveraging the strengths of our newly acquired entities, including their unique product capabilities, low-cost manufacturing locations, and diverse customer relationships.

The potential implementation of Free Trade Agreements (FTAs) with key markets like the UK and EU presents exciting opportunities for increased textile trade. Additionally, government initiatives such as the Production Linked Incentive (PLI) scheme for the Man-Made Fibre (MMF) and technical textile ecosystem are expected to boost investments in the sector.

WE ARE PROUD TO REPORT THAT OUR SUSTAINABILITY INITIATIVES HAVE YIELDED SIGNIFICANT RESULTS. WE HAVE ACHIEVED A 20% DECREASE IN WATER USAGE ACROSS OUR FACILITIES."



### WEAVING SUSTAINABILITY INTO OUR FABRIC

At Gokaldas Exports, we recognise that sustainable business practices are not just a responsibility but a competitive advantage. We have set ambitious goals to achieve net zero emissions, water positivity, and zero solid waste in landfills. Our efforts include implementing energy-efficient systems, reducing water consumption, and minimising waste generation across our manufacturing units. We are proud to report that our sustainability initiatives have yielded significant results. We have achieved a 20% decrease in water usage across our facilities. Additionally, we have implemented a comprehensive waste management system that has resulted in 80% of our waste being recycled or repurposed.

Moreover, we take pride in our role as a significant employer, particularly of women, in the communities where we operate. Our workforce of about 51,000 people, with a large proportion being women, contributes significantly to social upliftment and economic development in these regions. We are committed to creating equitable employment opportunities and fostering a diverse and inclusive work environment.

## 15%

FOR FY25, WE ANTICIPATE CONTINUED GROWTH IN OUR CORE BUSINESS, AIMING FOR A MINIMUM OF 15% YEAR-ON-YEAR INCREASE

### DRIVING GOVERNANCE EXCELLENCE

We believe that strong corporate governance is fundamental to building trust with our stakeholders and ensuring long-term success. Our Board of Directors continues to provide valuable guidance and oversight, ensuring that we maintain the highest standards of ethical conduct and transparency in all our operations.

In FY24, we further strengthened our governance framework by implementing enhanced risk management practices and conducting regular audits of our sustainability initiatives. We also expanded our stakeholder engagement efforts, seeking feedback from employees, customers, and local communities to inform our decision-making processes.

### CHARTING THE COURSE AHEAD

As we move forward, I am optimistic about our future. The inventory destocking cycle in major markets is nearing its end, with many fashion brands showing reduced inventory levels, improved financial performance, and a renewed appetite for purchases. We expect this trend to translate into stronger demand for our products in the coming quarters.

Our focus remains on driving operational excellence, realising synergies from our acquisitions, and capitalising on growth opportunities. We are committed to enhancing shareholder value through sustainable growth, margin improvement, and prudent capital allocation.

For FY25, we anticipate continued growth in our core business, aiming for a minimum of 15% year-on-year increase. Furthermore, we expect the acquired businesses to contribute significantly to our consolidated performance. Our goal is to improve the EBITDA margins of these acquired entities to 10.5-11% in the medium term, with a long-term aim of bringing them closer to Gokaldas Exports' standalone margins.

We also remain open to further expansion opportunities, both organic and inorganic, as we seek to strengthen our position in the global apparel manufacturing industry. Our strong balance sheet and cash position provide us with the flexibility to pursue strategic investments that align with our growth objectives.

In conclusion, I would like to express my heartfelt gratitude to our employees, customers, suppliers, and shareholders for their unwavering support. Your trust and confidence in Gokaldas Exports continue to be our greatest strength as we navigate challenges and seize opportunities in our journey towards becoming a global leader in the apparel manufacturing industry.

As we look to the future, we remain committed to our vision of sustainable growth, operational excellence, and value creation for all our stakeholders. Together, we will continue to weave resilience, expand our horizons, and embrace sustainable growth in the years to come.

THANK YOU FOR YOUR UNWAVERING SUPPORT AND TRUST IN GOKALDAS EXPORTS LIMITED.

*Warm regards,*

**Sivaramakrishnan Ganapathi**  
VICE CHAIRMAN AND MANAGING DIRECTOR



CORPORATE SOCIAL RESPONSIBILITY

# Commit. Care. Contribute.

AT GOKALDAS EXPORTS LIMITED, WE BELIEVE THAT OUR RESPONSIBILITY EXTENDS BEYOND BUSINESS OPERATIONS TO CREATING A POSITIVE IMPACT ON SOCIETY AND THE ENVIRONMENT. THROUGH THE GOKALDAS EXPORTS CHARITABLE FOUNDATION, WE ARE COMMITTED TO DRIVING MEANINGFUL CHANGE IN THE COMMUNITIES WHERE WE OPERATE.



OUR CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES ARE DESIGNED TO ADDRESS CRITICAL SOCIETAL NEEDS AND CONTRIBUTE TO SUSTAINABLE DEVELOPMENT. IN FY24, WE SIGNIFICANTLY EXPANDED OUR CSR FOOTPRINT, IMPLEMENTING 23 PROJECTS ACROSS VARIOUS FOCUS AREAS AND INVESTING APPROXIMATELY ₹2.35 CRORES. THESE EFFORTS HAVE TOUCHED THOUSANDS OF LIVES, CREATING LASTING POSITIVE CHANGE IN EDUCATION, HEALTHCARE, COMMUNITY DEVELOPMENT, AND ENVIRONMENTAL SUSTAINABILITY.

## KEY FOCUS AREAS

### HEALTHCARE AND HYGIENE



01

### EDUCATION AND SKILL DEVELOPMENT



02

### COMMUNITY DEVELOPMENT



03

### ENVIRONMENTAL SUSTAINABILITY



04

## HEALTH AND HYGIENE

Our health and hygiene initiatives aim to provide essential medical services and promote well-being in the communities we serve.



- **Referral Hospital, Srirampura, Bangalore**  
Supported with medical equipment to handle maternity cases, benefiting over 50 people per day.
- **Government Maternity Hospital, Mallasandra, Bangalore**  
Provided essential medical equipment, benefiting over 250 employees and their families.
- **Primary Health Center, Aradeshanahalli**  
Supplied an ambulance vehicle and medical equipment, benefiting over 50 people per month.
- **Government Hospital, Tiptur, Tumkur District**  
Provided ICU cots and medical equipment, benefiting over 300 people per day.
- **Government Hospital, Madanapalle**  
Installed RO plants and provided medical equipment, benefiting over 600 people per day.
- **Government General Hospital, Doddaballapur**  
Provided deep freezer boxes for storing deceased bodies, benefiting over 650 outpatients daily.





## CORPORATE SOCIAL RESPONSIBILITY (CONTD.)

## EDUCATION AND SKILL DEVELOPMENT

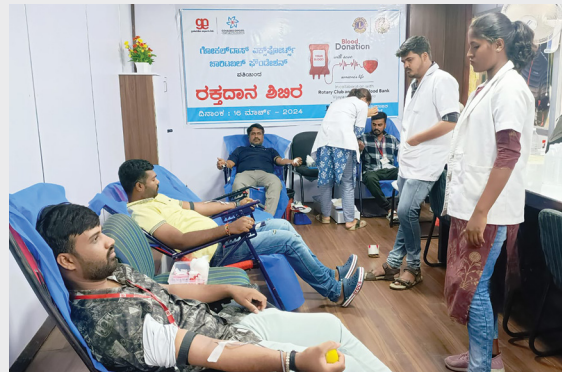
We believe in empowering individuals through education and skill development, ensuring they have the tools to build a better future.



- **Government Blind & Deaf School, Mysore**  
Provided musical instruments, smart TVs, and other educational tools, benefiting over 130 students.
- **GHPs, Attur Layout, Yelahanka, Bangalore**  
Set up a computer lab and RO plant, benefiting over 450 students.
- **Government First Grade College, Peenya, Bangalore**  
Established a computer lab and provided sewing machines, benefiting over 1,300 students.
- **GHPs & GHS, Chikkabidarkallu, Bangalore**  
Set up a computer lab and RO plant, benefiting over 1,800 students.
- **GHS Alilughatta, Tumakuru District**  
Constructed new classrooms and hygienic toilets, benefiting over 128 students.
- **Schools in Hassan District**  
Undertook repair and refurbishment of four schools, improving safety and learning conditions for over 300 students.

## COMMUNITY DEVELOPMENT

We are dedicated to uplifting the communities around us through various initiatives aimed at improving living standards and providing essential services.



- **Blood Donation Drives**  
Conducted across 15 locations, collecting 1,107 units of blood for government hospitals.
- **Nemmadi Vishranthi Dhama**  
Supported with ICU cots, kitchen appliances, and dining facilities for elderly care, benefiting over 110 residents.
- **Waste Management Vehicle**  
Sponsored for Bashettihalli Panchayat to improve waste management infrastructure.



## ENVIRONMENTAL SUSTAINABILITY

Our commitment to environmental sustainability is reflected in our efforts to conserve natural resources and promote eco-friendly practices.



- **Rainwater Harvesting System**  
Implemented at Government First Grade College, Peenya, Bangalore, benefiting over 1,300 students.
- **Climate Action in Western Ghats**  
Engaged in climate action projects to restore biodiversity and promote sustainable practices.



**7**  
COMMUNITY DEVELOPMENT  
PROJECTS

**6**  
EDUCATION AND SKILL  
DEVELOPMENT PROJECTS

**3**  
ENVIRONMENT SUSTAINABILITY  
PROJECTS

**7**  
HEALTH AND HYGIENE PROJECTS

**30,000+**  
LIVES ENRICHED THROUGH  
COMMUNITY DEVELOPMENT

**4,000+**  
SMILES ACHIEVED THROUGH  
EDUCATION AND SKILL DEVELOPMENT

**10,000+**  
WELL-BEINGS ENHANCED THROUGH  
HEALTH AND HYGIENE INITIATIVES

**₹2.35 CR**  
SPENT ON CSR  
INITIATIVES IN FY24



## PEOPLE INITIATIVES

# Empower. Engage. Excel.

AT GOKALDAS EXPORTS, OUR PEOPLE ARE OUR GREATEST ASSET. WE ARE COMMITTED TO FOSTERING A WORKPLACE THAT PRIORITISES EMPLOYEE WELL-BEING, PROFESSIONAL GROWTH, AND SOCIAL RESPONSIBILITY. THROUGH A COMPREHENSIVE SUITE OF INITIATIVES, WE AIM TO CREATE AN ENVIRONMENT WHERE OUR WORKFORCE CAN THRIVE, INNOVATE, AND CONTRIBUTE TO OUR SHARED SUCCESS. OUR APPROACH TO EMPLOYEE ENGAGEMENT AND DEVELOPMENT IS MULTIFACETED, ADDRESSING VARIOUS ASPECTS OF PROFESSIONAL AND PERSONAL GROWTH. WE HAVE IMPLEMENTED A RANGE OF PROGRAMMES DESIGNED TO ENHANCE SKILLS, PROMOTE INCLUSIVITY, AND ENSURE A SAFE AND SUPPORTIVE WORK ENVIRONMENT.



THE WORKPLACE COOPERATION PROGRAM (WCP) FORMS THE FOUNDATION OF OUR EFFORTS TO BUILD STRONG RELATIONSHIPS WITHIN OUR FACTORIES. BY BRINGING TOGETHER MANAGEMENT AND WORKS COMMITTEE REPRESENTATIVES, WE FOSTER OPEN COMMUNICATION AND COLLABORATIVE PROBLEM-SOLVING.



Gender equity and women's empowerment are at the forefront of our initiatives. Our Re-Imagining Industry to Support Equality (RISE) programme, implemented across 13 units, provides comprehensive training for both male and female employees. The Women Empowerment & Leadership Development Program (WE-LEAD) goes a step further, identifying and nurturing potential women leaders for supervisory roles.

We recognise the importance of creating a safe and respectful workplace. Our Prevention of Sexual Harassment training (PoSH) raises awareness and provides clear mechanisms for addressing concerns. Additionally, we conduct regular Internal Committee Training to ensure our team is well-equipped to handle any issues that may arise.

Professional development is a key focus area. Our Supervisory Skills Training (SST) empowers supervisors to better manage team dynamics and delivery timelines.

For our quality department, we offer specialised workshops to enhance evaluation skills and align with customer demands. Our industrial engineers benefit from targeted e-learning modules covering IE tools, Lean principles, and shop floor dynamics.

Health and safety remain paramount. Every employee receives First Aid & Safety Training, ensuring a culture of preparedness and care. Our Women's Wellbeing programme addresses specific health concerns, including awareness for pregnant women.

Innovation in engagement is exemplified by our 'Sankalpa' programme, a gamified initiative that rewards positive workplace behaviours, boosting both productivity and morale. We also conduct regular training on Lean & 5S principles, empowering employees to contribute to waste reduction efforts.

Our commitment to social responsibility extends beyond our walls. We have upgraded our organizational social policy and processes in alignment with the Social & Labour Convergence Program (SLCP), demonstrating our dedication to maintaining high standards of employee well-being and social equity.



# 13

UNITS IMPLEMENTED RISE PROGRAMME

## 88%

PROVISIONAL SCORE IN SLCP, UP FROM 87% LAST YEAR

## 100%

OF EMPLOYEES TRAINED IN FIRST AID & SAFETY

## 13+

DISTINCT TRAINING AND DEVELOPMENT INITIATIVES

## 5S

PRINCIPLES IMPLEMENTED ACROSS ALL OPERATIONS



## SUSTAINABILITY INITIATIVES

# Reduce. Reuse. Renew.

AT GOKALDAS EXPORTS LIMITED, SUSTAINABILITY IS NOT JUST A COMMITMENT BUT A CORE PHILOSOPHY THAT DRIVES OUR OPERATIONS. WE ARE DEDICATED TO INTEGRATING SUSTAINABLE PRACTICES ACROSS OUR VALUE CHAIN TO ENSURE A POSITIVE IMPACT ON THE ENVIRONMENT AND SOCIETY. OUR KEY FOCUS AREAS FOR THE YEAR INCLUDE ENERGY AND WATER MANAGEMENT, CHEMICAL AND WASTE MANAGEMENT, AND PEOPLE EMPOWERMENT. THROUGH THESE INITIATIVES, WE AIM TO ACHIEVE OUR AMBITIOUS SUSTAINABILITY TARGETS AND CONTRIBUTE TO A GREENER, MORE EQUITABLE FUTURE.



## CERTIFICATIONS

SOCIAL & LABOR  
CONVERGENCEENERGY & WATER  
MANAGEMENT

Our efforts in energy and water management are aimed at reducing our environmental footprint and promoting resource conservation.

**Renewable Energy Mix**

81% of our energy mix comes from renewable sources such as solar and biomass.

**Solar Energy Addition**

We have tripled our solar energy capacity from FY23, significantly reducing our carbon footprint.

**Zero Liquid Discharge (ZLD)**

Most of our sites are ZLD compliant, ensuring no wastewater is discharged into the environment.

**Water Recycling**

92% of process water used in our laundry operations is recycled, conserving valuable water resources.

**Green Energy Partnership**

We have partnered with CleanMax Enviro Energy through an SPV to enhance our green energy initiatives as part of our ESG goals.

## CIRCULARITY

We are enhancing our use of low-impact and sustainable raw materials to promote circularity in our operations.

**Recycled Fibre**

We have increased the use of recycled fibre by 3 times since 2021.

CHEMICAL & WASTE  
MANAGEMENT

We are committed to responsible chemical and waste management to minimise our environmental impact.

**ZDHC Compliance**

100% compliance with ZDHC MRSL and Brand RSL standards.

**Organic Chemicals**

Transitioning towards the use of organic chemicals in our processes.

**Solid Waste Recycling**

100% of our solid waste is recycled, contributing to a circular economy.

**People Empowerment**

Our people are at the heart of our sustainability efforts. We invest in their growth and well-being through various initiatives.

**Training and Development**

Over 29,600 employees have undergone training, with a total investment of 2.65 lakh person-hours in skill development.

**Women Empowerment**

More than 8,500 female workers have graduated from our skill upgradation programs, promoting gender equality and empowerment.

## SUSTAINABILITY TARGETS

Our sustainability strategy is inspired by international standards and guided by ambitious targets.

**Net Zero by 2045**

We aim to achieve net-zero emissions by 2045.

**Carbon Neutral by 2030**

Our goal is to become carbon neutral by 2030.

**Water Positive by 2030**

We strive to replenish more water than we consume by 2030.

**Zero Solid Waste to Landfill by 2030**

We are committed to achieving zero solid waste to landfill by 2030.

## SUSTAINABILITY PERFORMANCE

RENEWABLE ENERGY MIX  
(SOLAR + BIOMASS)

(IN %)



## PROCESS WATER INTENSITY

(L/PIECE)



## HAZARDOUS WASTE MANAGED

(IN T)



## SLCP SCORE



\*Note: Provisional

CARBON EMISSION  
(INTENSITY)(KG CO<sub>2</sub>E/PIECE)

## PRODUCTION WASTE RECYCLED

(IN T)



## HIGG INDEX SCORE

(IN %)





MD&A

# Management Discussion and Analysis



### GLOBAL ECONOMIC OVERVIEW

The global economy demonstrated remarkable resilience in 2023, navigating through various challenges including geopolitical tensions, inflationary pressures, and monetary tightening. According to the International Monetary Fund (IMF), global growth was estimated at 3.2% in 2023 and is projected to continue at the same pace in 2024 and 2025. This resilience was underpinned by robust labour markets, strong consumer spending, and the easing of supply chain disruptions. Looking ahead, the IMF projects that global growth will remain steady at 3.2% in 2024 before rising to 3.3% in 2025. The anticipated improvement is expected to be driven by disinflation, potential monetary easing in advanced economies, and the ongoing economic rebalancing in China.

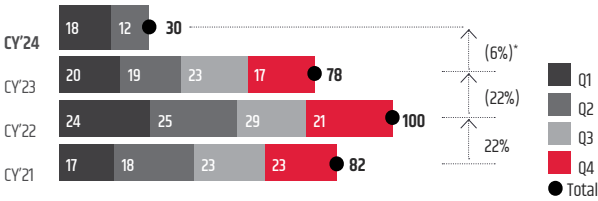
**3.3%**  
THE IMF PROJECTS THAT GLOBAL GROWTH WILL RISING TO 3.3% IN 2025

### GLOBAL APPAREL INDUSTRY OVERVIEW

The global apparel industry faced significant headwinds in 2023, with major markets experiencing reduced demand due to inventory destocking. According to industry reports, apparel purchases declined by 20% in the US, 19% in the EU, and 28% in the UK on a financial year basis compared to the previous year. This inventory overhang was a result of supply chain disruptions and changing consumer patterns in the post-pandemic era.

#### US APPAREL IMPORTS

(IN US\$ BN)



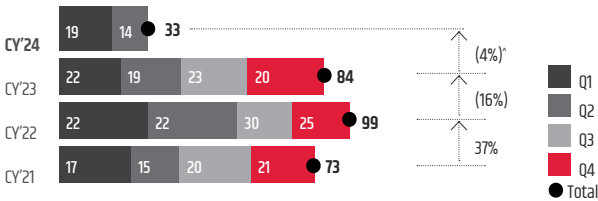
#### US Apparel imports decline moderating

US monthly apparel imports declined by 22% in CY 2023, but the year-over-year decline in the Jan-May 24 data suggests that the decline has moderated.

*\*Note: Represents Jan-May 24 v/s Jan-May 23  
Source: Otexa*

#### EU-27 APPAREL IMPORTS

(IN EUR BN)



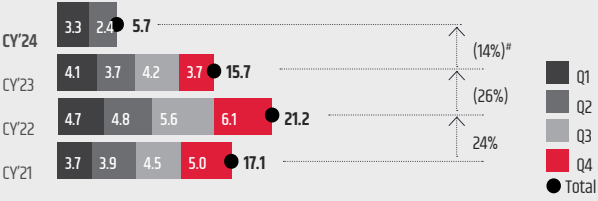
**EU-27 Apparel imports degrowth moderating** Apparel imports by the EU-27 for the full year 2023 fell by 16% compared to last year. The rate of decline moderated at 4% in Jan-May 24 compared to the same period the previous year.

*\*Note: Represents Jan-May 24 v/s Jan-May 23  
Source: Eurostat*



### UK APPAREL IMPORTS

(IN GBP £ BN)



#### UK Apparel imports continue to decline

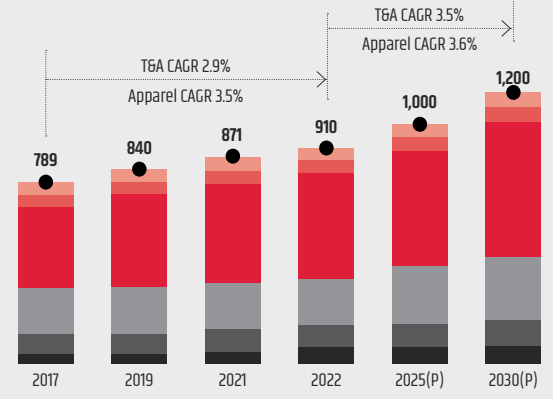
UK monthly apparel imports declined by 26% in CY 2023. The decline moderated to 14% in Jan-May 24 compared to the same period last year.

*\*Note: Represents Jan-May 24 v/s Jan-May 23  
Source: Office of National Statistics*

The global textile and apparel trade remains a substantial component of international commerce. In 2022, the total global textile and apparel trade reached \$910 billion, with apparel trade accounting for \$540 billion. Going forward, the growth is expected to be driven by the ongoing recovery in consumer spending, the rise of e-commerce, and the increasing focus on sustainable and ethical fashion.

### GLOBAL TEXTILE & APPAREL TRADE TRENDS

(IN US\$ BN)

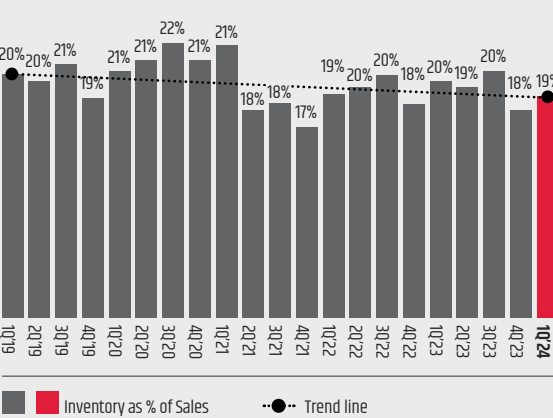


*Source: Textile Industry's Amrit Kaal: Roadmap for US\$ 350 Billion Market by 2030*

The outlook for the global apparel industry is cautiously optimistic. As we move into 2024 and beyond, the industry is poised for recovery and transformation. The inventory destocking cycle is nearing its end, with many fashion brands showing reduced inventory levels, improved financial performance, and a renewed appetite for purchases. This is expected to translate into stronger demand for apparel manufacturers in the coming quarters. However, challenges remain, including ongoing geopolitical tensions, potential economic slowdowns in key markets, and the need for significant investments in sustainability and digitalisation.

### RETAIL INVENTORY AS % OF RETAIL STORE SALES

(IN %)



*Note: The Inventory & Store Sales data pertains to US Retail Clothing & Accessories. | Ratio = Quarter ending inventory/Last 12 month sales  
Source: FRED, Companies*



MD&A (CONTD.)

KEY TRENDS SHAPING THE GLOBAL APPAREL INDUSTRY

Several key trends are shaping the global apparel industry, influencing both the current landscape and future outlook:

1. Sustainability and Ethical Fashion

Consumers, particularly in developed markets, are increasingly demanding environmentally responsible and ethically produced garments. This shift is compelling brands to reassess their supply chains and partner with manufacturers who can meet these evolving standards. Circular economy principles, upcycling, and innovative sustainable materials are gaining traction. Slow fashion, which emphasises quality and longevity over fast-changing trends, is also on the rise.

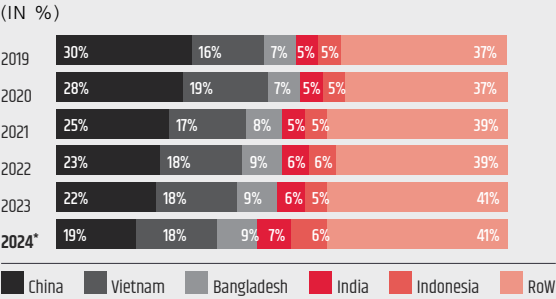
2. Digitalisation and E-commerce

The pandemic accelerated the adoption of digital technologies across the value chain, from design and production to retail. E-commerce continues to grow, with online apparel sales expected to contribute a major share of overall apparel sales. The use of Generative AI for personalization and efficiency improvements is becoming more prevalent.

3. Shift in Global Sourcing

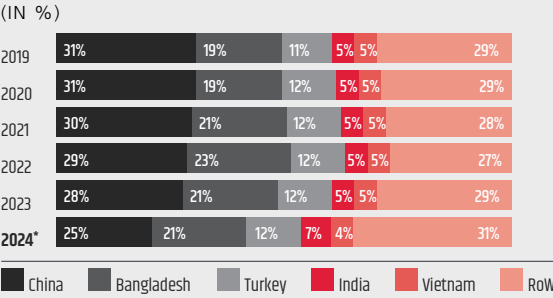
The industry continues to witness a shift away from China as the primary sourcing hub, driven by rising labour costs, geopolitical tensions, and trade issues. This ‘China Plus One’ strategy is creating opportunities for countries like India, Bangladesh, and Vietnam to expand their market share.

MAJOR EXPORTING COUNTRIES TO US



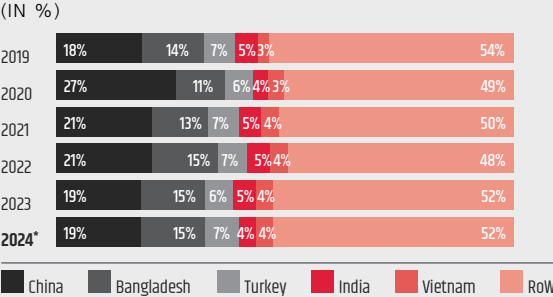
\*January 2024 to May 2024  
Source: WTO

MAJOR EXPORTING COUNTRIES TO EU-27



\*January 2024 to May 2024  
Source: Euro Stat

MAJOR APPAREL EXPORTS COUNTRIES TO UK



\*January 2024 to May 2024  
Source: Office of National Statistics

4. Consumer Behaviour Shifts

Increased demand for sportswear and childrenswear, driven by a focus on wellness and changing sociodemographic factors, is reshaping product portfolios. The rise of the ‘athleisure’ trend continues to blur the lines between casual and athletic wear.

5. Technology Adoption

Advanced technologies such as AI, robotics, and virtual try-on tools are being increasingly adopted to enhance efficiency and improve customer experience. These technologies are revolutionising various aspects of the industry, from design and production to marketing and sales.

6. Fast Fashion and Quick Response

Brands are increasingly focusing on reducing lead times and improving their ability to respond quickly to changing consumer preferences. This trend favours manufacturers with strong local fabric ecosystems and efficient production capabilities.

7. Customisation and Personalisation

Advancements in technology are enabling greater product customisation, allowing brands to offer personalised products at scale. This trend is driven by consumer demand for unique and tailored experiences.

8. Supply Chain Resilience

In response to recent disruptions, companies are focusing on building more resilient and flexible supply chains. This includes diversifying sourcing locations, investing in nearshoring capabilities, and improving supply chain visibility through digital technologies.

9. Inclusivity and Diversity

There’s a growing emphasis on inclusivity in fashion, with more brands expanding their size ranges and offering gender-neutral Design options. This trend reflects broader societal shifts towards greater diversity and representation.

10. Emerging new low-cost apparel manufacturing hubs

The key factor cost i.e. cost of labour for China and Vietnam has increased significantly in recent past compared to the other manufacturing locations like South Asia, Africa and Latin America. India has lower labour costs than China & Vietnam, but higher than Bangladesh. Kenya and Ethiopia have low labor costs and an abundant labour pool with low to medium skills. The region has a high fabric sourcing lead time due to the absence of the ecosystem. The cost of electricity is not a major factor as this industry is not power intensive. Kenya has duty free access to US under AGOA. In addition, it has duty-free access to EU & UK under Economic Partnership Agreement (EPA) & Generalized Scheme of Preference (GSP) with EU & UK. Ethiopia has duty free access to Japan, EU, UK, and Canada because of the Least Developed country Status. It was also under AGOA but was excluded in 2022 and might be included back.

IMPORT DUTY STRUCTURE

IMPORTING COUNTRY	EXPORTING COUNTRY					
	CHINA	BANGLADESH	VIETNAM	ETHIOPIA	KENYA	INDIA
US	11-28%	11-28%	11-28%	11-28%	0%	11-28%
EU	12%	0%	0%	0%	0%	12%
JAPAN	9%	0%	0%	0%	9%	0%
UK	12%	0%	0%	0%	0%	12%
CANADA	18%	0%	0%	0%	18%	18%

FACTOR COSTS

COST ELEMENTS	EXPORTING COUNTRY					
	CHINA	BANGLADESH	VIETNAM	ETHIOPIA	KENYA	INDIA
Cost of labour (US \$ per month)	514	139	300	110	150	180
Labour skills	High	High	High	Low-Medium	Low-Medium	High
Cost of electricity (US\$/kWh) (US \$ per month)	9-15	9	8	2-5	16-18	7-12
Lead Time (days)	30-45	50-70	35-50	60-90	60-90	40-60
Textile integration	High	Medium	Medium	Low	Low	High (Cotton)





MD&A (CONTD.)



OUTLOOK

As we move into 2024 and beyond, the global apparel industry is poised for recovery and transformation. The inventory destocking cycle is nearing its end, with many fashion brands showing reduced inventory levels, improved financial performance, and a renewed appetite for purchases. This is expected to translate into stronger demand for apparel manufacturers in the coming quarters.

The potential implementation of Free Trade Agreements (FTAs) with key markets like the UK and EU presents exciting prospects for increased textile trade from countries like India. Additionally, government initiatives such as the Production Linked Incentive (PLI) scheme for the Man-Made Fibre (MMF) and technical textile ecosystem are expected to boost investments in the sector.

INDIAN ECONOMIC OVERVIEW

India's economy demonstrated robust resilience in 2023, emerging as one of the fastest-growing major economies globally. According to the Ministry of Statistics and Programme Implementation (MoSPI), India's GDP growth rate for the fiscal year 2023-24 was approximately 7.2%, driven by strong domestic demand, increased public investment, and a rebound in the manufacturing and services sectors. This growth was supported by various government initiatives, including the Production Linked Incentive (PLI) schemes and significant infrastructure investments under the National Infrastructure Pipeline.

The Reserve Bank of India (RBI) maintained a cautious monetary policy stance throughout the year, balancing inflation control with growth support. Inflation remained within the target range, averaging around 5.5% for the year, aided by stable food prices and effective monetary interventions.

Looking ahead, the Indian economy is projected to grow at a steady pace. The International Monetary Fund (IMF) forecasts a GDP growth rate of 6.3% for 2024-25, driven by continued structural reforms, digitalisation, and a young, expanding workforce. Key factors contributing to this positive outlook include:

- Infrastructure Development**  
Ongoing investments in infrastructure projects are expected to enhance productivity and stimulate economic activity.
- Digital Transformation**  
Increased digital adoption across sectors is likely to drive efficiency and innovation.
- Policy Support**  
Continued government support through various schemes and reforms aimed at improving the ease of doing business and attracting foreign investment.

INDIAN APPAREL INDUSTRY PERFORMANCE

The Indian apparel industry, a significant contributor to the country's economy and employment, faced a challenging year in 2023. According to the Apparel Export Promotion Council (AEPC), India's apparel exports declined by about 10% in FY24 compared to the previous year, primarily due to weak global demand and increased competition from other low-cost manufacturing countries. Despite these challenges, the domestic apparel market showed resilience, supported by rising disposable incomes and a growing middle class.

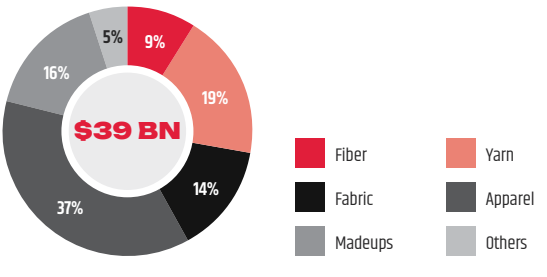
OUTLOOK FOR THE INDIAN APPAREL INDUSTRY

- The long-term outlook for the Indian apparel industry remains positive, with several factors expected to drive growth:
- Shift in Global Sourcing**  
The ongoing trend of diversifying supply chains away from China presents a significant opportunity for Indian manufacturers. Many global brands are looking to increase their sourcing from India as part of their "China Plus One" strategy.
  - Government Initiatives**  
Programs like the PLI scheme for textiles and the proposed Free Trade Agreements (FTAs) with key markets like the UK and EU are expected to boost the sector's competitiveness.
  - Sustainability Focus**  
The industry's increasing emphasis on sustainable and ethical manufacturing practices aligns with global consumer trends, potentially opening up new market opportunities.
  - Technological Advancements**  
Adoption of digital technologies and automation in manufacturing processes is expected to enhance productivity and quality, making Indian apparel more competitive globally.

According to the India Brand Equity Foundation (IBEF), India's textile and apparel exports could reach \$100 billion by 2030, up from \$44.4 billion in FY22. This growth is expected to be driven by increased demand from traditional markets like the US and EU, as well as emerging markets in Asia and Africa.

INDIAN TEXTILE EXPORTS SHARE (IN %)

INDAIN TEXTILE APPAREL TRADE (2022-2023 Est)



Source: Wazir Report & Own Estimates

The Indian Textile trade in 2022-2023 is estimated to be US\$ 39 Bn which is ~7% de-growth over 2021-22 which stood at US\$ 43 Bn

COMPANY OVERVIEW

Gokaldas Exports Limited, established in 1979, has emerged as one of India's largest and most respected apparel manufacturers and exporters. With over four decades of experience, the company has built a formidable reputation for delivering high-quality apparel products to prestigious fashion brands and retailers across more than 50 countries. Gokaldas Exports is renowned for its robust in-house capabilities, state-of-the-art manufacturing facilities, and a strong commitment to sustainability.

The Company operates over 30 state-of-the-art manufacturing facilities equipped with advanced technologies. These facilities are fully integrated, covering the entire value chain from design and development to cutting, sewing, printing, washing, and finishing. The company's manufacturing prowess is supported by more than 30,000 operational machines spread across its facilities. One of Gokaldas Exports' key strengths lies in its diverse and skilled workforce. The company employs over 51,000 people, with a significant proportion being women. This focus on inclusivity and empowerment is a cornerstone of the company's operations and contributes to social upliftment in the communities where it operates.

COMPANY'S PRODUCT OVERVIEW

PRODUCT CATEGORY	FY 23-24	FY 22-23
WOMEN	57%	51%
MEN	35%	42%
KIDS	7%	6%
OTHERS	1%	1%

PRODUCT MIX	FY 23-24	FY 22-23
JACKETS	24%	35%
PANTS	19%	16%
TOPS/SHIRTS	53%	48%
OTHERS	4%	1%





MD&A (CONTD.)

STRATEGIC ACQUISITIONS

In the last year, Gokaldas Exports strategically expanded its global footprint through key acquisitions:



Atraco

A Dubai-based apparel manufacturer with operations in Kenya and Ethiopia, providing valuable duty-free access to key markets and strengthening the company's global presence. Atraco adds:

5  
MANUFACTURING FACILITIES  
(4 IN KENYA, 1 IN ETHIOPIA)

13,000+  
WORKERS

7,000  
OPERATIONAL MACHINES

40 MN  
ANNUAL PRODUCTION CAPACITY  
FOR GARMENTS



Matrix Design

A leading Indian apparel manufacturer, enhancing the company's capabilities in the high-value knitwear segment and expanding its customer base in Europe and the UK. Matrix adds:

5  
MANUFACTURING FACILITIES  
(4 IN GURGAON, 1 IN RANCHI)

5,000+  
WORKERS  
(75% WOMEN)

2,500+  
OPERATIONAL MACHINES

11 MN  
ANNUAL PRODUCTION CAPACITY  
FOR GARMENTS

These acquisitions have significantly expanded Gokaldas Exports' manufacturing capabilities, product offerings, and global reach.

FINANCIAL PERFORMANCE

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

ANALYSIS OF THE PROFIT AND LOSS STATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

Revenues

The Company's total income was ₹2,408.99 crore in FY 2023-24 compared to ₹2,247.23 crore in FY 2022-23. Revenues from operations was ₹2,378.88 crore, reported a 7.05% growth in FY 2023-24 from ₹2,222.20 crore in FY 2022-23. The company continued to deliver performance, despite adverse macro-economic conditions in the year.

For most part of FY24, the retail industry continued to be in an inventory overstock position resulting in brands reducing their apparel purchases by 20% in the US, 19% in the EU, and 28% in the UK. The inventory destocking cycle in now coming to an end, with many fashion brands showing reduced inventory, improved financial performance and a renewed appetite to buy. In such a challenging environment, your company's like-for-like revenue dropped by 2.3% y-o-y, compared to a 10% drop in Indian exports in the same period, indicating the resilience of the company in the face of adversity.

Expenses

Total expenses (excluding interest and depreciation) of the Company increased by 8.89% to ₹2,124.88 crore in FY 2023-24 from ₹1,951.42 crore in FY 2022-23. The material consumption to the revenue from operations has decreased to 47.7% in FY 2023-24 from 53.0% in FY 2022-23 due to better utilization of materials and lower consumption due to change in product mix. Employees expenses increased by 25.56% to ₹777.59 crore in FY 2023-24 from ₹619.32 crore in FY2022-23 due to revision in the minimum wage for workmen in Karnataka, ramping up employees in anticipation of volume growth in our newly commissioned factory in Madya Pradesh, mainly towards the second half of the year, besides employee costs of the two acquisitions during Q4 FY24 of the year. Also, the Company's EBITDA decreased by 1.4% to 11.8% in FY 2023-24 from 13.2% in the FY 2022-23. The drop in margin was on account of certain one-off costs of ₹17.4 crore that the company has incurred during the year such as acquisition related costs, initial start-up costs in Madya Pradesh unit. Adjusting the one-off costs, the company

has generated adjusted EBITDA of ₹301.5 crore. Due to the above factors, the company has made a net profit after tax of ₹130.97 crore during the year witnessing a decline of about 24.28% compared to ₹172.97 crore in FY 2022-23.

ANALYSIS OF THE BALANCE SHEET

Sources of funds

The net worth of the Company has increased by ₹405.09 crore (45.71%) to ₹1,291.34 crore as of March 31, 2024 from ₹886.25 crore as of March 31, 2023, mainly due to preferential allotment of equity shares of ₹247.5 crore to acquire the shares of Matrix Design and Industries Private Limited, the newly acquired wholly owned subsidiary and besides, profit from the current year's operations.

During the year under review the Company has also taken USD 30 million as a term loan to partially fund the acquisition of Atraco Industrial Enterprise and its sister concerns (collectively called Atraco Group) for USD 55 million. After acquisition of the two companies through a combination of debt and equity, the Company has a net debt of ₹336.3 crore as of March 31, 2024, compared to a net cash of ₹332.5 crore as of March 31, 2023. However, subsequently, the Company raised equity capital of ₹600 crore through Qualified Institutional Placement (QIP) in April 2024, which has helped the Company to turn net cash positive.

Finance costs of the Company increased by 41.30% to ₹36.34 crore in FY 2023-24 from ₹25.72 crore in FY 2022-23 due to increase borrowing position attributed to the acquisition of the two companies. As a standalone operation, the company's finance cost has not increased. The Company's interest cover decreased to 5.38x in FY 2023-24 from 8.71x in FY 2022-23.

Applications of funds

Fixed assets (gross) of the Company increased by 107.93% to ₹600.88 crore as of March 31, 2024 from ₹288.98 crore as of March 31, 2023, owing to acquisition of Atraco and Matrix, besides, during the year the company has spent investment of ₹143 crore towards modernization and upgradation of existing machines, capacity creation, and also in the new projects. These investments are expected to increase revenue and yield operational productivity in the future. Depreciation on fixed assets (excluding right of use assets) increased by 34.16% to ₹51.05 crore in FY 2023-24 from ₹38.05 crore in FY 2022-23, owing to an increase in fixed assets during the year.

One a like for like comparison, the capital employed of the Company has increased by 10.69% to ₹1,042.30

crore as of March 31, 2024, from ₹941.61 crore as of March 31, 2023. While the increase was mainly on account of acquisition of Atraco and Matrix business, the company incurred capital expenditure of ₹143 crore towards modernisation and upgradation of technology, plant and machineries at factories and investment towards setting up of new manufacturing units in Bhopal, Madhya Pradesh and Perundurai, Tamil Nadu. The capital employed comprises of two key components that are non-current assets and working capital investment while it does not include certain components like the mutual fund investments, lease assets and liabilities, and borrowings of the Company. The return on capital employed (ROCE), a measurement of returns derived from every rupee invested in the business, on a like for like note, has decreased by 500 basis points to 22% in FY 2023-24 from 27% in FY 2022-23. The reduction in the RoCE was on account of investment in creating additional capacity as well as in the new fabric processing unit in Tamil Nadu, and further, profit impacted due to the lower volume and start up expenses in the MP unit.

Working capital management

Current assets of the Company increased by 57.61% to ₹1,386.60 crore as of March 31, 2024, from ₹879.79 crore as of March 31, 2023. The current asset includes investment in the mutual funds which has decreased by ₹188.06 crore over the previous year. The current and quick ratios of the Company was 1.37 and 0.77, respectively in FY 2023- 24 and 2.54 and 1.70, respectively in FY 2022-23. Inventories including raw materials, work-in-progress and finished goods among others increased by 106.01% to ₹603.60 crore as on March 31, 2024, from ₹292.99 crore as of March 31, 2023. Trade receivables have increased by 159.54% to ₹352.52 crore as on March 31, 2024, from ₹135.83 crore as of March 31, 2023.

Key Ratios

PARTICULARS	FY 23-24	FY 22-23
Debt turnover ratio	8.98	18.12
Inventory turnover ratio	4.89	5.69
Interest coverage ratio	5.38	8.71
Current ratio	1.37	2.54
Net debt/(net cash) equity ratio	0.26	(0.38)
Operating profit margin (EBIT to total income)	8.1%	10.0%
Net profit margin	5.4%	7.7%
Return on net worth	12.0%	21.7%



MD&A (CONTD.)

OUTLOOK

As Gokaldas Exports looks ahead, it is well-positioned to capitalise on emerging opportunities in the global apparel market. The company's strategic initiatives, robust manufacturing capabilities, and commitment to sustainability provide a strong foundation for future growth. The ongoing trend of diversifying supply chains away from China presents significant opportunities for Indian manufacturers, and Gokaldas Exports, with its strong manufacturing base and strategic acquisitions, is well-positioned to capture a larger share of the global apparel market.

The company remains focused on driving operational excellence, realising synergies from its acquisitions, and capitalising on growth opportunities. With its expanded capabilities, global presence, and commitment to innovation and sustainability, Gokaldas Exports is poised to strengthen its position as a leader in the global apparel manufacturing industry.

RISK MANAGEMENT

At Gokaldas Exports Limited, we recognize that effective risk management is crucial for sustainable growth and long-term value creation. Our comprehensive risk management framework enables us to identify, assess, and mitigate potential risks that could impact our business operations.

RISK	DESCRIPTION	MITIGATION MEASURES
CURRENCY VOLATILITY	Significant revenue in USD exposes us to exchange rate fluctuations. Imported raw materials further compound this risk.	<ul style="list-style-type: none"><li>Implement robust hedging strategies</li><li>Diversify currency exposure</li><li>Continuously monitor global economic trends</li></ul>
REGULATORY LANDSCAPE	Changes in government policies or incentives (e.g., RoSCTL, EPCG, duty drawback) could impact profitability.	<ul style="list-style-type: none"><li>Maintain open dialogue with policymakers</li><li>Diversify market presence to reduce dependency on specific incentives</li><li>Enhance operational efficiency to offset potential policy impacts</li></ul>
EUROPEAN MARKET ACCESS	Competitive disadvantage due to lack of free trade agreements with the EU, unlike some Asian counterparts.	<ul style="list-style-type: none"><li>Focus on product differentiation and quality</li><li>Explore strategic partnerships in EU countries</li><li>Advocate for favourable trade agreements</li></ul>
INPUT COST FLUCTUATIONS	Volatility in fabric prices, wage inflation, and other input costs can squeeze margins.	<ul style="list-style-type: none"><li>Implement dynamic pricing models</li><li>Strengthen supplier relationships for better terms</li><li>Invest in automation to control labour costs</li></ul>
FASHION TREND AGILITY	Rapidly changing fashion trends and consumer preferences require quick adaptability.	<ul style="list-style-type: none"><li>Enhance design capabilities and market intelligence</li><li>Implement agile manufacturing processes</li><li>Collaborate closely with customers on trend forecasting</li></ul>
CUSTOMER CONCENTRATION	Reliance on a limited number of key customers for significant revenue.	<ul style="list-style-type: none"><li>Diversify customer base across geographies and product categories</li><li>Invest in customer relationship management</li><li>Maintain excellence in quality and delivery to retain key accounts</li></ul>
SUPPLY CHAIN DISRUPTIONS	Delays in raw material receipt can impact production schedules and customer commitments.	<ul style="list-style-type: none"><li>Develop a robust supplier ecosystem with multiple sourcing options</li><li>Implement advanced inventory management systems</li><li>Explore near-shoring opportunities to reduce lead times</li></ul>
MARKET ANTICIPATION	Ability to foresee and adapt to market shifts and evolving consumer behaviour.	<ul style="list-style-type: none"><li>Invest in market research and trend analysis tools</li><li>Foster a culture of innovation within the organisation</li><li>Maintain flexibility in production capabilities to quickly pivot to new trends</li></ul>

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

At Gokaldas Exports Limited, our workforce remains the cornerstone of our success. As of March 31, 2024, our team has grown to over 51,000 dedicated employees, reflecting our continued expansion and the integration of our recent acquisitions. This diverse talent pool, with its rich blend of expertise and cross-sectoral experience, continues to be our primary competitive advantage in the dynamic apparel manufacturing industry.

In FY24, we focused on fostering an inclusive and empowering work environment that encourages innovation and personal growth. Our organisational structure has evolved to promote agility and cross-functional collaboration, moving away from traditional hierarchies. We've implemented several initiatives to enhance employee engagement and well-being, including:

- Comprehensive skill development programs
- Leadership training for mid-level managers
- Enhanced health and safety measures across all facilities
- Improved work-life balance initiatives

We're particularly proud of our efforts to promote gender diversity, with women now comprising approximately 75% of our workforce. This aligns with our commitment to social upliftment in the communities where we operate.

The integration of employees from our newly acquired entities - Atraco and Matrix Design - has been a key focus area. We are committed to implement cultural integration programs and standardised HR practices to ensure a smooth transition and create a unified Gokaldas Exports culture.

Looking ahead, we remain committed to nurturing our human capital, recognizing it as the driving force behind our continued growth and success in the global apparel market.

INTERNAL CONTROL SYSTEMS AND THEIR EFFECTIVENESS

In FY24, Gokaldas Exports Limited further strengthened its internal control systems to support our expanded operations and ensure robust financial reporting and operational efficiency. Key developments include:

- Implementation of an advanced Enterprise Resource Planning (ERP) system across all entities, including our recent acquisitions, to streamline processes and enhance data integrity.

- Appointment of a new internal auditor with expertise in the apparel manufacturing sector to provide fresh perspectives on our control mechanisms.
- Expansion of the internal audit scope to cover our newly acquired entities, ensuring consistent control standards across the group.
- Enhanced risk management framework to address the evolving challenges in the global apparel industry.

Our internal audit process continues to be rigorous, with quarterly audits conducted across key business areas. The audit committee, composed entirely of independent directors, reviews these findings and the management's responses, ensuring transparency and accountability.

In light of our recent acquisitions, we've placed particular emphasis on harmonising internal control practices across all entities. This process, while ongoing, has already yielded improvements in operational efficiency and risk mitigation.

The Board remains actively involved in overseeing the effectiveness of our internal control systems, regularly reviewing audit committee minutes and providing guidance on strengthening our control environment.

CAUTIONARY STATEMENT

This Management Discussion and Analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in this report and elsewhere in our Annual Report. These statements are based on our current expectations and projections about future events and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

Factors that could cause or contribute to such differences include, but are not limited to, global economic conditions, changes in government regulations, fluctuations in currency exchange rates, shifts in consumer preferences, and competitive pressures in the apparel industry.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.



# Corporate Information

## REGISTERED OFFICE

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

## CHIEF FINANCIAL OFFICER

Sathyamurthy A.

## COMPANY SECRETARY

Gourish Hegde

## STATUTORY AUDITOR

MSKA & Associates  
Chartered Accountants.

## INTERNAL AUDITOR

PKF Sridhar & Santhanam LLP

## BANKERS

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

## REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Limited  
Selenium Tower B, Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500 032, Telangana.

# Board's Report

Dear Members,

Your Directors' have the pleasure of presenting the Twenty-First Annual Report on the business and operations of the Company ("Gokaldas Exports Limited" or "GEX" or "Company"), together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2024.

## FINANCIAL HIGHLIGHTS

The Company's financial highlights for the year ended March 31, 2024, are summarized below:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	2,139.06	2,221.09	2,378.88	2,222.20
Other Income	44.75	30.57	30.10	25.03
Profit Before Interest, Tax and Depreciation	299.92	299.88	284.11	295.81
Profit Before Tax before exceptional item	196.96	203.77	158.99	198.34
Exceptional item	-	6.05	-	6.05
Profit Before Tax after exceptional item	196.96	209.82	158.99	204.39
Profit After Tax	164.16	178.40	130.97	172.97

## COMPANY'S PERFORMANCE

In 2024, your Company demonstrated remarkable resilience achieving better financial performance, revenue growth, and consistent profit despite passing through a difficult year. Your Company remained confident in its growth strategy and the long-term opportunities, and this success is a testament to the unwavering commitment of our senior leadership team and the dedicated workforce who propelled us to new heights despite the challenging global market environment.

The year started with a slow offtake in global retail resulting in overall imports from major consuming markets like the US, UK, and EU declining significantly in Q1 and Q2 of FY24, owing to inventory overhang with customers. Weak retail demand in Autumn-Winter 2022, inflationary trends, high interest rates, and a mild winter, contributed to excess inventory, impacting offtake. Major brands were consciously liquidating excess inventory holdings and controlling their purchases.

For most of FY24, the retail industry continued to be in an inventory overstock position resulting in brands reducing their apparel purchases by 20% in the US, 19% in the EU, and 28% in the UK. The inventory destocking cycle came to an end in Q4 FY24 with many fashion brands showing reduced inventory, improved financial performance and a renewed appetite to buy. In such a challenging environment, your Company's like-for-like revenue from operations dropped by 2.3% y-o-y, compared to a 10% drop in Indian exports in the same period, indicating the resilience of the Company in the face of adversity. Sensing an opportunity to further consolidate its position in the apparel industry, your Company completed the acquisition of Atraco and Matrix, enabling the addition of new product offerings such as high-value knitwear and access to low-cost locations like Kenya and Ethiopia, along with clear access to mutually exclusive new customers.

In FY24, the consolidated revenue of the Company grew by 7.2% and we added incremental revenue from operations of ₹ 156.69 Crore. The Company continued to deliver performance, despite adverse macro-economic conditions in the year.

On the cost front, the Company faced several headwinds, including an increase in statutory minimum wages, ramping up employees in anticipation of volume growth in the second half of the year, startup costs at our new unit, and one-off expenses related to the two acquisitions. This has suppressed the operating margin by 1.4% from 13.2% in the year 2022-23 to 11.8% in the current year. It has delivered a profit before tax of ₹ 159 Crore compared to ₹ 198 Crore (excluding one-off income of ₹ 6 Crore) in the year 2022-23. Your Company generated cash from operation without working capital changes of about ₹ 266 Crore during the year securing a healthy financial base for the Company.

During the year, your Company has made capital investment of ₹ 143 Crores towards the modernization and upgradation of existing machines, capacity creation, and new projects. These investments are expected to increase revenue and yield operational productivity in the future. Further, your company completed the acquisition of Atraco entities at an investment of ₹ 373 Crores by deploying funds through a combination of debt and own funds. Your company has further deployed funds to complete acquisition of Matrix Design with an investment of ₹ 323 Crores through a combination of preferential allotment of equity shares and cash.

Our new manufacturing unit in Madhya Pradesh is progressing well, and we expect production to increase in the coming quarters. The fabric processing unit in Tamil Nadu is all set to commence commercial production.



After the acquisition of the two companies through a combination of debt and equity, the Company had a net debt of ₹ 336 Crore as of March 31, 2024. Subsequently, the Company raised equity capital of ₹ 600 Crore through Qualified Institutional Placement (QIP) in April 2024, which has helped the Company to turn net cash positive.

To prepare for the next phase of growth, the Company has added talent to its management bandwidth and at multiple levels. The long-term prospects for the industry remain intact with a continuing shift of global sourcing away from China, supplier consolidation towards efficient and well-capitalized players, and supply-side instabilities in several countries. Favourable currency, PLI, and FTAs with key markets should drive the Company toward a strong future.

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

## BUSINESS ENVIRONMENT

The US, EU, and China markets dominate the global retail clothing sales landscape with a combined share of 45%, with the US commanding a dominant share of 16%, followed by the EU and China at 15% and 14%, respectively. During 2023, retail clothing sales in these key geographies remained buoyant despite the high interest rates raised in pursuit of controlling inflation. Retail brands with high inventory carryover from the previous year declined their purchases, thereby importing less, and have now reached optimum inventory levels. Apparel imports by the US, EU, and UK in FY24 witnessed a Y-o-Y decline of 20%, 19%, and 28%, respectively. However, India's apparel exports declined by only 10%, indicating a market share gain. The Red Sea issue caused delays in shipments as cargo shipments had to resort to longer alternative routes. There is a trend towards increasing sourcing from India as brands are consciously reducing their exposure to China due to the high sourcing concentration from a single region coupled with ongoing geopolitical tensions. Additionally, higher labour costs in Vietnam and Bangladesh's recent wage revision could open up sourcing opportunities for India, which has a fully-fledged cotton ecosystem. Increasing ESG consciousness among consumers is pushing retail brands to adapt to such needs by raising compliance requirements, leading to consolidation within the industry as small manufacturers have limited resources to meet such investments.

Domestically, the central government's key policy initiatives, such as the continuation of RoSTCL until 2026, ongoing discussions to expand the products, and lowering the minimum investment eligibility criteria being deliberated to trigger investment via the PLI scheme and the Mega Integrated Textile Region and Apparel (MITRA) initiative, will certainly augur well in the long run. Various Indian state governments are also giving a policy push to the textile and apparel sector through attractive incentive schemes, leading to job creation among locals. Additionally, the Indian government is actively pursuing bilateral trade agreements with potential countries, which will further boost the industry. The successful conclusion of FTAs with the UAE and Australia and the last-stage discussions with the UK indicate positive prospects.

## DIVIDEND

No dividend has been recommended by the Directors for the financial year 2023-24.

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy duly approved by the Board is available on <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Dividend-Distribution-Policy.pdf>.

## TRANSFER TO RESERVES

No amount is transferred to the Reserves during the year.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, the Board has appointed Ms. Pavitra Rajaram (DIN: 09322283) as an Independent Director of the Company with effect from April 26, 2023. Requisite approvals from the Shareholders for the said appointment as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") was obtained vide postal ballot notice dated April 26, 2023. In the opinion of the Board, Ms. Pavitra Rajaram possesses the requisite integrity, expertise, experience and proficiency.

Mr. Sivaramakrishnan Ganapathi (DIN: 07954560) was re-appointed as Vice Chairman & Managing Director of the Company with effect from October 03, 2023, at the Annual General Meeting of the Company held on September 20, 2023.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company as of March 31, 2024:

Sr. No.	Name	Designation
1	Mr. Sivaramakrishnan Ganapathi	Vice Chairman & Managing Director
2	Mr. Prabhat Kumar Singh	Whole-Time Director
3	Mr. Sathyamurthy. A	Chief Financial Officer
4	Mr. Gourish Hegde	Company Secretary

## DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company confirms and submits that:

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there have been no material departures;
- the selected accounting policies were applied consistently and the judgments and estimates made are reasonable and prudent, to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profits of the Company for the year ended on that date;

- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a 'going concern' basis;
- v. an adequate system of internal financial controls has been laid down and the said system is operating effectively; and
- vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and are operating effectively.

## EVALUATION OF THE BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2023-24 by the Nomination and Remuneration Committee in respect of Board performance, the Directors individually as well as the evaluation of the working of Audit, Nomination and Remuneration, Stakeholders' Relationship, Risk Management and Corporate Social Responsibility Committees.

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

## DECLARATION BY THE INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

## NUMBER OF MEETINGS OF THE BOARD

Meetings of the Board were held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the financial year, 5 (Five) meetings were held on May 25, 2023, August 07, 2023, August 28, 2023, October 30, 2023 and February 01, 2024. The details of the Directors & their attendance during the financial year 2023-24 have been disclosed in the Corporate Governance Report, which forms part of this report.

## COMMITTEES OF THE BOARD

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

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

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

## SHARE CAPITAL

During the year, the Company has allotted 73,500 equity shares under the Restricted Stock Unit Plan-2018.

Further, during the year the Company has allotted 27,31,366 (Twenty Seven Lakhs Thirty One Thousand Three Hundred and Sixty Six) equity shares of ₹ 5/- (Rupees Five) each at a price of ₹ 906.14 (Rupees Nine Hundred Six and Fourteen Paise) per equity share for an aggregate amount of ₹ 247,50,00,000 (Rupees Two Hundred and Forty Seven Crore and Fifty Lakhs) to Matrix Clothing Private Limited ("MCPL") for consideration other than cash, for acquiring 10,000 (Ten Thousand) equity shares of Matrix Design and Industries Private Limited ("MDIPL"), by way of a preferential issue on a private placement basis ("Preferential Issue").

The Company, pursuant to board resolution dated February 01, 2024, and shareholders resolution dated February 29, 2024, has increased its authorized share capital from existing ₹ 32,50,00,000 (Rupees Thirty Two Crore Fifty Lakhs) divided into 6,50,00,000 (Six Crore Fifty Lakhs) equity shares of ₹ 5 (Rupees Five) each to ₹ 42,50,00,000 (Rupees Forty Two Crore Fifty Lakhs) divided into 8,50,00,000 (Eight Crore Fifty Lakhs) Equity Shares of ₹ 5 (Rupees five) each.

## QUALIFIED INSTITUTIONAL PLACEMENT

As of the date of this report, the Company raised funds by issuing of 77,41,935 equity shares of ₹ 5/- each fully paid at the issue price of ₹ 775/- per equity share (including a premium of ₹ 770/- per equity share) aggregating to ₹ 600 Crore to qualified institutional buyers on April 23, 2024, pursuant to Qualified Institutional Placement (QIP), which have been listed in the respective Stock Exchanges on April 24, 2024. As on June 30, 2024, the Company has utilized ₹ 487.24 Crore in line with the objectives for which funds were raised, as per the placement document.



## DISCLOSURE REGARDING THE ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS AND/OR THE ISSUE OF SWEAT EQUITY SHARES

During the financial year under review, the Company has not issued any Shares with Differential Voting Rights and/or Sweat Equity Shares.

## CHANGE IN NATURE OF BUSINESS

There were no changes in the nature of business during the financial year.

## DEPOSITS

During the year under review, the Company has not invited or accepted any deposits from the public under Section 76 of the Companies Act, 2013 and Rules made there under. Also, the Company has not accepted any unsecured loan from the Directors of the Company and/or relatives of the Directors during the year as per the Companies (Acceptance of Deposits) Second Amendment Rules, 2015.

## MATERIAL CHANGES

No material changes or commitments have occurred between the end of the financial year and the date of this report which affects the financial statements of the Company concerning the reporting year.

## ACQUISITIONS

During the year under review, your Company acquired Atraco Industrial Enterprise, Dubai, and other Atraco group companies on January 03, 2024 and completed the acquisition of Matrix Design and Industries Private Limited, Gurgaon on March 13, 2024. These two acquisitions complement and augment capabilities in strategic focus areas, and help the Company increase new product segments and expand geographic outreach to service its chosen markets. Your Company is selective about the type of opportunities that are pursued and innovative in modes of engagement with them.

## SUBSIDIARY AND ASSOCIATE COMPANIES

As of March 31, 2024, the Company has the following 9 (Nine) Wholly Owned subsidiary companies:

- i. All Colour Garments Private Limited
- ii. SNS Clothing Private Limited
- iii. Vignesh Apparels Private Limited
- iv. Gokaldasexports Acharpura Private Limited
- v. Sri Susamyuta Knits Private Limited
- vi. Gokaldas Exports FZCO, Dubai
- vii. Nava Apparels L.L.C-FZ, Dubai
- viii. Matrix Design and Industries Private Limited
- ix. Gokaldas Exports Corporation, Delaware, USA

Further, the Company has the following 4 (four) indirect subsidiary companies:

- i. Amibros S.A., Panama (operating as a branch in the name of Atraco Industrial Enterprises in Dubai)
- ii. Atraco Logistics Co LLC, Dubai
- iii. Ashton Mombasa Apparel EPZ Ltd, Kenya
- iv. Ashton Apparel Manufacturing PLC. Ethiopia

A separate statement in Form AOC-1 is given as **Annexure-I**, which contains the salient features of the financial statement of Subsidiaries. The financial statements and related documents of the Subsidiary Companies will be kept open for inspection at the Registered Office of the Company. The aforesaid documents will also be made available to the Members of the Company upon receipt of a written request from them. Also, the financial statements of the subsidiary Companies are available on the website of the Company at <https://www.gokaldasexports.com/investor-and-shareholder-relations/>.

## EMPLOYEE STOCK OPTION PLANS

The Company has three Employee Stock Option Plans in force presently. Details of the same are given below:

### I. Employee Stock Option Scheme 2010

The Company has introduced the Employee Stock Option Scheme – 2010 (“ESOS-2010/Scheme”) in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999. The shareholders of the Company at the Annual General Meeting held on September 17, 2010, had approved the Scheme. The Company can issue not more than 17,18,800 options, convertible into 17,18,800 equity shares of face value of ₹ 5/- each under this Scheme.

During the year the Company has granted 2,04,000 options and not allotted any equity shares under ESOS-2010. As of March 31, 2024, the Company has allotted 12,28,330 equity shares under this scheme.

### II. Restricted Stock Unit Plan 2018

The Company has introduced the Restricted Stock Unit Plan 2018 (“RSU-2018”) in accordance with the Companies Act, 2013 and the rules framed thereunder, SEBI (Share Based Employee Benefit) Regulations, 2014. The shareholders approved the scheme on August 26, 2018. Pursuant to the approval, the Board has been authorized to offer, issue and allot stock options to eligible employees of the Company and its subsidiary Companies to the extent of 21,33,040 equity shares of face value of ₹ 5/- each.

During the year no fresh options were granted under RSU-2018 and 73,500 Equity shares of ₹ 5/- each were allotted to the employees who have exercised their options. As of March 31, 2024, the Company has allotted 19,15,000 equity shares under this scheme.

### III. Employee Stock Option Plan 2022

The shareholders had approved the GEL Employee Stock Option Plan 2022 ("ESOP 2022") on April 03, 2022. Pursuant to the approval, the Nomination and the Remuneration Committee and the Board have been authorized to offer, issue and allot stock options to eligible employees of the Company and its subsidiary Companies under ESOP 2022.

Further, the Company vide a special resolution passed at the Extra-ordinary General Meeting of the Company held on February 29, 2024, has amended the ESOP 2022 to increase the aggregate number of employee stock options ("Options") reserved under the Plan from 30,00,000 (Thirty Lakhs) Options to 45,00,000 (Forty five Lakhs) Options by creating additional 15,00,000 (Fifteen Lakhs) Options, exercisable into not exceeding 15,00,000 (Fifteen Lakhs) equity shares ("Shares") of the face value of ₹ 5/- (Rupees Five Only) each fully paid-up, where one Option would convert into one equity share upon exercise, on such terms and in such manner in accordance with the provisions of the applicable laws and the provisions of ESOP 2022.

As of March 31, 2024, 30,00,000 options were granted to the eligible employees.

Disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 on all the employee stock option plans are given as **Annexure-II** to this report.

### ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as of March 31, 2024, is available on the Company's website at the following link <https://www.gokaldasexports.com/investor-and-shareholder-relations/>.

### SAFETY, HEALTH, ENVIRONMENT

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

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

Some of the key initiatives taken by the Company are:

#### Environment

1. All our manufacturing facilities and offices are covered with 100% LED lights, thereby reducing energy demand.

2. Approximately 85% of our sewing machines have been replaced with servo motors, which are more energy-efficient compared to clutch motors. We are also systematically investing in energy-efficient machines across our operations.
3. We continue to use renewable biomass as fuel for our boilers to produce steam, thereby reducing overall carbon footprints.
4. We have committed to switching our energy source to solar energy and have set up a 7.5MW solar park. With this, more than 60% of the energy demand across our operations will be met through solar energy.
5. We have started installing RECD retro-fits for our diesel generators in a phased manner to control emissions and create a healthier environment.
6. We are continuously improving our operations and, with improved awareness programs on water conservation, have reduced water consumption by 20% compared to the previous year.
7. All our laundry facilities are equipped with Zero Liquid Discharge (ZLD) systems, and more than 90% of water demand is met through recycling via the ZLD system and reused.
8. All non-hazardous solid wastes like paper, plastic, cut fabric wastes, and metal are sent to authorized recyclers, ensuring nothing is wasted.
9. Hazardous waste like machine oil and used oil are sent to authorized recyclers for further treatment and recycling.
10. We consistently improve our overall environmental performance through continual improvement action plans and have achieved an overall score of 88% in the HIGG FEM 4.0 third-party validation.

#### Health & Safety

1. Awareness and knowledge of the Company's health and safety policy and procedures play crucial roles in setting up a safe and healthy workplace. Every employee undergoes rigorous training and awareness programs on health and safety chapters, ensuring they practice these in every walk of life.
2. We check vehicle stability and provide defensive driving awareness to employee vehicles and drivers.
3. We minimize workplace hazards and risks through continual improvement action plans.
4. All our manufacturing units and offices are equipped with fire detection and fire protection systems and have dedicated emergency response teams to handle any emergencies.



5. Our ambulance room (medical room) is equipped with the required medical equipment and an ambulance vehicle with a dedicated driver. We have a full-time medical doctor supported by paramedical staff to address any health-related issues among our employees.
6. We conduct periodic health awareness programs and campaigns among employees.
7. We have adopted LABS (Life And Building Safety) standards across our units to ensure our buildings are strong enough to withstand any natural calamities and are supported with the best electrical and fire safety measures to avoid any untoward incidents.

## EMPLOYEE ENGAGEMENT

1. **Workplace Cooperation Program (WCP):** WCP is a program involving the management of the unit and office bearers of the Works Committee. It aims to foster enhanced working relationships within the factory premises.
2. **Re-Imagining Industry to Support Equality (RISE):** RISE, a flagship Women Empowerment Programme, is being implemented in 13 units of the Company. The program encompasses training for both male and female employees.
3. **Prevention of Sexual Harassment Training (PoSH):** This awareness program aims to prevent the sexual harassment of women and inform employees about the mechanisms available for filing such cases.
4. **Supervisory Skills Training (SST):** Through SST, supervisors are better equipped to understand batch dynamics in terms of employee behaviour and shipment delivery.
5. **Women Empowerment & Leadership Development Program (WE-LEAD):** This program aims to identify, train, and support potential women workers for supervisory roles, promoting gender equity among supervisory staff.
6. **Workshop for Quality Department:** The program aims to sharpen the evaluation skills of checkers and help participants understand quality standards in line with customer demands.
7. **Women's Wellbeing:** This covers a range of programs, including health and hygiene awareness for pregnant women.
8. **E-Learning for Industrial Engineers:** E-learning modules aim to enhance the skills of industrial engineers in IE tools, Lean, and shop floor dynamics.
9. **Sankalpa:** A unique gamified program titled "Sankalpa" is driven across factories where employees are identified and rewarded for exhibiting the right behaviours at the workplace. This has resulted in increased productivity and improved employee morale.
10. **Internal Committee Training:** Internal committee members are trained to better equip them for their roles and responsibilities, ensuring they can discharge their duties effectively.
11. **Trends in Textile & Yarn:** Organized to upgrade knowledge of the latest developments in the field.
12. **First Aid & Safety Training:** Each employee is trained in first aid and safety.
13. **Lean & 5S:** Training on Lean & 5S guides each employee towards waste reduction through individual involvement.
14. **Technical Training for Industrial Engineers:** Sessions include tools and techniques in IE, library creation, data sharing, and the standardization of SAM & operations.
15. **Operational Excellence Program:** Factory staff in leadership roles participate in this program to be better equipped in team dynamics, time management, and emotional intelligence.
16. **HR Conclave:** HR members participate in an HR conclave to gain knowledge on new trends in HR, behavioural topics, labour laws, and counselling.

The organizational social policy and process have been upgraded in alignment with SLCP (Social & Labour Convergence Program) securing 88% (provisional) in the current year as opposed to 87% in the previous year which indicates the social and labour compliance standards are high when it comes to employee wellbeing, social equity, better working condition in the Company.

## CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance. The Directors adhere to the standards set out by the Securities and Exchange Board of India's (SEBI) Corporate Governance practices.

In terms of Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Corporate Governance Report, Management Discussion & Analysis Report, and the Practicing Company Secretary's Certificate regarding Compliance with Corporate Governance requirements are given separately, which forms part of this Report.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with Regulation 34 of the SEBI Listing Regulations, a section on the Business Responsibility and Sustainability Report, describing the initiatives taken by the Company from an environmental, social and governance perspective is given separately, which forms part of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the SEBI Listing Regulations, a separate section on the Management Discussion and Analysis Report is annexed to this Board's Report.

## AUDITORS & AUDIT REPORT

### A. Statutory Auditor

The Shareholders of the Company at the 20<sup>th</sup> Annual General Meeting (AGM) held on September 20, 2023 have re-appointed M/s. MSKA & Associates, Chartered Accountants (ICAI Firm registration number: 105047W) as the Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 25<sup>th</sup> Annual General Meeting to be held in the year 2028.

#### Audit report

During the year, there are no qualifications, reservations and adverse remarks in the Statutory Auditors' Report that require any explanation from the Board of Directors. The Statutory Auditors have expressed an unmodified opinion in the audit reports in respect of the Audited standalone and consolidated Financial Statements for the financial year ended March 31, 2024.

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

### B. Secretarial Audit

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Nagendra D Rao, Practising Company Secretary (CP NO:7731, FCS: 5553) to undertake the secretarial audit of the Company for the financial year 2023-24.

The Secretarial Audit Report issued by Mr. Nagendra D Rao is annexed as **Annexure-III** to this Report. The Report does not contain any qualification, reservation or adverse remark.

#### Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable to the Company.

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

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

## RELATED PARTY TRANSACTIONS

All related party transactions, that were entered into during the financial year were on an arm's length basis and were

with the Wholly Owned Subsidiaries. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the SEBI Listing Regulations.

The Company presents a statement of all related party transactions before the Audit Committee. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions are placed before the Audit Committee.

Further, there are no materially significant related party transactions during the year under review made by the Company with promoters, Directors, Key Managerial Personnel or designated persons that may have a potential conflict of interest with the Company at large. Details of transactions with Related Parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-V** in Form AOC-2.

The Company's Policy for dealing with Related Party Transaction is available at the Company's website at the following link <https://www.gokaldasexports.com/wp-content/uploads/2022/09/Related-Party-Transactions-Policy.pdf>

## PARTICULARS OF LOAN, GUARANTEES AND INVESTMENT

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

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

The Company has in place a policy on prevention, prohibition and Redressal of Sexual Harassment and Non-discrimination at the workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual temporary, trainees) are covered under this policy. An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment and discrimination in the workplace.

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

## INTERNAL CONTROL SYSTEMS

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



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

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

In line with this, the Board has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other senior employees of the Company. A copy of the policy is available on the Company's website at the following link <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Policy-On-Remuneration-Of-Directors-Key-Managerial-Personnel-Senior-Employees.pdf>

## DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy for addressing the requirements of risk identification, risk assessment, risk mitigation plans etc., of the Company. In terms of Regulation 21 of the SEBI Listing Regulations, the Board of Directors have formulated a policy on Risk Management which can be accessed from the Website of the Company at following link <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Policy-on-Risk-Management.pdf>

## PARTICULARS OF EMPLOYEES

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

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Policy in line with the requirement of the Companies Act, 2013, as formulated by the Corporate Social Responsibility Committee and approved by the Board

of Directors is available on the Company's website at the following link <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Corporate-Social-Responsibility-Policy.pdf>

The Company has been carrying out its CSR activities through "Gokaldas Exports Charitable Foundation" (the "Foundation"). The Company contributes the amount required to be spent by the Company every year to the Foundation and the Foundation would identify and implement the projects as per the Corporate Social Responsibility Policy of the Company.

The details of the CSR activities undertaken by the Company through the Foundation during the year are set out in Annual Report on Corporate Social Responsibility (CSR) as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, which is annexed as **Annexure-VII**.

## VIGIL MECHANISM/WHISTLE-BLOWER POLICY

The Company has a Vigil mechanism and has established a Whistle Blower Policy, as per the requirement of the Companies Act, 2013 and the SEBI Listing Regulations, to enable all employees and Directors to report in good faith any violation of the policy. The Audit Committee of the Board oversees the functioning of Whistle Blower Policy. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at the following link <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Whistle-Blower-Policy.pdf>.

## OTHER DISCLOSURES

- The Company has complied with the applicable Secretarial Standards relating to 'Meeting of the Board of Directors' and 'General Meetings' during the year.
- There are no significant material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.
- There are no proceedings initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year.

## ACKNOWLEDGEMENTS AND APPRECIATION

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

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**

Sd/-

**Mathew Cyriac**  
Chairman  
DIN: 01903606

**Place:** Mumbai  
**Date:** August 07, 2024

# Annexure I to the Board's Report

## FORM AOC - I

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014  
Statement containing salient features of the Financial Statement of Subsidiaries/Associates Companies/Joint Ventures

### Part A - Subsidiaries

Name of the subsidiary company	Date since when subsidiary was acquired/formed	Reporting period for the subsidiary concerned, if different from holding Company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	% of Shareholding
All Colour Garments Pvt. Ltd.	June 1, 2004	March 31, 2024	INR	2.0	366.25	369.35	1.10	NIL	NIL	(0.92)	NIL	(0.92)	100%
SNS Clothing Pvt. Ltd.	August 9, 2004	March 31, 2024	INR	2.0	1,381.79	2,064.60	680.81	0.02	763.56	(172.23)	(93.14)	(79.09)	100%
Vignesh Apparels Pvt. Ltd.	April 15, 2004	March 31, 2024	INR	2.0	93.46	96.06	0.60	NIL	NIL	(0.71)	NIL	(0.71)	100%
Gokaldasexports Acharpura Pvt. Ltd.	August 28, 2021	March 31, 2024	INR	1.0	(1,073.50)	10,038.74	11,111.24	NIL	2,318.83	(1,289.37)	(221.31)	(1,068.06)	100%
Sri Susamyuta Knits Pvt. Ltd.	January 14, 2022	March 31, 2024	INR	1.0	(1.50)	14,813.04	14,813.54	NIL	NIL	(0.50)	NIL	(0.50)	100%
Gokaldas Exports FZCO	January 10, 2022	March 31, 2024	AED ₹ 22.69/AED	85.10	(1,362.48)	35,020.65	36,297.95	33,302.45	NIL	(1,321.27)	NIL	(1,321.27)	100%
Gokaldas Exports Corporation	April 14, 2023	March 31, 2024	USD	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	100%
Nava Apparels L.L.C-FZ	May 01, 2023	March 31, 2024	AED ₹ 22.69/AED	111.85	(259.19)	12,622.92	12,770.42	3,977.00	NIL	(255.96)	NIL	(255.96)	100%
Matrix Design & Industries Private Limited	March 13, 2024	March 31, 2024	INR	1.00	(3,689.89)	22,811.54	26,500.45	NIL	1,283.00	(28.10)	(163.33)	135.23	100%
Ashton Mombasa Apparel EPZ Limited	January 03, 2024	March 31, 2024	Kenyan Shilling (Ksh) ₹ 0.64/Ksh	2,644.90	(1,754.50)	15,580.63	14,690.23	NIL	4,668.30	(1,256.64)	NIL	(1,256.64)	100%*
Ashton Apparel Manufacturing PLC	January 03, 2024	March 31, 2024	Ethiopian Birr (ETB) ₹ 1.46/ETB	1,229.00	(1,332.40)	686.08	789.48	NIL	831.04	(76.48)	NIL	(76.48)	100%*



Part A - Subsidiaries (Contd.)

Name of the subsidiary company	Date since when subsidiary was acquired/formed	Reporting period for the subsidiary concerned, if different from holding Company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	% of Shareholding
Anibros S.A., Panama (operating as a branch in the name of Atraco Industrial Enterprises in Dubai)	January 03, 2024	March 31, 2024	AED ₹ 22.69/AED	748.00	13,274.08	32,323.08	18,216.00	NIL	20,016.60	1,477.51	NIL	1,477.51	100%^
	January 03, 2024	March 31, 2024	AED ₹ 22.69/AED	68.00	37.76	371.23	265.47	NIL	43.00	(42.00)	NIL	(42.00)	100%^

\*Wholly Owned Subsidiary of Nava Apparels L.L.C-FZ

^Wholly Owned Subsidiary of Gokaldas Exports FZCO

Note:

- Names of Subsidiaries which are yet to commence operations: Not applicable.
- Names of subsidiaries which have been liquidated or sold during the year: Not applicable.
- None of the Subsidiaries have proposed any dividend.
- Part B of the Annexure is not applicable as there are no Associate Companies/Joint ventures of the Company as on March 31, 2024.

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**

Sd/-  
**Mathew Cyriac**  
Chairman  
DIN: 01903606

**Place:** Mumbai  
**Date:** August 07, 2024

# Annexure II to the Board's Report

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

Sr. No.	Description	ESOP Scheme-2010	RSU-2018 Plan	ESOP 2022
I	(i) Description of each ESOS during the year including			
	a) Date of shareholders' approval	September 17, 2010	August 26, 2018	April 03, 2022
	b) Total No. of Options available under Scheme	17,18,800	21,33,040	45,00,000 (increased from 30,00,000 Options vide special resolution passed by the shareholders on February 29, 2024)
	c) Exercise price or pricing formula	The exercise price for the purposes of the grant of options as decided by the ESOP Compensation Committee is ₹ 32.25, ₹ 60.95, ₹ 80.20, ₹ 72.55, ₹ 85.96 and ₹ 315.44 the price being not less than the Par value of the equity share of the Company and not more than the market price as on May 20, 2013, February 01, 2014, August 13, 2014, May 30, 2016, October 03, 2017 and May 25, 2023 respectively being relevant date subject to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.	The exercise price for the purposes of the grant of options under the RSU Scheme is the face value of the equity share of ₹ 5 per share.	The exercise price for the purposes of the grant of options as decided by the Nomination and Remuneration Committee and the Board of Directors is ₹ 302.20, the price being not less than the Par value of the equity share of the Company and not more than the market price as on April 13, 2022, being relevant date subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
	d) Source of shares (primary, secondary or combination)	Not Applicable	Not Applicable	Not Applicable
	e) Variation in terms of options	Nil	Nil	Nil
	(i) Method used to account for ESOS	Fair valuation by using Black Scholes Merton Model	Fair valuation by using Black Scholes Merton Model	Fair valuation by using Black Scholes Merton Model
	(ii) a. Difference between the employee compensation cost so computed and the employee Compensation Cost that shall have been recognized if it had used the fair value of options	Not applicable	Not applicable	Not applicable
	b. The impact of the difference on profits and on EPS of the Company			
	(iii) Option movement during the year (For each ESOS):			
	Number of options outstanding at the beginning of the period	20,000	1,33,500	28,90,500
	No. of Options Granted during the year FY 2023-24	2,04,000	Nil	Nil
	Number of options forfeited/ lapsed during the year FY 2023-24	Nil	Nil	65,250



Sr. No.	Description	ESOP Scheme-2010	RSU-2018 Plan	ESOP 2022
	Number of Options vested during the year FY 2023-24	Nil	50,000	Nil
	Number of Options Exercised during the year FY 2023-24	Nil	73,500	Not applicable
	Number of shares arising as a result of exercise of option	Nil	73,500	Not applicable
	Money Realized by exercise of options (INR), if scheme is implemented directly by the company	Nil	3,67,500	Not applicable
	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable	Not Applicable
	Number of options outstanding at the end of the year i.e. March 31, 2024	2,24,000	60,000	28,25,250
	Number of options exercisable at the end of the year i.e. March 31, 2024	20,000	60,000	Nil
(iv)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not applicable	The weighted average share price at the date of exercise of the options during the period is ₹ 409.74	Not Applicable
(v)	Employee wise details of options granted during the year to -	Details as under:	Details as under:	Details as under:
a)	Senior Managerial Personnel	Yes Mr. Gourish Hegde - Company Secretary	Yes	Yes
b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	NIL	NIL	NIL
c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	Mr. Sivaramakrishnan Ganapathi – Vice Chairman and Managing Director	Mr. Sivaramakrishnan Ganapathi – Vice Chairman and Managing Director

Sr. No.	Description	ESOP Scheme-2010	RSU-2018 Plan	ESOP 2022
	(vii) A description of the method and significant assumptions used during the year to estimate the fair values of options, in-cluding the following in-formation:	Fair Value Method of accounting	Fair Value Method of accounting	Fair Value Method of accounting
	a) The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Not applicable	Not applicable	Not applicable
	b) The method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable	Not applicable	Not applicable
	c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Not applicable	Not applicable	Not applicable
	d) Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Not applicable	Not applicable	Not applicable
II	<b>Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.</b>	Reference to notes to accounts No.42 of the standalone financials	Reference to notes to accounts No.42 of the standalone financials	Reference to notes to accounts No.42 of the standalone financials
III	<b>Diluted Earnings Per Share pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share"</b>	Reference to notes to accounts No.34 of the standalone financials	Reference to notes to accounts No.34 of the standalone financials	Reference to notes to accounts No.34 of the standalone financials

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**

**Place:** Mumbai  
**Date:** August 07, 2024

Sd/-  
**Mathew Cyriac**  
Chairman  
DIN: 01903606



# Annexure III to the Board's Report

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

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

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

**Place:** Bengaluru  
**Date:** May 26, 2024.

**Nagendra D. Rao**  
Practising Company Secretary  
Membership No. FCS: 5553  
Certificate of Practice: 7731  
Peer Reviewed Unit  
Peer Review Certificate No.: 672/2020  
UDIN: F005553F000451262

**FORM NO. MR-3****Secretarial Audit Report**

For the financial year ended March 31, 2024

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

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

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

Based on my verification of the Gokaldas Exports Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Gokaldas Exports Limited ("the Company") for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [Provisions of External Commercial Borrowings are not applicable];
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [Not applicable as the Company has not issued any debt securities during the financial year under review];
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 [Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review]; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review];
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.



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

- a) Factories Act, 1948;
- b) Industries (Development and Regulation) Act, 1951;
- c) Competition Act, 2002;
- d) Consumer Protection Act, 2019;
- e) Foreign Trade (Development & Regulation) Act, 1992;
- f) The Customs Act, 1962; and
- g) Environmental Protection Act, 1986.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

#### I further report that

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

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

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

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

1. Company has incorporated 'Gokaldas Exports Corporation' in Delaware State, U.S.A and 'Nava Apparels L.L.C-FZ' in Dubai, UAE on April 14, 2023 and May 01, 2023 respectively.
2. The Company has allotted 63,500 and 10,000 equity shares under Gokaldas Exports Employee Restricted Stock Unit Plan, 2018.
3. The Company has acquired following entities through it's wholly owned subsidiaries Gokaldas Exports FZCO, Dubai ("GEF") and Nava Apparels L.L.C-FZ, Dubai ("Nava"):
  - i. 100% shares of Amibros S.A. from Solaris – II Investments Group Limited (through GEF); and
  - ii. 100% shares of Atraco Logistics Co LLC (through GEF);
  - iii. Coast Apparel EPZ Limited, Ashton Apparel EPZ Limited and Mombasa Apparel EPZ Limited (through Nava).
4. The Company has allotted of 27,31,366 fully paid-up equity shares of the Company having face value of ₹ 5.00 (Indian Rupee Five Only) each at a price of ₹ 906.14 (Indian Rupees Nine Hundred Six and Fourteen Paise) per equity share (including a premium of ₹ 901.14) (Indian Rupees Nine Hundred One and Fourteen Paise) per equity share to Matrix Clothing Private Limited ("MCPL"), on a preferential basis for consideration other than cash, to discharge a portion of the consideration payable by the Company for acquiring 100% of the equity share capital of Matrix Design & Industries Private Limited from MCPL.
5. The Company has invested in renewable Captive Generating Plant by subscription 26% valued at approximately ₹ 315 lakhs (Indian Rupees Three hundred and Fifteen Lakhs) to equity shares in the Special Purpose vehicle, M/s Clean Max Celeste Private Limited.

I further report that during the audit period the Company has, in compliance with the Act, passed the following Special Resolutions at their Annual General Meeting and at their Extraordinary General Meeting held on September 20, 2023 and on February 29, 2024 respectively:

- a) Re-appointed Mr. Sivaramakrishnan Ganapathi (DIN: 07954560) as Vice Chairman & Managing Director of the Company.

- b) Further issued equity shares on preferential basis up to 27,31,366 (Twenty Seven Lakhs Thirty One Thousand Three Hundred and Sixty Six) equity shares of ₹ 5/- (Indian Rupees Five) each at a price of ₹ 906.14 (Indian Rupees Nine Hundred Six and Fourteen Paise) per equity share (at a premium of ₹ 901.14 (Indian Rupees Nine Hundred One and Fourteen Paise) per equity share.
- c) Approved raising of funds in one or more tranches, by issuance of equity shares by way of Qualified Institutions Placement ("QIP") to Qualified Institutional Buyers ("QIBs").
- d) Approved the amendment in 'GEL Employee Stock Option Plan 2022.

**Place:** Bengaluru  
**Date:** May 26, 2024.

**Nagendra D. Rao**  
Practising Company Secretary  
Membership No. FCS: 5553  
Certificate of Practice: 7731  
Peer Reviewed Unit  
Peer Review Certificate No.: 672/2020  
UDIN: F005553F000451262



# Annexure IV to the Board's Report

Information as per Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, and forming part of the Board's Report for the financial year ended on March 31, 2024.

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

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

### A. Conservation of energy

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

#### (i) Steps taken or impact on conservation of energy

- a. Installed G2 Ozone machines which utilize atmospheric air to reproduce ozone gas conditions to give garments a natural look. This technology significantly reduces water and energy usage while eliminating the need for polluting processes such as bleaching and permanganate usage.
- b. Installed E-Flow machines which utilize nanobubbles of air to transmit chemicals into garments with minimal water and zero discharge. This innovative process eliminates the need for large amounts of hot water and steam typically required in wet processes, resulting in significant energy savings. e-Flow can reduce energy consumption by 15-25% compared to conventional garment finishing methods.
- c. Pad printing machines that have been installed achieve energy efficiency with eco-friendly tech and optimized processes. Low-temperature curing inks reduce drying energy, alongside machines featuring auto shut-off and energy-saving modes. Process optimization cuts energy waste by enhancing ink application and drying times. These steps enhance sustainability in pad printing operations.
- d. Installed new screen printing's energy-efficient design to minimize environmental impact in print operations. Its precise ink application reduces overspray and waste, enhancing energy savings. Automated systems and easy maintenance streamline upkeep, boosting productivity and ensuring high-quality, uninterrupted output while optimizing energy use.
- e. Replaced 50% of reciprocating compressors with high-efficiency screw air compressors. These new compressors consume less energy and require minimal maintenance, leading to improved efficiency and reduced operational costs.

- f. Implemented machines that simplify tasks and reduce dependence on excessive machinery. These machines help minimize the need for specialized skills and streamline operations.
- g. Upgraded old boilers, which had an efficiency of 55%, to a new high-efficiency model with 80% efficiency, resulting in significant energy savings and improved performance.

#### (ii) Steps taken by the Company for utilizing alternate sources of energy

The Company has in place a rooftop solar system in one of its units. In its pursuit to actively transition towards renewable energy, aligning with its sustainability goals, the board of the Company in October 2023 approved for Energy Supply Agreement (ESA) with Clean Max Celeste Private Limited a Special Purpose Vehicle (SPV), for developing a captive power generation facility with 7.5 mw solar plant in the state of Karnataka. In this regard, the Company has made an equity investment of an amount up to ₹ 314.74 lakhs during the year for the long-term consumption of renewable power.

#### (iii) Capital investment on energy conservation equipments

- During the FY 2023-24, the Company has invested approximately ₹ 40.56 Crore on the energy conservation equipments.

### B. Technology absorption, adaptations and innovation

#### (i) Efforts made towards technology absorption

- a. The Company has adopted advanced technologies to enhance sustainability across its operations: Installed G2 Ozone and E-Flow machines utilize atmospheric air and nanobubbles to minimize water, energy usage, and eliminate polluting processes. Pad printing and screen-printing machines optimize energy efficiency with low-temperature curing inks, automatic shut-off features, and streamlined processes that reduce waste and enhance productivity.
- b. In line with the previous years, the Company has continued to implement an automated hanger system to boost line efficiency, cut handling time, and optimize needle time. This automated setup streamlines operations, enhancing productivity while minimizing operational delays.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution**

- a. The investment in machines like E-flow, G2 Ozone, pad printing and screen-printing underscore the Company's commitment to reducing environmental impact while improving operational efficiency in garment finishing and printing processes.
- b. The Automated hanger system enhances line efficiency by reducing handling and needle times. This computerized setup streamlines operations, cuts manual labor, boosts productivity, and reduces operational delays. Overall, it optimizes workflow for a more efficient and streamlined manufacturing process.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

- a. The details of technology imported: Automated hanger system, E-Flow machine, Ozone Generator machine,

Wider width pattern sewing machines, Multiheaded embroidery machine, EPA slew-placket fusing machine, and Screen-Printing machine.

- b. The year of import: 2023-24.
- c. Whether the technology been fully absorbed: fully observed.
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and the expenditure incurred on R&D: Not applicable.

**C. Foreign exchange earnings and outgo**

Foreign Exchange earned: ₹ 1,76,990.74 lakhs

Foreign Exchange outgo: ₹ 28,960.44 lakhs

For and on behalf of the Board of Directors  
of **Gokaldas Exports Limited**

**Place:** Mumbai  
**Date:** August 07, 2024

Sd/-  
**Mathew Cyriac**  
Chairman  
DIN:01903606

# Annexure V to the Board's Report

## FORM NO. AOC – 2

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

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

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

Gokaldas Exports Limited has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during the financial year 2023-24. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

- (a) **Name(s) of the related party and nature of relationship:** Not applicable
- (b) **Nature of contracts/arrangements/transactions:** Not applicable
- (c) **Duration of the contracts/arrangements/transactions:** Not applicable
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Not applicable
- (e) **Justification for entering into such contracts or arrangements or transactions:** Not applicable

- (f) **Date(s) of approval by the Board:** Not applicable
- (g) **Amount paid as advances, if any:** Not applicable
- (h) **Date on which the special resolution was passed in general meeting as required under first proviso to Section 188:** Not applicable

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

- (a) **Name(s) of the related party and nature of relationship:** Not applicable
- (b) **Nature of contracts/arrangements/transactions:** Not applicable
- (c) **Duration of the contracts/arrangements/transactions:** Not applicable
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Not applicable
- (e) **Date(s) of approval by the Board, if any:** Not applicable
- (f) **Amount paid as advances, if any:** Not applicable

\*Except with the Wholly Owned Subsidiaries, the Company has not entered into any related party transactions during the year. For more details, refer note no. 40 of standalone financial statements.

For and on behalf of the Board of Directors  
of **Gokaldas Exports Limited**

**Place:** Mumbai  
**Date:** August 07, 2024

Sd/-  
**Mathew Cyriac**  
Chairman  
DIN:01903606



# Annexure VI to the Board's Report

## PARTICULARS OF EMPLOYEES

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

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

Sr. No	Name	Designation	Ratio/times per Median of employee remuneration*
1	Mr. Sivaramakrishnan Ganapathi	Vice Chairman & Managing Director	105.98
2	Mr. Prabhat Kumar Singh	Whole-Time Director	24.91
3	Mr. Sundararajan Poorana Seenivasan	Executive Director	43.49

\*Excludes variable pay, increment linked to performance, ESOP and perquisite value

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

Mr. Sivaramakrishnan Ganapathi – Vice Chairman & Managing Director: -9.7%

Mr. Prabhat Kumar Singh – Whole-Time Director: 28.9%

Mr. Sundararajan Poorana Seenivasan – Executive Director: 10%

Mr. Sathyamurthy. A, Chief Financial Officer: 12.38%

Mr. Gourish Hegde, Company Secretary: 21%

3. The percentage increase in the median remuneration of employees in the Financial Year: 5.50%

4. The number of permanent employees on the rolls of Company as of March 31, 2024: 33,550

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

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

6. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors  
of **Gokaldas Exports Limited**

Place: Mumbai  
Date: August 07, 2024

Sd/-  
**Mathew Cyriac**  
Chairman  
DIN:01903606

# Annexure VII to the Board's Report

## ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

### 1. Brief outline on CSR Policy of the Company:

Gokaldas Exports Limited believes that in the strategic context of business, beyond financial goals, there is a need to actively contribute to the Social, Economic and Environmental Development of the Community in which we operate, as well as ensuring participation from the community and thereby create value for the society at large.

### 2. Composition of CSR Committee:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The Committee comprises as follows, as at the end of FY2024.

Name of Directors	Designation	No. of CSR Committee Meetings held during the year	Number of meetings of CSR Committee attended during the year
Mr. Sivaramakrishnan Ganapathi	Vice Chairman & Managing Director	2	2
Mr. Mathew Cyriac	Non-Executive Director	2	2
Ms. Rama Bijapurkar	Independent Director	2	2

### 3. Web-link for accessing the Composition of CSR committee, CSR Policy and CSR projects approved by the Board and disclosed on the website of the Company:

- CSR Committee: <https://www.gokaldasexports.com/investor-and-shareholder-relations/>
- CSR Policy: <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Corporate-Social-Responsibility-Policy.pdf>
- CSR projects approved by the Board: <https://www.gokaldasexports.com/investor-and-shareholder-relations/>

### 4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

### 5. (₹ in lakhs)

(a)	Average net profit of the company as per Section 135(5)	11,761.79
(b)	Two percent of average net profit of the Company as per Section 135(5)	235.24
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year, if any	Nil
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	235.24

### 6. (₹ in lakhs)

(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	235.24
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Nil
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]*	235.24

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

Total Amount spent for the Financial Year (in ₹ Lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
235.24	-	-		-	

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

Sr. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	235.24
(ii)	Total amount spent for the Financial Year	235.24
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

## 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Years	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in lakhs)	Balance Amount in Unspent CSR Account under section 135(6) (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any		Amount remaining to be spent in succeeding financial years (₹ in lakhs)	Deficiency, if any
					Amount (₹ in lakhs)	Date of transfer		
1	2022-23							
2	2021-22							
3	2020-21							
	Total							

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

Yes ☐ No ☒

## 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not applicable

For and on behalf of the Board of Directors  
of **Gokaldas Exports Limited**

Sd/-

**Sivaramakrishnan Ganapathi**

Vice Chairman &amp; Managing Director &amp;

Chairman of CSR Committee

DIN: 07954560

Place: Bengaluru

Date: August 07, 2024



# Corporate Governance Report

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to Corporate Governance and presents this Corporate Governance Report for the financial year 2023-24 based on the said disclosure requirements.

## BOARD MEETING DETAILS

Meetings of the Board were held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the financial year, 5 (Five) meetings were held on May 25, 2023, August 07, 2023, August 28, 2023, October 30, 2023 and February 01, 2024.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and also the number of Directorships held by them in other listed companies are given below:

Sr. No.	Name, Category and Designation of Directors	Board Meetings held	Board Meetings Attended	Attended Last AGM	No. of Directorships and Committee Memberships/Chairpersonship		Directorship in other Listed Companies
					No. of Directorships in other Companies <sup>(1)</sup>	No. of Committee Membership or Chairpersonship in other Companies <sup>(2)</sup>	
1	Mathew Cyriac Chairman, Non-Executive - Non-Independent Director	5	5	Yes	3	Committee - 4 Chairperson - 2	1. Data Patterns (India) Limited Non-Executive - Nominee Director  2. Ideaforge Technology Limited Non-Executive - Nominee Director

## BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is in conformity with the Companies Act, 2013 and SEBI Listing Regulations. The Board is headed by Mr. Mathew Cyriac, Non-Executive Chairman and is composed of eminent persons with considerable professional experience in diverse fields viz, manufacturing, marketing, finance, banking, legal, management and commercial administration and comprises of a majority of Non-Executive and Independent Directors. The Board is balanced, comprising of Executive and Non-Executive Directors. As on March 31, 2024, the Board consists of 8 members, 5 of whom are Non-Executive, out of which 4 are Independent Directors, including two women Independent Directors.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act and the Rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, all the Independent Directors of the Company fulfill the conditions as specified in SEBI Listing Regulations.

All the Independent Directors are independent of the Management and none of the Directors of the Company are related to each other and there are no inter-se relationships between the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and also the number of Directorships held by them in other listed companies are given below: (Contd.)

Sr. No.	Name, Category and Designation of Directors	Board Meetings held	Board Meetings Attended	Attended Last AGM	No. of Directorships and Committee Memberships/Chairpersonship		Directorship in other Listed Companies
					No. of Directorships in other Companies <sup>(1)</sup>	No. of Committee Membership or Chairpersonship in other Companies <sup>(2)</sup>	
2	Sivaramakrishnan Ganapathi Executive - Vice Chairman & Managing Director	5	5	Yes	NIL	NIL	NIL
3	George Varughese Non-Executive - Independent Director	5	5	Yes	NIL	NIL	NIL
4	Rama Bijapurkar Non-Executive - Independent Director	5	5	Yes	6	Committee - 6 Chairperson - 2	1. VST Industries Limited – Independent Director 2. Apollo Hospitals Enterprise Limited - Independent Director 3. Mahindra & Mahindra Financial Services Limited - Independent Director 4. Sun Pharmaceutical Industries Limited - Independent Director 5. Cummins India Limited - Independent Director 6. Sun Pharma Distributors Limited - Independent Director
5	Shivanandan Ashok Dalvie Non-Executive - Independent Director	5	5	Yes	NIL	NIL	NIL
6	Sundararajan Poorana Seenivasan Executive Director	5	5	Yes	NIL	NIL	NIL
7	Prabhat Kumar Singh Executive – Whole-Time Director	5	5	Yes	NIL	NIL	NIL
8	Pavitra Rajaram <sup>(3)</sup> Non-Executive - Independent Director	5	4	Yes	NIL	NIL	NIL

<sup>(1)</sup>Excludes private/foreign/non-profit companies with charitable objects/high value debt listed companies.

<sup>(2)</sup>Only Audit and Stakeholders' Relationship Committees are considered.

<sup>(3)</sup>Appointed as Independent Director of the Company with effect from April 26, 2023.

## Remuneration paid/payable to Executive Directors for the financial year 2023-24

(₹ in lakhs)

Name	Fixed Salary	Variable pay	Total	Term	Notice period
Sivaramakrishnan Ganapathi	292.50	576.66	869.16	5 years	3 months
Prabhat Kumar Singh	68.75	15.00	83.75	3 years	3 months
Sundararajan Poorana Seenivasan	120.04	100.00	220.04	3 years	3 months

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

## Remuneration to Non-Executive Directors

(₹ in lakhs)

Sr. No.	Name	Category	Sitting fees
1	Mathew Cyriac	Non-Executive - Non-Independent Director	15.20
2	George Varughese	Non-Executive - Independent Director	12.80
3	Rama Bijapurkar	Non-Executive - Independent Director	9.60
4	Shivanandan Ashok Dalvie	Non-Executive - Independent Director	8.80
5	Pavitra Rajaram	Non-Executive - Independent Director	3.20
<b>Total</b>			<b>49.60</b>

Other than sitting fees and reimbursement of expenses incurred for the purpose of attending meetings of the Board/Committee, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company. None of the Non-Executive Directors hold any shares in the Company.

## Particulars of Senior Management

As on March 31, 2024, following are the Senior Management personnel of the Company:

Sr. No.	Name	Category
1.	Bhargava Huchurao	Chief Operating Officer
2.	Sathyamurthy. A	Chief Financial Officer
3.	Tushar Kanti Panigrahi	Senior Vice President - Finance
4.	Moideen K E I	Vice President - HR
5.	Gourish Hegde	Company Secretary

## Key Board qualifications, expertise and attributes

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

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

### Definitions of director qualifications

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



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

Directors	Areas of Skills/Expertise/Competence									
	Executive & International Leadership	Financial Acumen	Strategy	Governance and Board	Work, Health, Safety and sustainability	Textile Industry/ Manufacturing Sector	Remuneration & Selection of Board Members	Learning & Development	Regulatory and Public Policy	Global Experiences
Mathew Cyriac	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sivaramakrishnan Ganapathi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
George Varughese	✓	✓	✓	✓	✓	-	✓	✓	✓	✓
Rama Bijapurkar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shivanandan Ashok Dalvie	✓	✓	✓	✓	✓	-	✓	✓	✓	✓
Prabhat Kumar Singh	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
Sundararajan Poorana Seenivasan	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
Pavitra Rajaram	-	✓	✓	✓	✓	✓	-	✓	-	✓

### Selection of new directors

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

### Certificate from Practising Company Secretary:

The Company has obtained a certificate from Mr. Nagendra D. Rao, Practising Company Secretary (Membership No. FCS 5553, CP No. 7731), Bangalore, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed to this report.

### FAMILIARISATION PROGRAMMES TO INDEPENDENT DIRECTORS

All new independent directors inducted into the Board attend an orientation program to familiarize with the strategy, operations, markets, organization structure, finance, human resources, technology, quality and risk management. Details of the Familiarization program is available on the following weblink on the website of the Company at <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Familiarisation-Program-For-Independent-Directors.pdf>

### CODE OF CONDUCT

In compliance with the Listing Regulations 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct on ethics ("the Code). The Code is applicable to members of the Board, the executive officers and all the employees of the Company and its subsidiaries. The Code is available on our website: <https://www.gokaldasexports.com/wp-content/uploads/2024/06/Code-of-Conduct.pdf>

The Certificate by the Vice Chairman & Managing Director of the Company regarding compliance with the Code of Conduct for Directors and Senior Management is given below:

#### Declaration on Code of Conduct

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

This is to confirm that the Company has received affirmation from the Directors and Senior Management personnel that they have complied with the Code of Conduct for Directors and Senior Management of the Company during the financial year 2023-24.

**Place:** Bengaluru  
**Date:** August 07, 2024

Sivaramakrishnan Ganapathi  
Vice Chairman & Managing Director

## COMMITTEES OF THE BOARD

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

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

### 1. Audit Committee

The Company has complied with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Audit Committee. During the financial year, the Audit Committee has met 5 (five) times on May 25, 2023, August 07, 2023, August 28, 2023, October 30, 2023 and February 01, 2024.

The composition of the Audit Committee and the attendance details of each Member of the Committee are as follows:

Committee Members	Category	No. of Meetings held	No. of Meetings attended
George Varughese	Chairperson	5	5
Mathew Cyriac	Member	5	5
Shivanandan Ashok Dalvie	Member	5	5

#### Terms of Reference of the Audit Committee

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

## 2. Nomination & Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted the Nomination and Remuneration Committee. During the year the Committee has met four (4) times on May 25, 2023, August 07, 2023, October 30, 2023 and February 01, 2024.

The composition of the Nomination and Remuneration Committee and the attendance details of each Member of the Committee are as follows:

Committee Members	Category	No. of Meetings held	No. of Meetings attended
Rama Bijapurkar	Chairperson	4	4
George Varughese	Member	4	4
Mathew Cyriac	Member	4	4

### Terms of Reference

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of their appointment and/or removal.
- To carry out evaluation of Directors' performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director(s) and Whole-Time Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time-to-time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties including carrying out any other functions within its terms of reference as outlined in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

### Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2023-24 by the Nomination and Remuneration Committee in respect of Board performance, the Directors individually as well as the evaluation of the working of Audit, Nomination and Remuneration, Stakeholders' Relationship, Risk Management and Corporate Social Responsibility Committees.

A structured questionnaire covering various aspects of the Board's functioning was circulated to the Directors. The criteria for evaluation of Independent Directors included attendance at the meetings, Interpersonal skills, independent judgement,

knowledge, contribution to strategy, risk management, compliance framework, etc. The Directors have expressed their satisfaction with the evaluation process.

## 3. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of the Company is formed in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. It consists of 3 members. Mr. Shivanandan Ashok Dalvie, Non-Executive Independent Director is the Chairperson of the Committee. During the year one (1) meeting of the Committee was held on March 13, 2024.

The role of the Committee inter-alia includes the following:

- Resolving the grievances of the Security holders of the listed entity including complaints related to transfer/transmission of Shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new/duplicate Share Certificates, General Meetings etc.
- Review of measures taken for effective exercise of voting rights by Shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed Dividends and ensuring timely receipt of Dividend warrants/annual reports/statutory notices by the Shareholders of the Company.

### Name and designation of Compliance Officer

Mr. Gourish Hegde

Company Secretary & Compliance Officer

The details of Members complaints received/redressed, during the period under review are as under:

Number of shareholders' complaints received during 2023-24	Number of complaints not solved to the satisfaction of Shareholders	Number of pending complaints
NIL	NIL	NIL



#### 4. Risk Management Committee

The Company has constituted the Risk Management Committee in line with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on April 29, 2022. During the year, two (2) meeting of the Risk Management Committee were held on August 07, 2023 and February 01, 2024. The Composition of the Committee as on March 31, 2024 and attendance details during the year are as under:

Name of the Members	Category	No. of Meetings held	No. of meetings attended
Mathew Cyriac	Chairperson	2	2
Sivaramakrishnan Ganapathi	Member	2	2
George Varughese	Member	2	2

##### Brief description of terms of reference

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

The role of the Committee are as below:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
  - (c) Business continuity plan;
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (7) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it is considered necessary.

#### 5. Corporate Social Responsibility Committee

As required under the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. During the year under review, 2 (two) meetings of the Committee were held on October 30, 2023 and February 01, 2024.

Composition of the Committee as on March 31, 2024 and attendance details are as under:

Committee Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Sivaramakrishnan Ganapathi	Chairperson	2	2
Mr. Mathew Cyriac	Member	2	2
Ms. Rama Bijapurkar	Member	2	2

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

## INDEPENDENT DIRECTORS MEETING

In accordance with the provisions of the Companies Act, 2013, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management. Directors on the Board to abide by the provisions specified in Schedule IV of the Companies Act, which defines Code for Independent Directors. During the year, separate meeting of the Independent Directors of the Company was held on March 20, 2024.

## RISK MANAGEMENT

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

## SUBSIDIARY COMPANIES' MONITORING FRAMEWORK

All the Company's subsidiaries are wholly owned subsidiaries with their Boards having rights and obligations to manage such Companies in the best interest of the stakeholders. The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent Director of the Company on the Board of any subsidiary.

The Audit Committee reviews the financial statements in particular investments made by unlisted subsidiary companies, Minutes of the Board meetings of unlisted subsidiary companies are placed and reviewed periodically by the Company's Board. A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board.

Pursuant to Regulation 16(1)(c) of the Listing Regulations, the Company has made a policy for determining 'material' subsidiary and the same is available at following weblink: <https://www.gokaldasexports.com/wp-content/uploads/2023/09/Policy-on-disclosure-of-material-events-and-Policy-for-determining-material-subsidiaries.pdf>

## OTHER DISCLOSURES

### Disclosures on materially significant related party transactions

There were no material related party transactions during the year under review. The related party transactions during the year ended March 31, 2024 have been listed in the notes to the accounts. However, these are not in conflict with the interests of the Company at large. There are no material individual transactions which are not in the normal course of business.

The Policy of the Company on Related Party Transaction (RPT) is available on our website <https://www.gokaldasexports.com/wp-content/uploads/2022/09/Related-Party-Transactions-Policy.pdf>

Disclosures regarding Web link of the Company Policy for determining material subsidiaries and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website <https://www.gokaldasexports.com/investor-and-shareholder-relations/>

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

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

### Vigil Mechanism and Whistle Blower Policy

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and no person has been denied access to the Audit Committee. The policy is available on the Company below link on the website: <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Whistle-Blower-Policy.pdf>

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

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

The Company has complied with all mandatory requirements of corporate governance norms as enumerated in chapter IV of the Listing Regulations. The requirements of regulation 17 to regulation 27 and Regulation 46 of the Listing Regulations have been complied with as disclosed in this report. The Company has also adopted the following discretionary requirements as specified in Part E of Schedule II in terms of regulation 27(1) of the Listing Regulations:

1. Separate post of Chairperson and Managing Director: The Company has separate persons to the post of Chairperson and Managing Director.
2. Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on Annual Financial Results of the Company for the Financial Year ended on March 31, 2024.
3. Reporting of Internal Auditor: The Internal Auditors reports to the Audit Committee.

In addition to the statutory requirements, the Audit Committee have a separate discussion/meeting with the Statutory Auditor on matters concerning the Audit without the presence

of Executive Management of the Company. Measures for improvements are discussed with the Executive Management.

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

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

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

The details are as follows:

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

### **Disclosure of commodity price risks and commodity hedging activities**

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

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

During the year the Company has allotted 27,31,366 (Twenty Seven Lakhs Thirty One Thousand Three Hundred and Sixty Six) equity shares of ₹ 5/- (Rupees Five) each at a price of ₹ 906.14 (Rupees Nine Hundred Six and Fourteen Paise) per equity share for an aggregate amount of ₹ 2,47,50,00,000 (Rupees Two Hundred and Forty Seven Crore and Fifty Lakhs) to Matrix Clothing Private Limited ("MCPL") for consideration other than cash, for acquiring 10,000 (Ten Thousand) equity shares of Matrix Design and Industries Private Limited ("MDIPL"), by way of a preferential issue on a private placement basis ("Preferential Issue"). Since the shares were issued for consideration other than cash, the Company has not received any funds under the issue.

Further, as on the date of this report, the Company raised funds by issue of 77,41,935 equity shares of ₹ 5/- each fully paid at the issue price of ₹ 775/- per equity share aggregating to ₹ 600 Crore to qualified institutional buyers on April 23, 2024, pursuant to Qualified Institutional Placement (QIP) document dated April 23, 2024. As on June 30, 2024, the Company has utilized ₹ 487.24 Crore in line with the objectives for which funds were raised, as per the placement document.

### **Details of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount**

Except its Wholly Owned Subsidiaries ("WOS"), the Company has not provided loans/advances to any firms/companies in which directors are interested by name and amount. Details of the loans provided to the WOS are provided in the Notes to financials.

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

There was no such instance during FY 2023-24 where the Board had not accepted any recommendation of any Committee of the Board.

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

Total fees for all services paid by the Company on a consolidated basis, to M/s. MSKA & Associates, Chartered Accountants, the statutory auditors of the Company as included in the consolidated financial statements of the Company for the year ended March 31, 2024, is as follows:

Particulars	Amount (in lakhs)
Fees for audit and related services paid to statutory auditors (including reimbursement of expenses)	67.78
To network entities of the Statutory Auditors	INR 30 lakhs USD 1.79 lakhs

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

There were no instances of Non-Compliance of any requirement of Corporate Governance report of sub-para (2) to (10) of Schedule V(c) of the Listing Regulations during the year.

### **Functional website as per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website, which can be accessed at [www.gokaldasexports.com](http://www.gokaldasexports.com). The website provides basic information such as details of business, Directors and Management, financial information, policies, shareholding pattern and such other details as required under the Listing Regulations.



## GENERAL MEETINGS

a) The details of last three Annual General Meetings (AGMs) of the Company are given below:

Financial Year	Day, Date & Time	Location
2020-21	Friday, September 17, 2021, 2.30 p.m.	Held through Video Conferencing/Other Audio Visual Means
2021-22	Thursday, September 29, 2022, 2.30 p.m.	Held through Video Conferencing/Other Audio Visual Means
2022-23	Wednesday, September 20, 2023, 4:00 p.m.	Held through Video Conferencing/Other Audio Visual Means

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

Date of AGM	Number of Special Resolutions	Details of Special Resolution passed
September 17, 2021	1	To approve raising of funds in one or more tranches, by issuance of equity shares and/or other eligible securities
September 29, 2022	NIL	NA
September 20, 2023	1	Re-appointment of Mr. Sivaramakrishnan Ganapathi (DIN: 07954560) as Vice Chairman & Managing Director of the Company

During the year, the Company had convened an Extraordinary General Meeting ('EGM') on February 29, 2024. The details of the resolutions passed at the EGM are as under:

Sr. No.	Resolution for	Votes cast in favour of the Resolution	Votes cast against the Resolution
1	To increase the authorised share capital of the Company and consequent amendment to Memorandum of Association of the Company	3,52,30,311 (99.90%)	34,301 (0.10%)
2	Further issue of equity shares on preferential basis	3,51,91,144 (99.79%)	73,471 (0.21%)
3	To approve raising of funds in one or more tranches, by issuance of equity shares and/or other eligible securities	3,50,12,889 (99.29%)	2,51,723 (0.71%)
4	Approval for amendment in 'GEL Employee Stock Option Plan 2022'	2,80,66,421 (79.59%)	71,97,937 (20.41%)

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

During the period under review, the Company has passed one (1) Special Resolution through Postal Ballot. Details of the same are as below:

Sr. No.	Resolution for	Votes cast in favour of the Resolution	Votes cast against the Resolution
1	Appointment of Ms. Pavitra Rajaram (DIN: 09322283) as an Independent Director of the Company	3,11,01,452 (99.9984%)	500 (0.0016%)

The Board of Directors had appointed Mr. Nagendra D. Rao, Practicing Company Secretary, Bengaluru as the Scrutinizer to conduct the Postal Ballot process. The postal ballot process was carried out as per the provisions of Sections 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Secretarial Standard-2 and Regulation 44 of SEBI (LODR) Regulations, 2015 and applicable circulars issued by the Ministry of Corporate Affairs from time-to-time.

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

## PREVENTION OF INSIDER TRADING

The Company has formulated an Insider Trading Policy in line with the SEBI (Prohibition of Insider Trading) (Amendment)

Regulations, 2018. This policy includes policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. The policy is available on the Company website at below weblink: <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf>

## CERTIFICATE ON CORPORATE GOVERNANCE

Certificate by Mr. Nagendra D. Rao, Practicing Company Secretary (Membership No. FCS: 5553, CP No.: 7731) confirming compliance with conditions of corporate governance as stipulated under Listing Regulations is enclosed to this report.

The Secretarial Auditor's certificate on the implementation of share-based schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be made available on request at the AGM, electronically.

## MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

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

## MEANS OF COMMUNICATION

The quarterly/half yearly/annual financial results are generally published in the Financial Express and Prajavani (Regional daily published in Bengaluru) and are notified to the Stock Exchanges as required under the SEBI Listing Regulations.

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

## GENERAL SHAREHOLDER INFORMATION

<b>Annual General Meeting</b>	September 19, 2024 at 4.00 p.m. IST through VC/Other Audio Visual Means	
<b>Financial Year</b>	April 01, 2023 to March 31, 2024	
<b>Date of Book Closure</b>	Friday, September 13, 2024 to Thursday, September 19, 2024 (both days inclusive)	
<b>Financial Results Calendar (Tentative)</b>	Unaudited Results for the quarter ended June 30, 2024 – August 07, 2024	
	Unaudited Results for the quarter and half year ended September 30, 2024 - First week of November 2024	
	Unaudited Results for the quarter and nine months ended December 31, 2024 - First week of February 2025	
	Audited Results for the year ended March 31, 2025 - Last week of May 2025	
<b>Listing on Stock Exchanges</b>	National Stock Exchange of India Limited The Exchange Plaza Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. (Scrip Code – GOKEX)	BSE Limited Phiroze Jeejeebhoy Towers 25 <sup>th</sup> Floor, Dalal Street, Mumbai – 400 001. (Scrip Code – 532630)
<b>International Securities Identification Number (ISIN)</b>	INE887G01027	
<b>Corporate Identification Number (CIN)</b>	L18101KA2004PLC033475	

### Listing Fee

The Company has paid annual listing fees, as prescribed, to the National Stock Exchange of India Limited and BSE Limited, Mumbai for the Financial Year 2023-24.

### Registrar & Share Transfer Agents

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

#### KFin Technologies Limited

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

### Share Transfer System

Effective from April 01, 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. The shareholders who continue to hold shares in physical form after this date, will not be able to lodge the shares with Company/its RTA for further transfer. Shareholders shall mandatorily convert them to demat form if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the Company/RTA. Shareholders whose shares are held in physical mode may consider to dematerialize the same.

### Dematerialization of Shares and Liquidity

The Company's shares are tradable in the electronic form only. The shares of the Company are in dematerialized mode with National Securities Depository Limited and Central Depository Services (India) Limited. As on the date of this report, 99.99% of the Company's shares are held in dematerialised form. The Company's shares are regularly traded on BSE and NSE under the ISIN INE887G01027.

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

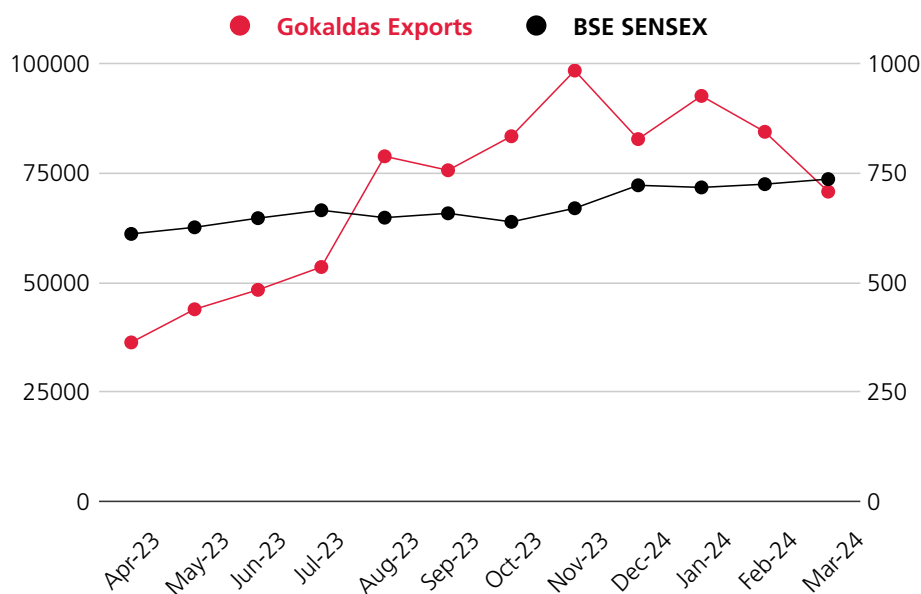
Sr. No.	Particulars	No. of shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	12	360
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL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

## Stock Price Data (Monthly High and Low)

Month	BSE			NSE		
	High	Low	No. of shares traded	High	Low	No. of shares traded
Apr-23	369.90	351.05	3,93,168	369.00	351.00	37,12,194
May-23	444.05	362.05	3,77,646	445.00	365.25	60,78,956
Jun-23	519.00	432.55	6,55,747	519.25	432.25	84,85,031
Jul-23	558.05	480.90	5,18,834	558.95	480.00	52,07,945
Aug-23	883.55	480.05	25,48,516	882.40	482.05	2,38,38,430
Sep-23	834.95	729.25	7,02,010	835.00	724.00	70,61,297
Oct-23	989.15	747.00	10,29,684	989.00	746.05	1,20,24,145
Nov-23	1,002.55	771.20	5,07,310	1,002.20	771.00	82,34,554
Dec-23	1,022.00	813.70	8,20,516	1,022.95	813.00	59,01,058
Jan-24	955.00	806.05	4,59,008	956.00	807.00	63,63,409
Feb-24	985.00	823.85	3,16,909	987.00	823.40	73,36,058
Mar-24	858.1	690.00	7,33,469	858.35	686.70	74,99,999

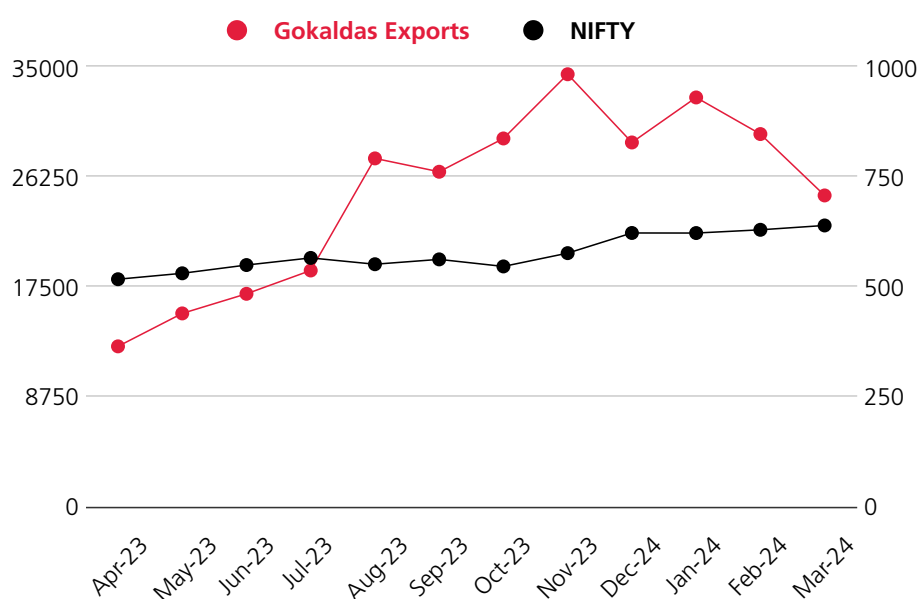
## Stock Price Performance

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



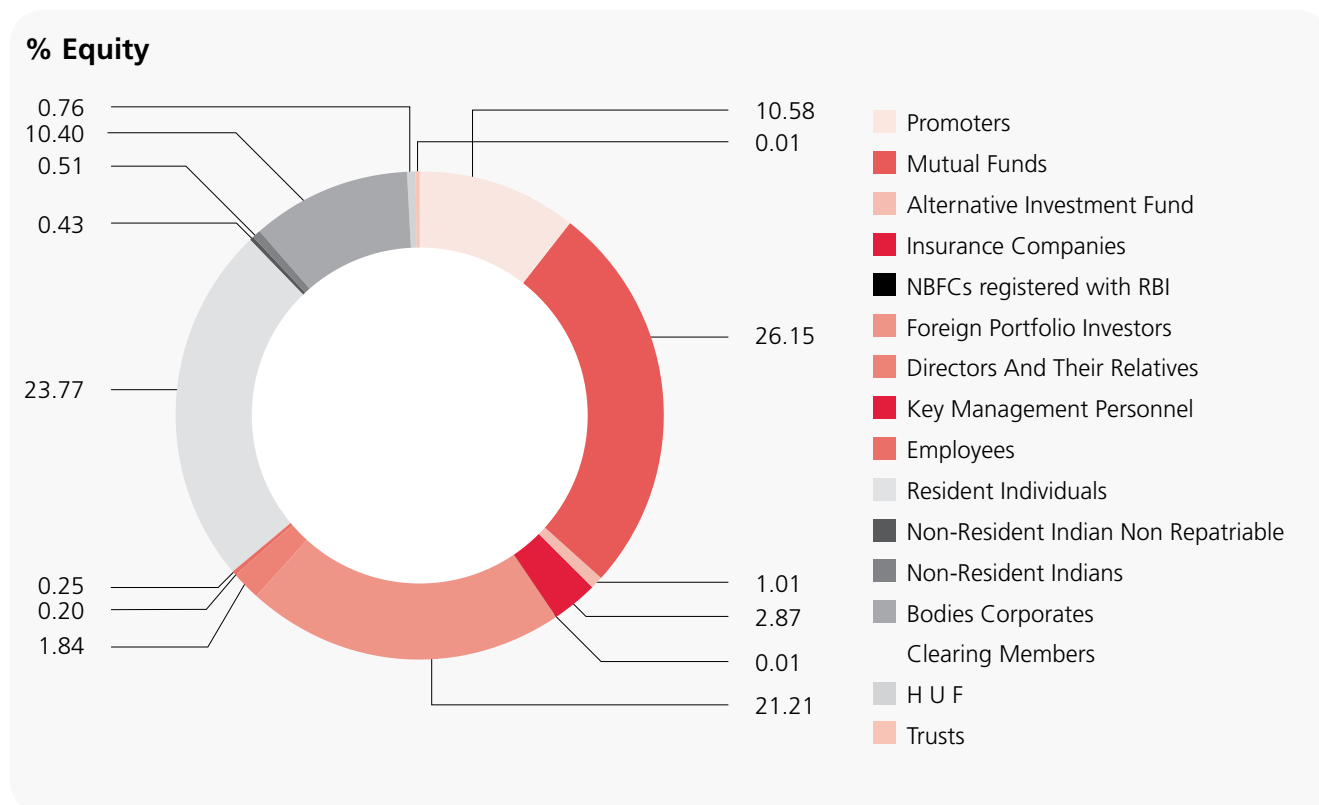


NSE – NIFTY 50 V/s Gokaldas Exports Share Price (Monthly Closing)



### Shareholding Pattern as on March 31, 2024

Category	No. of shareholders	Shares held	%
Promoters	2	67,05,348	10.58
Mutual Funds	11	1,65,77,767	26.15
Alternative Investment Fund	7	6,42,791	1.01
Insurance Companies	2	18,17,578	2.87
NBFCs registered with RBI	1	4,904	0.01
Foreign Portfolio Investors	104	1,34,44,737	21.21
Directors And Their Relatives	2	11,64,174	1.84
Key Management Personnel	1	1,25,000	0.20
Employees	24	1,57,261	0.25
Resident Individuals	63,737	1,50,63,778	23.77
Non-Resident Indian Non Repatriable	724	2,71,437	0.43
Non-Resident Indians	920	3,22,412	0.51
Bodies Corporates	632	65,94,674	10.40
Clearing Members	6	1,773	0.00
HUF	881	4,80,601	0.76
Trusts	6	8,625	0.01
<b>Total</b>	<b>67,060</b>	<b>6,33,82,860</b>	<b>100</b>



### Top Ten shareholders of the Company as on March 31, 2024

Sr. No.	Name of the shareholders	Shares	%
1	Clear Wealth Consultancy Services LLP	64,55,957	10.19
2	SBI Magnum Midcap Fund	59,59,930	9.40
3	Nippon Life India Trustee Ltd - A/C Nippon India SMA	41,03,779	6.47
4	Goldman Sachs Funds - Goldman Sachs India Equity P	33,12,165	5.23
5	HSBC Tax Saver Equity Fund	27,90,400	4.40
6	Matrix Clothing Private Limited	27,31,366	4.31
7	Siddhant Commercials Private Limited	19,69,702	3.11
8	Abu Dhabi Investment Authority-Monsoon	17,58,935	2.78
9	Aditya Birla Sun Life Trustee Private Limited A/C	15,93,947	2.51
10	Tata Mutual Fund - Tata Small Cap Fund	15,03,967	2.37

### Distribution of Shareholdings as on March 31, 2024

Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1 - 5000	66,637	99.37	73,81,875	11.65
5001 - 10000	183	0.27	13,20,079	2.08
10001 - 20000	90	0.13	12,66,916	2.00
20001 - 30000	34	0.05	8,52,590	1.35
30001 - 40000	17	0.03	6,03,516	0.95
40001 - 50000	16	0.02	7,48,233	1.18
50001 - 100000	18	0.03	12,43,488	1.96
100001 and above	65	0.10	4,99,66,163	78.83
<b>Total</b>	<b>67060</b>	<b>100.00</b>	<b>6,33,82,860</b>	<b>100.00</b>

**Shares held in Physical and Electronic mode as on March 31, 2024**

Category	No. of Shares	% to total shareholding
Demat - NSDL	5,39,29,423	85.09
Demat - CDSL	67,21,459	10.60
Physical	27,31,978	4.31
<b>Total</b>	<b>6,33,82,860</b>	<b>100.00</b>

**Plant Locations**

Sr. No.	Particulars
1.	Carnival Clothing Co. No.2/A-1, Chikkaveeranna Road Cross, Bannimantap Etn, Mysore-570015, Karnataka
2.	Euro Clothing Co – I, No.122/1, Doddabidarakallu Village, Yeshwanthpur Hobli, Bangalore North Taluk, Bengaluru-560073, Karnataka
3.	Global Garments, Near Ring Road, Gubbi Gate, Tumkur-572 101, Karnataka
4.	Global Garments-III, No.44, 3 <sup>rd</sup> Cross, Industrial Suburb, Yeshwanthpur Bangalore - 560022, Karnataka
5.	Gokaldas India, No.21C & 21B, Survey No.34,35,36 & 37, Nallakadaranahalli, Peenya II Stage, Industrial Area, Peenya, Bengaluru-560 058, Karnataka
6.	Hinduja Processing & Finishing Unit, No.2, 5 <sup>th</sup> Cross, Mysore Road, Bengaluru-560 023, Karnataka
7.	International Clothing Company – I, #B2, B3 & B4, Indl Estate, Madanapalli-517 325, Chittoor District, Andhra Pradesh
8.	Indigo Blues, Plot No-2, KIADB Industrial Area, Doddaballapur-581 203, Karnataka
9.	J.D.Clothing Company, No.9, Rajajinagar Industrial Estate, Bengaluru-560 010, Karnataka
10.	Sri Krishna Industries, No.25/26, 3 <sup>rd</sup> Main Road, Industrial Suburb, Yeshwanthpur, Bengaluru-560 022, Karnataka
11.	Triangle Apparels – VI, # 25/26, 3 <sup>rd</sup> Main Road, Industrial Suburb, Yeshwanthpur, Bengaluru-560 022, Karnataka
12.	Venkateshwara Clothing Company, No.10, KHB, Colony Industrial Area, Yelahanka, Bengaluru-560 064, Karnataka
13.	Wearcraft Apparels – I, No.17/1-38/4-1, Industrial Suburb, Yeshwanthpur, Bengaluru-560 022, Karnataka
14.	The Wearwel I (Unit of SNS Clothing Private Limited), Industrial Estate N.H-206, Hindiskere Gate, Tiptur-572 201, Karnataka
15.	Gokaldas Exports Limited – Unit I (Hassan), Plot No.119, KIADB Growth Centre, SH – 57, Hassan-573 201, Karnataka
16.	Atlantic Apparels, Plot No.28D & 28E, Belavadi Industrial Area, Mysore-570 018, Karnataka
17.	Gokaldas Exports Limited - Unit 3, Plot No. 1 and 2, Sathyamangalam Industrial Area, NH4, Tumakuru, Karnataka-572 103
18.	Gokaldas Exports Limited- Unit 4, No.23/2, Khata No.157/152/121, Yellukunte Old Mangammanapalaya Road, Bommanahalli, Bengaluru Urban, Karnataka-560 068
19.	Gokaldas Exports Limited- Unit 5, No.182/4, 182/5, 183/1, 183/2K, Thippanapalli Post, Billana Kuppam Panchayath, Vepanapalli Main Road, Krishnagiri-635 115, Tamilnadu
20.	Plot No. 18M to 21M, MPIDC, Acharpura Industrial Area, Acharpura, Bhopal, Madhya Pradesh-462 030 (Gokaldasexports Acharpura Private Limited - Wholly Owned Subsidiary ("WOS") of Gokaldas Exports Limited)
21.	Plot No # K3, R13, K17 to K19 & K24 to K26, 4 <sup>th</sup> Cross, 7 <sup>th</sup> Loop Rd, SIPCOT Industrial Growth Centre, Perundurai, Erode, Tamilnadu-638052 (Sri Susamyuta Knits Private Limited - WOS of Gokaldas Exports Limited)
22.	Unit 1, Khandsa Road, Mohammadpur Village, Gurugram-122 004, Haryana, India (A unit of Matrix Design and Industries Private Limited, WOS of Gokaldas Exports Limited)
23.	Unit 2, Khandsa Road, Mohammadpur Village, Gurugram-122 004, Haryana, India (A unit of Matrix Design and Industries Private Limited)
24.	Unit 4, Khandsa Road, Mohammadpur Village, Gurugram-122 004, Haryana, India (A unit of Matrix Design and Industries Private Limited)
25.	Unit-197, Udyog Vihar, Phase Vi, Sector 37, Gurgaon-122001, Haryana, India (A unit of Matrix Design and Industries Private Limited)
26.	Ranchi Unit, Abdul Razaak Ansari Silk Park, Irba, Ranchi, Jharkhand Ranchi-835 219, Jharkhand (A unit of Matrix Design and Industries Private Limited)



## CREDIT RATING

The Company's financial discipline and prudence are reflected in the strong credit ratings attributed by the credit rating agencies are exhibited below:

Particulars	Rating Agency	Rating	Outlook
Long Term	CRISIL Limited	CRISIL A	Positive
Short Term	CRISIL Limited	CRISIL A1	-
Long Term	ICRA Limited	ICRA A	Stable
Short Term	ICRA Limited	ICRA A1	-

## ADDRESS FOR CORRESPONDENCE

Company  
**Gokaldas Exports Limited**

**Registered Office:**

No. 25, Second Cross, Third Main, Industrial Suburb,  
Yeshwantpur Bangalore-560022, Karnataka  
Ph: +91 80 68951000  
E-mail ID: [info@gokaldasexports.com](mailto:info@gokaldasexports.com)  
Website: [www.gokaldasexports.com](http://www.gokaldasexports.com)

**Registrar and Transfer Agent:**  
**KFin Technologies Limited**

Selenium Building, Tower B,  
Plot No. 31 & 32, Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad-500 032, Telangana.  
Phone: 040-6716 2222/6716 1500  
Contact Persons: Ms. K. Shobha Anand,  
Deputy General Manager

# Managing Director and Chief Financial Officer Certification

To  
The Board of Directors  
**Gokaldas Exports Limited**

- 1) We have reviewed financial statements (standalone and consolidated) and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- 3) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and that we have evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies if any in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Auditors and the Audit Committee:
  - Significant changes in Internal Control over Financial Reporting if any during the year;
  - Significant changes in Accounting Policies if any during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud if any of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's Internal Control System over Financial Reporting.

For **Gokaldas Exports Limited**,

**Sivaramakrishnan Ganapathi**  
Vice Chairman & Managing Director  
(DIN: 07954560)  
**Place:** San Francisco, USA  
**Date:** May 26, 2024

**Sathyamurthy A**  
Chief Financial Officer  
**Place:** Bengaluru  
**Date:** May 26, 2024

# Corporate Governance Compliance Certificate

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

I have examined the compliance of the conditions of Corporate Governance by Gokaldas Exports Limited ('the Company') for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (a) to (e), (g) to (r) and (t) to (z) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

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

**Place:** Bengaluru  
**Date:** May 26, 2024

**Nagendra D. Rao**  
Practising Company Secretary  
Membership No. FCS – 5553  
Certificate of Practice – 7731  
Peer Reviewed Unit  
Peer Review Certificate No.: 672/2020  
UDIN: F005553F000451251



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

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

I have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of **Gokaldas Exports Limited** having **CIN: L18101KA2004PLC033475** and having its present registered office **at No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bangalore-560022** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended from time-to-time.

In my opinion and to the best of my information and according to the verifications (including DIN status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company, its officers, **I hereby certify that none of the Directors who were on the Board of the Company as on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.**

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

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

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

**Place:** Bengaluru  
**Date:** May 26, 2024

**Nagendra D. Rao**  
Practising Company Secretary  
Membership No. FCS: 5553  
Certificate of Practice: 7731  
Peer Reviewed Unit  
Peer Review Certificate No.: 672/2020  
UDIN: F005553F000451240

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L18101KA2004PLC033475
2.	Name of the Listed Entity	Gokaldas Exports Limited
3.	Year of incorporation	2004
4.	Registered office address	No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwanthpur, Bangalore - 560 022.
5.	Corporate address	
6.	E-mail ID	<a href="mailto:info@gokaldasexports.com">info@gokaldasexports.com</a>
7.	Telephone	+(91)-(80)-68951000
8.	Website	<a href="https://www.gokaldasexports.com/">https://www.gokaldasexports.com/</a>
9.	Financial year for which reporting is being done	Financial Year 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	Bombay Stock Exchange & National Stock Exchange
11.	Paid-up Capital	3,169.15 lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name	Pranjal Jyoti Goswami
	Designation	Chief Sustainability Officer
	Contact Number	+(91)-(80)-68951000
13.	Reporting boundary	The disclosures reported are under consolidated basis
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

**Note:** Report excludes data of two newly acquired entities (ATRACO and Matrix Design & Industries Private Limited)

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Apparel and Clothing	The Company is in the business of Apparel Manufacturing and Exports	100%

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Apparel and Clothing	14101	100%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	21	1	22
International	-	-	-

#### 19. Markets served by the entity:

##### a. Number of locations:

Location	Number
National (No. of States)	2
International (No. of Countries)	50+

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Exports Contribute 90% of the total turnover.

**c. A brief on types of customers:**

Our customers are global fashion retailers, wholesalers, and global brands, primarily based in the USA & Europe. These customers source a wide range of readymade garments such as fashion wear, outerwear, and sportswear across multiple geographies for men, women and kids for all seasons.

**IV. Employees****20. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	4,979	3,742	75%	1,237	25%
2	Other than Permanent (E)	-	-	-	-	-
3	Total Employees (D+E)	4,979	3,742	75%	1,237	25%
Workers						
4	Permanent (F)	28,571	4,152	15%	24,419	85%
5	Other than Permanent (G)	-	-	-	-	-
6	Total Workers (F+G)	28,571	4,152	15%	24,419	85%

**b. Differently abled Employees and workers:**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1	Permanent (D)	10	7	70%	3	30%
2	Other than Permanent (E)	-	-	-	-	-
3	Total Employees (D+E)	10	7	70%	3	30%
Differently abled Workers						
4	Permanent (F)	37	17	46%	20	54%
5	Other than Permanent (G)	-	-	-	-	-
6	Total Workers (F+G)	37	17	46%	20	54%

**21. Participation/Inclusion/Representation of women:**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25%
Key Management Personnel	4	-	0%

**22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):**

"Percentage for per Annum"

	FY 2023-24 (Turnover in Current FY)			FY 2022-23 (Turnover in Previous FY)			FY 2021-22 (Turnover rate in the year prior to Previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	54%	49%	53%	45%	46%	46%	54%	58%	55%
Permanent Workers	120%	81%	87%	123%	82%	88%	161%	101%	110%



## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding/subsidiary/associate companies/joint ventures:

Sr. No.	Name of the holding/Subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	All Colour Garments Pvt. Ltd.	Subsidiary	100%	Yes
2	SNS Clothing Pvt. Ltd.	Subsidiary	100%	Yes
3	Vignesh Apparels Pvt. Ltd.	Subsidiary	100%	Yes
4	Gokaldasexports Acharpura Pvt. Ltd.	Subsidiary	100%	Yes
5	Sri Susamyuta Knits Pvt. Ltd.	Subsidiary	100%	Yes
6	Gokaldas Exports FZCO	Subsidiary	100%	No
7	Gokaldas Exports Corporation	Subsidiary	100%	No
8	Nava Apparels LLC-FZ	Subsidiary	100%	No
9	Matrix Design & Industries Pvt. Ltd.	Subsidiary	100%	No
10	Amibros S.A.	Stepdown Subsidiary	100%	No
11	Atraco Logistics Co LLC, Dubai	Stepdown Subsidiary	100%	No
12	Ashton Apparel Manufacturing PLC. Ethiopia	Stepdown Subsidiary	100%	No
13	Ashton Mombasa Apparel EPZ Ltd.	Stepdown Subsidiary	100%	No

## VI. CSR Details

### 24.

- (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes, applicable to Gokaldas Exports Limited on standalone basis
- (ii) Turnover (in ₹): ₹ 2,22,108.59 lakhs
- (iii) Net worth (in ₹): ₹ 89,298.97 lakhs

## VII. Transparency and Disclosures Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, The Company has adequate systems and processes for redressing employee grievances. The related documents can be accessed at <a href="https://www.gokaldasexports.com/investor-and-shareholder-relations/">https://www.gokaldasexports.com/investor-and-shareholder-relations/</a>	NIL	NIL	-	NIL	NIL	-
Investors (other than shareholders)		NIL	NIL	-	NIL	NIL	-
Shareholders		NIL	NIL	-	10	NIL	-
Employees and workers		4	0	-	NIL	NIL	-
Customers		NIL	NIL	-	NIL	NIL	-
Value Chain Partners		NIL	NIL	-	NIL	NIL	-
Other (please specify)		NIL	NIL	-	NIL	NIL	-

**Note:** The Company has adequate systems and processes to address the grievances raised by the workers and employees. Policy ensures confidentiality of the complainant and appropriate redressal system. We are implementing measures for continuous improvement and strengthening of grievance redressal mechanisms accessible to all relevant stakeholders.

**26. Overview of the entity's material responsible business conduct issues:**

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change and Biodiversity	Risk	Prioritizing climate change and biodiversity in the garment manufacturing industry is essential for environmental sustainability, regulatory compliance, consumer trust, risk management, and fostering positive community relationships. The apparel industry is a significant contributor to greenhouse gas emissions, primarily through energy-intensive production processes and extensive use of synthetic materials. By adopting sustainable practices such as energy efficiency, renewable energy sources, and reducing emissions, companies can help combat global warming and contribute to global climate goals. Garment manufacturing can lead to deforestation, habitat destruction, and water pollution, all of which threaten biodiversity. Implementing practices like sustainable sourcing of raw materials, reducing chemical use, and ensuring wastewater treatment can protect local flora and fauna, thereby supporting biodiversity conservation.	<ol style="list-style-type: none"> <li>1. Adopting latest energy efficient machineries in the areas of production and utilities</li> <li>2. Continuously Increasing renewable energy sourcing</li> <li>3. Carrying out tree plantation drives</li> <li>4. Transitioning towards use of organic chemicals in processing and waterborne inks in printing operations</li> </ol>	Negative
2.	Energy Transition	Opportunity	The energy transition presents a significant opportunity for the industry and aligns with global sustainability goals. Energy transition can enhance energy security and reduce GHG emissions; hence potentially lower energy costs, improving the economic resilience of manufacturing operations. Apparel manufacturing is a significant contributor to global carbon emissions, and transitioning to renewable energy can dramatically lower the industry's carbon footprint. This not only helps combat global warming but also aligns with international climate agreements and targets.	<ol style="list-style-type: none"> <li>1. Increasing solar energy sourcing and investing in setting up captive solar park</li> <li>2. Achieved 100% replacement of fossil fuel with biomass in Boiler operations</li> <li>3. Exploring the possibilities of sourcing Wind energy</li> </ol>	Positive
3.	Water Management	Risk and Opportunity	Water management is a crucial aspect of the garment manufacturing industry due to its significant impact on both operational efficiency and environmental sustainability. With increasing global water scarcity, industries face growing pressure to adopt sustainable practices to optimize water usage and reduce waste. Effective water management is vital for the industry, offering economic benefits, environmental protection, and enhanced sustainability, while also safeguarding against potential operational risks.	<ol style="list-style-type: none"> <li>1. Implementing measures to reduce fresh water demand in laundry or wet processes</li> <li>2. Maximising water recycling potential using ZLD systems</li> <li>3. Installing Low liquor ratio and E-Flow laundry machines which consumes less water, Chemicals and generate low effluents</li> <li>4. Exploring Rain Water Harvesting potentials in all units owned by the Company</li> <li>5. Explore the possibilities of using CETP treated water for processing</li> </ol>	Negative
4.	Circularity	Opportunity	The apparel industry ecosystem is responsible for contributing significantly towards climate change, resource intensification and biodiversity loss. Circularity is crucial in mitigating the depletion of finite resources and reducing the environmental footprint of garment production. It also indicates transition from degenerative material life cycle to regenerative life cycle. By adopting circularity practices, the industry can reduce its dependency on virgin resources and significantly minimize textile waste ending up in landfills.	<ol style="list-style-type: none"> <li>1. Working on improving the design and plotting efficiency for reducing waste during operations</li> <li>2. Implementing waste segregation at the source and continuously exploring possibilities for upcycling</li> <li>3. Jointly exploring with customers/ buyers the possibilities of improving use of recycled materials in production</li> <li>4. Planning to increase sourcing of recycled raw materials (e.g Fabric, Trims. Packaging Materials etc.)</li> </ol>	Positive

**26. Overview of the entity's material responsible business conduct issues:** (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Human Capital Development	Opportunity	Human capital development is critical in labor-intensive manufacturing industries, especially where the majority of the workforce is women. Investing in the education, skills, and well-being of employees not only enhances productivity but also fosters a more equitable and sustainable workplace. When workers feel valued and see opportunities for growth, they are more likely to be motivated and committed to their jobs. This is particularly important in labor-intensive industries where the work can be repetitive and demanding. Focusing on the development of female employees can address gender disparities and promote inclusivity.	<ol style="list-style-type: none"> <li>Investing in creating livelihood opportunities for under-privileged and marginalized communities</li> <li>Increasing our efforts in providing safe, secure and inclusive work environment for our workers and employees</li> <li>Continuously focusing on employee well-being and capacity building opportunities</li> <li>Collaborating with external agencies to impart training and skill to communities with an objective of enhancing employability</li> </ol>	Positive
6.	Talent and Skill Management	Risk and Opportunity	Skill development and talent management are essential in labor-intensive apparel manufacturing sector with a predominantly female workforce. For women, who may face additional societal barriers to education and training, targeted programs can bridge skill gaps and empower them to advance within the industry. Providing workers with continuous training in new technologies, processes, and best practices can significantly improve the quality and productivity. A supportive environment that promotes professional development can reduce turnover rates and attract new talent. Effective talent management strategies, such as career development programs, mentorship, and leadership training, can create pathways for employees to advance within the Company.	<ol style="list-style-type: none"> <li>Implementing wide range of skill development programs for workers and employees</li> <li>Incorporating dedicated soft skills and technical skills upliftment for women workers and employees</li> <li>Developing and implementing career progression roadmaps for workers and employees</li> <li>Engaging with workers and employees in addressing attrition and absenteeism</li> <li>Implementing programs to promote women in leadership roles</li> </ol>	Positive
7.	Responsible Sourcing and SCM	Risk and Opportunity	The value chain in the apparel manufacturing industry is complex, multilayered and geographically dispersed. There has been a growing trend and greater demand for eco-friendly material, fair trade practices and transparent supply chain. Responsible sourcing practices are vital due to their significant impact on sustainability, ethical standards, and compliance management. It is critical to ensure that ethical labor practices, safe working conditions, and quality assurance measures are followed by supply chain partners. By adopting responsible sourcing, garment manufacturers can ensure compliance with regulations, and avoid potential disruptions to their supply chain.	<ol style="list-style-type: none"> <li>Started mapping of suppliers and dialogue on issues related to environmental and social performance</li> <li>Developing guidelines on responsible sourcing and supply chain management</li> <li>Initiating traceability and transparency programs across value chain</li> </ol>	Negative
8.	Community Engagement	Opportunity	Community engagement fosters trust, provides valuable local insights, creates beneficial partnerships, and strengthens the social license to operate, ultimately contributing to sustainable and responsible business practices. By demonstrating a commitment to social responsibility and ethical practices, industry can gain the support of local stakeholders, navigating regulatory landscapes and ensuring smooth operations across different locations. Understanding the unique social, cultural, and economic dynamics of each community allows businesses to tailor community development initiatives to better align with local values and expectations. This can enhance the effectiveness of corporate social responsibility (CSR) programs and improve the overall impact of the Company's efforts.	<ol style="list-style-type: none"> <li>Engaging with local communities through CSR initiatives like: <ul style="list-style-type: none"> <li>Enhancing health care facilities</li> <li>Improving infrastructure of education institutions</li> <li>Setting up skill development centers</li> <li>Organizing health camps and community health improvement programs</li> </ul> </li> <li>Implementing community development projects focusing on livelihood opportunities, agroforestry, women empowerment</li> </ol>	Positive

**26. Overview of the entity's material responsible business conduct issues:** (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Grievance Redressal	Opportunity	Implementing a robust grievance redressal mechanism in a garment manufacturing industry is essential for ensuring a safe, fair, and productive work environment. Such mechanisms ensure that workers and employees have a clear and accessible way to voice their concerns and complaints. This is particularly important for female workers who may face unique challenges such as gender discrimination, harassment, or unequal treatment. Providing a safe and confidential platform for reporting issues helps in addressing and resolving these problems promptly. Appropriate grievance redressal system promotes a culture of respect and trust. When workers and employees know that their concerns would be taken seriously and addressed appropriately, it builds confidence in the management and encourages a more open and communicative workplace. By proactively resolving complaints, companies can retain their workforce, reduce absenteeism, and maintain operational efficiency.	<ol style="list-style-type: none"> <li>1. Reinforcing existing mechanisms and incorporating technological interventions for wider reach</li> <li>2. Continuously organizing variety of awareness and sensitization programs for workers and employees</li> <li>3. Improving counselling efforts with internal and external experts</li> <li>4. Enhancing dedicated human resources for grievance redressal</li> </ol>	Positive
10.	Health and Safety	Risk	The garment industry often involves various tasks which can pose significant health and safety risks. It is our prime responsibility to provide a healthy and safe workplace for all employees. The manufacturing operations involve physically demanding and repetitive tasks, exposure to chemicals, and operating machinery. It is paramount to implement and ensure strict health and safety standards and provide appropriate protective equipment to prevent accidents and adverse health issues. When employees feel safe and healthy, they are more likely to be engaged and efficient in their work. This is especially important in a labor-intensive industry where the physical and mental well-being of the workforce directly impacts overall productivity and quality of output.	<ol style="list-style-type: none"> <li>1. Organizing training and awareness on Health and Safety for all workers and employees in a periodic manner</li> <li>2. Holistically adopting Life and Building Safety (LABS) standards across our facilities</li> <li>3. Minimising the Hazards and Risks through continual improvement action plans</li> <li>4. Rolling out reward and recognition program covering all employees</li> </ol>	Negative



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9									
Policy & Management Process																			
1	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y									
			The NGRBC Principles and Core Elements are well covered by various organizational, business operations, corporate governance, suppliers CoC, and human resource management policies.																
	b.	Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y									
	c.	Web Link of the Policies, if available	<a href="http://www.gokaldasexports.com">www.gokaldasexports.com</a>																
2		Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y									
3		Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y									
4		Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle:	The Company has certifications from the global bodies for sustainability and ESG Standards such as ISO 9001:2018, Higg Index, SLCP, GOTS, GRS, Organic 100 content standard, RCS, BCI, C-TPAT, SCAN and Global Security Verification.																
5		Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is exploring to achieve net-zero emissions by 2045, carbon neutrality of own operations by 2030, water positivity by 2030, and zero landfill to waste by 2030. To invest 0.5 million person-hour of training (annually) on women empowerment and skill development in FY25.																
6		Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has achieved significant improvement in environmental and social performance indicators in the financial year. The Company was also able to maintain high HIGG FEM score and SLCP score, which validates our continuous improvement efforts.																
Governance, leadership and oversight																			
7		Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).	The Company's importance on the ESG is emphasized in the page no. 24 of the annual report.																
8		Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Prabhat Kumar Singh Designation: Executive Director - Whole-Time Director DIN: 08275987																
9		Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes. The Company has corporate social responsibility committee of the Board to review the CSR activities. In addition the Company's management who take decisions with regard to social responsibility also considers sustainability related matters suitably.																
10		Details of Review of NGRBCs by the Company:																	
Subject for Review		Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/ Quarterly/Any other - please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action		Y	Y	Y	Y	Y	Y	Y	Y	Y	The Company follows annual review cycle for all policies								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		Y	Y	Y	Y	Y	Y	Y	Y	Y	The Company follows annual review cycle for all policies								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
11 Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company's internal team consistently evaluate the effectiveness of policies implemented across the facilities. However, the Company has obtained certifications from international standards such as Higg and SLCP who assess, verify the data accuracy levels and award scores.								
12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not applicable								
It is planned to be done in the next financial year (Yes/No)	Not applicable								
Any other reason (please specify)	Not applicable								

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

#### Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training & Awareness Programmes held	Topics/Principles covered under the training & its impact	% age of persons in respective category covered by the awareness programme
Board of Directors	4	The Board of Directors and the Key Management Personnels receive updates on issues related to business strategy, Key Managerial Personnel regulations, corporate governance, sustainability initiatives, CSR and supply chain management.	100
Key Managerial Personnel	4		
Employees other than BOD & KMP	1,151	SST, WCP, SDP, PoSH	100
Workers	6,600	PACE, First Aid, WCP, PoSH, We-Lead, RISE, H&S, STM	50

#### Note:

SST: Supervisory skill training

WCP: Workplace cooperation program

SDP: Supervisory development program

PACE: Personal advancement and career enhancement

We-Lead: Women Empowerment and Leadership Development Program

RISE: Re-Imagining Industry to Support Equality

H&S: Health and Safety

STM: Sharp Tool Management

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	There are no instances of penalty/Fine/punishment/award/compounding fees/settlement amount paid in proceedings during the year.				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	There are no instances of Imprisonment or punishment against the KMP/Director during the year.			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the Regulatory/enforcement agencies/judicial institutions
Not applicable	Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

We have adopted zero-tolerance approach to corruption, bribery and fraud. The Company's code of conduct provides (<https://www.gokaldasexports.com/wp-content/uploads/2024/06/Code-of-Conduct.pdf>) sufficient guidance to our employees on anti-bribery and anti-corruption. The Company includes clauses on anti-corruption and anti-bribery appropriately in all its purchase orders and contracts to guide the vendors on ethical business practices.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Particulars	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	No complaint received during the current & Previous financial Year			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

The Company did not have any such instances during the year.

8. Number of days of accounts payables ((Accounts payable \*365)/Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	51	26

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	-	-
	b. Number of dealers/distributors to whom sales are made	-	-
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0.1%	0.0%
	b. Sales (Sales to related parties/Total Sales)	0.1%	0.0%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	100%	100%
	d. Investments ( Investments in related parties/Total Investments made)	69.1%	5.7%

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness principles held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

The Company constantly engages with the value chain partners and regularly communicates about Company's Code of Conduct and Business Ethics policies. The Company also makes the value chain partners aware on zero tolerance approach to bribery and corruption. The Company guides the vendors through its purchase orders/contracts on anti-bribery and anti-corruption approaches, ethical business practices, compliance with all national/international laws of the Company and reporting mechanisms in case of violation of code of conduct.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Company's Policy on Code of Conduct is applicable to all the officers and Directors on the board. The policy promotes ethical code of conduct, compliances to all the national and international laws & includes suitable guidance on conflict of interests. Company's "code of conduct" provides for reporting mechanisms in case of violation of conflict of interests.



## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental & social impacts
R & D	-	-	
CAPEX	32%	39%	Company made regular investments in high energy efficiency equipment in the last 2 years. However, the environmental & social impacts of these initiatives are yet to be measured.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)

The basic raw materials (Fabric and Trims) are purchased mostly from vendors nominated by customers (Global Brands). All nominated vendors are regularly assessed for compliances and voluntary sustainability standards by the buyers with alignment to the globally acceptable specifications. Our Suppliers CoC provisions also supplement the principles of sustainable sourcing.

- If yes, what percentage of inputs were sourced sustainably?

8% of the Company's total purchase value for recycle fabric which corresponds to 9.4% in terms of volume.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Majority of our final products (garments) are exported to various countries and the Company has no direct control over retailing or reclaiming of products. However, for the pre-consumer production waste generated from our operations, the Company follows regulatory norms defined by the pollution control boards in respect of collection, segregation, storage in separately designated areas for different types of wastes. Accordingly, disposal of these waste is made through authorized vendors.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. EPR registration has been completed and we are in compliance with the norms.

### Leadership Indicators

- Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format:

We manufacture a variety of products according to the customer specifications and designs. Designs and raw materials requirement are dynamic and keep on changing in each season as per customer needs. Moreover, we procure raw materials from customer-nominated suppliers. We have started measuring our carbon footprint and exploring ways to initiate LCA studies within the system boundary of "cradle-to-gate" LCA.

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
NIL					

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable

Name of the Product/Service	Description of the Risk/Concern	Action Take
NIL		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Recycled fabric	8.0%	4.9%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

Not applicable (As majority of our final products (garments) are exported to various countries and the Company has no direct control over retailing or reclaiming of final products).

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed Products and their packaging materials as % of total products sold in respective category
-	-

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

## Essential Indicators

1. a. Details of measures for the well-being of employees:

[illegible]

- b. Details of measures for the well-being of workers:

[illegible]

## c. Spending on measures towards well-being of employees and workers

	<b>FY 2023-24 (Current Financial Year)</b>	<b>FY 2022-23 (Previous Financial Year)</b>
Cost incurred on well-being measures as a % of total revenue of the company	1.0%	0.9%

## 2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

<b>Benefits</b>	<b>FY 2023-24 (Current Financial Year)</b>			<b>FY 2022-23 (Previous Financial Year)</b>		
	<b>No. of Employees covered as a % age of total employees</b>	<b>No. of Workers covered as a % age of total workers</b>	<b>Deducted &amp; deposited with the Authority (Y/N/NA)</b>	<b>No. of Employees covered as a % age of total employees</b>	<b>No. of Workers covered as a % age of total workers</b>	<b>Deducted &amp; deposited with the Authority (Y/N/NA)</b>
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	42	100	Y	48	100	Y
Others - Please specify	-	-	NA	-	-	NA

## 3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is compliant with the requirements of differently abled employees and workers under the Rights of Person with Disabilities Act, 2016.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company provides fair and equal opportunity to all the employees and workers irrespective of their race, sex, disabilities etc. in matters relating to job openings, promotions, postings thereby fulfilling non-discriminatory approach in its working.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave:

<b>Gender</b>	<b>Permanent Employees</b>		<b>Permanent Workers</b>	
	<b>Return to work rate</b>	<b>Retention rate</b>	<b>Return to work rate</b>	<b>Retention rate</b>
Male	-	-	-	-
Female	42%	80%	15%	50%
<b>Total</b>	<b>42%</b>	<b>80%</b>	<b>15%</b>	<b>50%</b>

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
Permanent Workers	Yes. The Company has an internal grievances committee consisting of representatives from management and workers/employee. Any complaint is addressed according to the procedure mentioned in the grievance redressal policy. Moreover suggestion boxes, access to Hotline, whistle blower policy provide sufficient mechanisms for redressal of grievances.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees/workers in respective category (A)	No. of employees/Workers in respective category who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (A)	No. of employees/Workers in respective category who are part of association(s) or Union (B)	% (B/A)
<b>Total Permanent Employees</b>	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
<b>Total Permanent workers</b>	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

The Company has union but present in certain units. Management engages with union and duly elects works committee to resolve work place concerns.

## 8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	3,742	3,742	100	243	7	3,222	2,061	64	68	2
Female	1,237	1,237	100	73	6	1,072	805	75	219	21
Total	4,979	4,979	100	316	6	4,294	2,866	67	287	7
Workers										
Male	4,152	4,152	100	35	1	3,298	2,034	62	71	2
Female	24,419	24,419	100	771	3	18,832	16,684	89	1,952	11
Total	28,571	28,571	100	806	3	22,130	18,718	86	2,023	9

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	3,742	2,883	77	3,222	2,322	72
Female	1,237	956	77	1,072	708	67
<b>Total</b>	<b>4,979</b>	<b>3,839</b>	<b>77</b>	<b>4,294</b>	<b>3,030</b>	<b>71</b>
<b>Workers</b>						
Male	4,152	332	8	3,298	208	6
Female	24,419	5,170	21	18,832	6,813	36
<b>Total</b>	<b>28,571</b>	<b>5,502</b>	<b>19.2</b>	<b>22,130</b>	<b>7,021</b>	<b>32</b>



## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes. Company implements high standards of Health and Safety management as prescribed by some of the global standards. All manufacturing units are independently assessed by authorized/accredited third parties for Health & safety performance and conformance (SLCP/FSLM, LABS, SMETA etc.). The Company has also internally inculcating "Safety First" approach across all its operations and have qualified Health safety officers on site.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a safety committee at each of its plant that works on a "Hazard identification and Risk Assessment (HIRA)" framework. The committee consists of employees/workers and management that strives to identify various work-related hazards and remove/mitigate the risks pertaining to these hazards. The committee reviews

the status of identification of hazards/risks and closure status in its monthly meetings.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No).

Yes. Each facility has on-site Safety Officer and any work-related hazards can be raised by the workers. Moreover, the Company's safety committee conducts periodic meetings at each unit for the identification and removal/mitigation of risks in a proactive manner. All the workers are encouraged to provide suggestions to the committee on identification of risks and solutions to remove/mitigate the risks.

- d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No).

Yes. All the employees/workers have free access to the ambulance services and doctors at every facility of the Company. All eligible workers are covered under ESIC policy and rest of the employees are covered under Company's Group medical health insurance program.

## 11. Details of safety related incidents, in the following format:

Safety/Incident Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.465	0.393
	Workers		
Total recordable work-related injuries	Employees	32	24
	Workers		
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company operates on a principle of "Safety First" approach across all its operations. We have qualified and experienced Safety Officer at every manufacturing unit for implementation of health and safety standards and strive towards sustenance and continual improvement. We have adopted HIRA and JSA tools for determining the potential hazard and risks. Accordingly, we have developed and implemented hierarchy of control methods for minimizing the hazards and risks thereby creating safe and Healthy working environment.

We have robust health and safety procedures for every employee to follow and also have Safety Committee across all our manufacturing units. This committee proactively manages health and safety standards ensuring safe and secured workplace. All units undergo assessment of health and safety standards by independent/accredited Third Parties in compliance with global standards (LABS, SLCP/FSLM, SMETA etc.)

Periodical training is organized for all the workers and supervisors on the potential risks. The workers are encouraged to undergo regular health check-ups to prevent any health-related hazards. Equipment's are checked on a periodical basis to ensure its proper maintenance. Workers involved in civil work are provided suitable PPE and training before deployment. Necessary facilities are provided in order to reduce hazards pertaining to air and noise pollution. The factories are equipped with good fire protection equipment to prevent fire hazards.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	4	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety Practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

The Assessments carried out identifies no significant risk/concerns related to health and safety practices and working conditions.

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

No. However eligible employees/workmen have been covered under ESI or under group personal accident insurance policies. Compensatory packages is considered on merit basis by management.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All our contracts/purchase orders with vendors explicitly spells and lays thrust on business integrity and ethical practices. Our discussions with vendors include compliances in matters pertaining to timely statutory dues deduction and remittance.

3. Provide the number of employees/workers having suffered high consequence work- related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NIL
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

**PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders****Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identified the key stakeholders by defining the Company's scope and activities, analysing internal and external stakeholders, listing down the potential stakeholders based on their influence, interest & impact and establishing appropriate communication channels.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of Engagement (Annually, Half Yearly/Quarterly/ Others - Please specify)	Purpose and scope of engagement including Key topics and concerns raised during such engagement
Employee & Workers	No	Communicate through emails, events and meetings. In addition, we conduct internal training programs, workshops, appraisals and rewards and recognition programs.	As per planned scheduled	To understand employee career paths, workplace concerns, and other pertinent issues faced by workers, aiming to gain a comprehensive understanding of their experiences.
Customers	No	Meeting with the customers on one-to-one basis through virtual and physical meeting including visits to our manufacturing plant.	Continuous engagement throughout the year	To develop the long-term customer relationships, understand their expectations and meet them.
Government	No	Virtual and Physical Meetings, Conference or Group meetings.	Need Basis	To discuss impact of any new policy implementation, opportunities and challenges faced by the Industry.
Suppliers	No	Meeting with the Suppliers on one-to-one basis through virtual and physical meeting.	Continuous engagement throughout the year	To help them understand the requirements in terms of quality, cost and timelines.
Shareholders	No	Intimation to Exchanges, New paper publication, Emails, results conference call, one-on-one meetings in either virtual or physical, and Annual General Meeting.	As per planned scheduled	To communicate our quarterly or annual financial performance and to address queries on business performance.
Media	No	Interactions through interviews via Television, Print Media, articles, and events.	Need basis	To communicate our financial performance for the quarter and annual year and the general business direction.
Local Community and NGO	No	Periodical interactions with local community leaders, Panchayat members, school teachers and Health care workers.	Need Basis	To communicate our community engagement programs also taking feedback for engagement with the community through social responsibility initiatives.

[illegible]



Gender	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Workers										
Permanent										
Male	4,152	756	18	3,396	82	3,298	600	18	2,698	82
Female	24,419	7,889	32	16,530	68	18,832	5,858	31	12,974	70
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

a) Median remuneration/wages

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹)	Number	Median remuneration/ salary/wages of respective category (₹)
Board of Directors (includes only VC&MD, WTD and ED)	3	18,33,666	-	-
Key Managerial Personnel (excludes MD and WTD)	2	1,43,583	-	-
Employees other than BOD & KMP	3,737	25,070	1,237	18,816
Workers	4,152	12,220	24,419	11,809

**Note:**

1. Non-Executive Directors (5 no.) are paid sitting fees only, hence not considered.
2. All the salary/wages furnished above is on a monthly basis.

b) Gross wages paid to females as a % of total wages paid by the entity in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as a % of total wages	62%	61%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has provided various forums to the employees and workers to address the grievances related to human rights issues. The Company has an internal grievances committee consisting of representatives from management and workers/employee. Any complaint is addressed according to the procedure mentioned in the grievance redressal policy. Moreover, suggestion boxes, access to Hotline number and whistle blower policy provide sufficient mechanisms for redressal of grievances.

We are working on reinforcing existing mechanisms and incorporating technological interventions for wider reach and continuously organizing variety of awareness and sensitization programs for workers and employees. Also, enhancing dedicated human resources at all our operation facilities for grievance redressal.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the Year	Pending resolution at the end of the Year	Remarks	Filed during the Year	Pending resolution at the end of the Year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at Work Place	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related Issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior in consonance with Code of Conduct.

In line with this commitment the Company's whistle blower policy aims to provide an avenue for Directors/employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistle blowing.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. the Company has zero tolerance approach to unethical business practices. Compliances to human rights requirements forms one of the pillars of ethical business practices.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	100

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not applicable

## Leadership Indicators

- Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.  
Company has not changed or modified existing business processes. However, steps have been considered to reinforce grievance redressal mechanisms.
- Details of the scope and coverage of any Human rights due-diligence conducted.  
Company has not conducted Human rights due-diligence exercise. However, we share the vision of zero violations to human rights in the course of its business process. Social Compliance audits are conducted by authorised third parties (SLCP/FSLM, SMETA) and some of the global brands covers a wide range of Human rights issues within the scope of accessing compliance of internal stakeholders. Corrective measures are initiated and complied on any observations of deviations that might lead to violations of human rights.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?  
The Company is compliant with the requirements of differently abled visitors under the Rights of person with Disabilities Act, 2016.
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	The Company's management as part of its business discussions with the value chain partners includes topics pertaining to compliances. Compliances pertain to and include ethical business practices, sustainability on human rights practices, providing safe and healthy working environment to workers, compliances to various requirements pertaining to labour laws and statutory taxes.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

- Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.  
No significant risks/concerns have been reported under the assessment.

## PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

- Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A) TJ	4	2
Total fuel (Biomass) consumption (B) TJ	257	221
Energy consumption through other sources (C) TJ	0	0
<b>Total energy consumed from renewable sources (A+B+C) TJ</b>	<b>261</b>	<b>223</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D) TJ	64	43
Total fuel consumption (E) TJ	15	5
Energy consumption through other sources (F) TJ		
<b>Total energy consumed from non-renewable sources (D+E+F) TJ</b>	<b>79</b>	<b>48</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>340</b>	<b>271</b>

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0000000157 TJ/INR	0.0000000122 TJ/INR
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.0000000159 TJ/INR	0.0000000132 TJ/INR
Energy intensity in terms of physical output (TJ/shipped piece of garment)	0.00000623	0.00000533

**Note:** The Company has engaged Bureau Veritas and Teks Tech Inspection India Private Limited for validation of environmental data as prescribed by HIGG FEM 4.0.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No. The Company's sites/facilities are not identified as designated consumers (DCs) under the PAT scheme of GOI. However, the Company carries out energy saving initiatives on its own.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	215867	260471
(iii) Third party water	104692	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	148591
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	320558	409061
<b>Total volume of water consumption (in kilolitres)</b>	132883	169571
<b>Water intensity (Liter) per rupee of turnover</b>	0.0000061389	0.0000076316
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)</b>	0.0000062274	0.0000082621
<b>Water intensity in terms of physical output (Water Consumed in Liter/shipped piece of garment)</b>	2.44	3.34

**Note:** The Company has engaged Bureau Veritas and Teks Tech Inspection India Private Limited for validation of environmental data as prescribed by HIGG FEM 4.0.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-



Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties		
- No treatment (CETP and municipal sewage line)	45880	56221
- With treatment – please specify level of Treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>45880</b>	<b>56221</b>

**Note:** The Company has engaged Bureau Veritas and Teks Tech Inspection India Private Limited for validation of environmental data as prescribed by HIGG FEM 4.0.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
- Yes. Company has installed ZLD system at all its wet process units for recycling of waste water thereby reducing the fresh water consumption. Our ZLD system has been designed to recycle more than 92% recovery and recycled water is being Re-used for processes. Our ZLD system comprises of latest membrane technologies and includes Ultra Filtration, Reverse Osmosis and Membrane Bio-reactor (MBR) followed by multiple effect evaporators with Agitated Thin Film Driers (ATFD).
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	mg/Nm3	38.4	26.8
Sox	mg/Nm3	10.1	9.9
Particulate matter (PM)	mg/Nm3	34.9	45.9
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)	ppm	≤ 0.5	0.31
Hazardous air pollutants (HAP)		-	-
Others		-	-

**Note:** The assessment has been carried out by an NABL accredited and MOEF certified external agency National Analytical Laboratories and Research Center, Bangalore. The data represents average values of 22 production facilities. The Company has engaged Bureau Veritas and Teks Tech Inspection India Private Limited for validation of environmental data as prescribed by HIGG FEM 4.0.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	28297	23655
<b>Total Scope 2 emissions</b> (Break-up of Total Scope 2 emissions (Break-up of PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available))	Metric tonnes of CO <sub>2</sub> equivalent	14455	9575
<b>Total Scope 1 and Scope 2 emissions (MT of CO<sub>2</sub>e) per rupee of Turnover</b>		0.0000019751	0.0000014955

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.0000020036	0.0000016191
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output (MT of CO<sub>2</sub>e) per shipped piece of garment</b>		0.000784	0.000654

**Note:** The Scope 1 emission data includes biogenic emissions as well. The Company has engaged Bureau Veritas and Teks Tech Inspection India Private Limited for validation of environmental data as prescribed by HIGG FEM 4.0.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Company has been consistently investing on latest machineries which are more energy efficient and resulted in substantial GHG reduction. The Company will continue to upgrade machines and utility equipment in coming years with latest technologies which will further help in reducing GHG emissions. Also, Company is investing on sourcing of more renewable energy by investing on group captive solar park.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	154	96
E-waste (B)	1	2
Bio-medical waste (C)	4	8
Construction and demotion waste (D)	0	0
Battery waste (E)	1	1
Radioactive waste (F)	0	0
Other Hazardous waste. (G) (ETP sludge, ATDF Salt, used Oil and Oil soaked cotton waste)	343	326
Other Non-hazardous waste generated (H). (Fabric Waste, Trims waste and packaging material)	4998	4295
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>5501</b>	<b>4728</b>
<b>Waste intensity per rupee of turnover (MT per rupee of Turnover)</b>	<b>0.0000002541</b>	<b>0.0000002128</b>
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)</b>	<b>0.0000002578</b>	<b>0.0000002304</b>
<b>Waste intensity in terms of physical output (MT per shipped piece of garment)</b>	<b>0.000101</b>	<b>0.000107</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	3612	3557
(ii) Re-used	29	875
(iii) Other recovery operations	0	0
<b>Total</b>	<b>3641</b>	<b>4432</b>

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	26	8
(ii) Landfilling	286	288
(iii) Other disposal operations (food waste for composting and animal feed)	1548	NA
<b>Total</b>	<b>1860</b>	<b>296</b>

**Note:** The Company has engaged Bureau Veritas and Teks Tech Inspection India Private Limited for validation of environmental data as prescribed by HIGG FEM 4.0.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

All the solid waste generated across our operations are managed through pollution control board authorised recyclers. The Company follows regulatory norms defined by the Pollution control boards in respect of collection, segregation, storage in separately designated areas for different types of wastes.

Company has implemented globally recognised and accepted Zero Discharge of Hazardous Chemicals (ZDHC) program across our operations for use non hazardous chemicals.

We also comply with ZDHC Manufacturing Restricted Substance List (MRSL) and brands Restricted Substance Lists (RSL) in our chemical management systems. We have replaced solvent based inks or paints with non-hazardous waterborne paints or inks in our garment printing operations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

The Company does not operate any of its facilities in the ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
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As per the MoEF & CC EIA notification No S.O. 1533 (E) dated September 14, 2006 Section 2(i) Requirements of prior Environmental Clearance (EC) All new projects or activities listed in the Schedule to this notification (Schedule table page no. 10 to 18) the garment industry does not qualify under any category that requires an Environmental Clearance report. The EIA notification specifies certain industrial activities that necessitate a detailed assessment to evaluate their potential environmental impact. Henceforth, the garment manufacturing sector does not require Environmental Clearance.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/No). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-	-	-	-	-

The Company is in compliant with all the prescribed regulations/guidelines under the above laws at all the production facilities.

## Leadership Indicators

### 1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

For each facility/plant located in areas of water stress, provide the following information:

I. Name of the area

II. Nature of operations

III. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	215867	260471
(iii) Third party water	104692	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	148591
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>320558</b>	<b>409061</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>132883</b>	<b>169571</b>
<b>Water intensity (Liters) per rupee of turnover</b>	0.0000061389	0.0000076316
<b>Water intensity (Water Consumed in Liter/shipped piece of garment)</b>	2.44	3.34
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
(iv) Sent to third-parties		
- No treatment (CETP and municipal sewage line)	45880	56221
- With treatment – please specify level of Treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of Treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>45880</b>	<b>56221</b>

**Note:** The Company has engaged Bureau Veritas and Teks Tech Inspection India Private Limited for validation of environmental data as prescribed by HIGG FEM 4.0.

### 2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	The Company has not assessed Scope 3 emissions
<b>Total Scope 3 emissions per rupee of turnover</b>	-	-
<b>Total Scope 3 emission intensity (optional)</b> - the relevant metric may be selected by the entity	-	-

**Note:** Details Scope 3 assessment has not been undertaken yet. However, the company is planning to conduct baseline assessment of Scope 3 in alignment with Net Zero ambition.



3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company does not operate any of its facilities in the ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installation of E-flow laundry machines	Installed E-flow technology machine (1:1) in the garment washing process. These machines are operated automatically making machine management and recipe control easier than ever.	Lesser consumption of water, chemicals and savings in energy consumption. Reduction in waste water generation and overall environmental impact.
2	Upgradation of Sewing machines	More than 85% of clutch motors have been replaced with Servo motors in sewing operation across our operations thereby reducing the energy demand.	Conservation of Energy
3	G2-Ozone technology machine	Installed the G2-Ozone technology machine in the garment finishing process. Using air from the atmosphere, G2 technology generates ozone to treat garments by reacting with fiber dyes, giving them the real look of outdoor usage. All of this is accomplished in a zero-discharge process, achieving significant savings of water, energy and chemicals	Pre-Ozonic and Post-Ozonic processes results in cleaner garments of higher quality, achieved without water or chemicals, consume lesser energy. Reduction of overall Environmental impact.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

The Company has risk management policy <https://www.gokaldasexports.com/wp-content/uploads/2022/08/Policy-on-Risk-Management.pdf> that outlines ways and means to respond each element of business risks and how are such risks impact the business continuity and the going concerns. The Company has instituted emergency preparedness plans in each production location to deal with emergency situations. It also provides response mechanism to deal with hazard & risks and environmental impacts arising from emergency situations. The HR team of factory units impart regular training and share information to the employees to remain aware of the emergency situations. The Company periodically evaluates its annual business plan, assess its infrastructure adequacy, capacity utilization etc. and takes appropriate measures to mitigate risks associated with the business. The Company has risk management committee of the board who periodically reviews the risks measures and advise on the action as deemed necessary.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company does not independently carry out formal evaluation of the Environmental impact on value chain activities. However, we expect most of our value chain partners are covered under brand promoted assessment program and are assessed with specific reference to environmental and social impacts.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Please refer to the above.

## PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

The Company is a member of 6 chambers/associations. Designated representatives of the Company engage in various dialogues with the associations.

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Apparel Export Promotion Council (AEPC)	National/International
2	Bangalore Chamber of Industry & Commerce (BCIC)	State
3	Confederation Of Indian Industry (CII)	National
4	Garments Exporters & Manufacturers Association (GEMA)	National/International
5	Indian Technical Textile Association (ITTA)	National/International
6	The Clothing Manufacturers Association of India (CMAI)	National/International

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the Case	Corrective action taken
	The Company has not received any such adverse orders	

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public Policy advocated	Methods resort for such advocacy	Whether Information available in public domain (yes/No)	Frequency Review by Board (Annually/Half Yearly/Quarterly/ Others – Please specify)	Web Link, if available
-	-	-	-	-	-

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name & brief details of Project	SIA Notification No.	Date of Notification	Whether conducted by Independent External Agency (Yes/No)	Results communicated in Public domain (Yes/No)	Relevant Web Link
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The Company was not required to undertake any such project during the current or the previous financial year.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R & R is ongoing	State	District	No. of affected Projects (PAFs)	% of PAFs covered by R & R	Amounts paid to PAFs in the FY (in ₹)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company engages with various stakeholder groups at different levels. The local management team of the production sites regularly interacts with the community representatives and takes their feedbacks. The CSR team facilitates interaction between communities and the senior leadership team to take inputs from the local stakeholders. Community development programs are designed and implemented accordingly. In addition, various informal and formal sessions are conducted with the community to engagement with children, youth, women and community and panchayat representatives.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/small producers	2.7%	1.8%
Directly from within India	74.2%	70.8%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	7%	4%
Semi-urban	3%	2%
Urban	30%	32%
Metropolitan	60%	62%

Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
The Company was not required to undertake any such project during the current year or the previous financial year.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Company has implemented CSR activities in 03 states covering 09 districts. However, the districts covered are not categorized as aspirational districts as identified by the Government bodies.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No. 90 % of Fabric and Trims purchase are mostly from customer (Global Apparel Brands) nominated/qualified sources and hence we do not have any specific policy on sourcing from marginalized/vulnerable groups

- (b) From which marginalized/vulnerable groups do you procure?

Not applicable as explained above

- (c) What percentage of total procurement (by value) does it constitute?

Not applicable as explained above

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the Authority	Brief of the Case	Corrective action taken
Not applicable		

## 6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted per year from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Supported with diagnosis & treatment medical equipment, Ultrasound scan machine and computer systems to BBMP Srirampura Referral Hospital	20,000	> 50%
2	Supported with diagnosis & treatment medical equipment to BBMP Mallasandra maternity hospital	15,000	> 30%
3	Provided Ambulance, medical equipment and drinking water facility to Aradeshahalli Primary Health Centre	600	> 30%
4	Provided ICU cots, ICU monitoring devices, causality tables to Tiptur Government Hospital	3,600	> 50%
5	Provided E-Buggy vehicle, drinking water RO plant and medical equipment to K R Hospital, Mysuru	30,000	> 30%
6	Supported with medical diagnosis & treatment equipment, drinking water facility to Madanapalle govt hospital	15,000	> 50%
7	Provided Keyar DT Max Wireless & Portable Fetal Monitor devices to BBMP medical centres	4,500	> 30%
8	Supported Govt Deaf & Blind school with interactive smart TV's, speech trainer equipment and other school furniture	130	100%
9	Provided Computer lab facility and safe drinking water facility at Govt higher primary school	450	> 80%
10	Provided Computer lab facility, Safe drinking water facility and sewing machines for Skill development at Govt first grade college and installed Rain Water Harvesting system	1,300	> 80%
11	Provided computer lab facility, Safe drinking water facility and furniture at Govt higher primary school	1,800	> 80%
12	Undertook repair and refurbishment of Govt higher primary schools	354	> 80%
13	Constructed new school building consisting of 2 classrooms and provided furniture at Govt High school	120	100%
14	Provided motorised adaptive vehicles to special needy people	5	100%
15	Conducted Blood donation drive across our operations and collected 1107 No's Blood units in single day and handed over to Hospitals	3,321	NA
16	Provided road safety equipment (traffic control barricades) at Tiptur Rural Police station	1,000	NA
17	Provided waste collection vehicle and computer systems to Panchayat	5,000	> 50%
18	Provided goods carrying vehicle to Air Humanitarian homes	600	100%
19	Provided ICU type cots and kitchen appliances to Oldage Home	150	100%
20	Initiated the MHM program (Menstrual Health Management) which includes Period Positivity, Educate, Elevate and Empower women at rural areas	12,000	100%
21	Assessing the potential for community driven climate actions in peri-urban areas of western Ghats	NA	NA
22	Exploring the scope of circular Economy in textile waste for enhancing sustainable development (SDG - 12)	NA	NA
23	Supporting SDG Impact research on Plastic repurposing and Waste Water Application	NA	NA



## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company's activities are B2B, hence there are minimal interactions with the consumers. However, in respect of retail business, we capture the consumer complaints and feedback in our 2 retail stores in a register which are addressed appropriately.

- Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

As a Percentage of total turnover	
Environmental and Social parameters relevant to the product	This Information has not been calculated or assessed
Safe and responsible Usage	
Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of the Year	Remarks	Received during the year	Pending resolution at end of the Year	Remarks
Data privacy	-	-		-	-	
Advertising	-	-		-	-	
Cyber-security	-	-		-	-	
Delivery of Essential Services	-	-		-	-	
Restrictive Trade Practices	-	-		-	-	
Unfair Trade Practices	-	-		-	-	
Other	-	-		-	-	

- Details of instances of product recalls on account of safety issues:

	Number	Reasons for Recall
Voluntary Recalls	-	Not applicable
Forced Recalls	-	Not applicable

- Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has very well-defined cyber policies & procedures covering aspects of data privacy & information security. These policies & procedures protects the Company from unauthorized access to data and equipment ensures data confidentiality at all times. To achieve this purpose, the Company uses proven IT tools with pre-defined security protection. The logs records are reviewed on a regular basis for detection & remediation of unauthorized access. The Company has a well-defined data recovery plan in place to ensure uninterrupted business.

- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No instances have been observed during the last 5 years.

- Provide the following information relating to data breaches:

- Number of instances of data breaches: None
- Percentage of data breaches involving personally identifiable information of customers: NA
- Impact, if any, of the data breaches: None

**Leadership Indicators**

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Most of the business is on a B2B basis and hence the organization does not have a formal channel/platform for information on products and services.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The product quality and sources of products are well defined by the customers (Global apparel brands). Hence our customers take up the responsibility to educate consumers about safe and responsible usage of products and/or services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief.

Not applicable.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company works on a B2B business model and hence Not applicable.

# Independent Auditor's Report

To the Members of Gokaldas Exports Limited

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of Gokaldas Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs

of the Company as at March 31, 2024, and profit other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone financial statements 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Refer Note 2.2 of Standalone Financial Statements with respect to the accounting policies followed by the Company for recognizing revenue.</p> <p>The Company derives its revenue primarily from delivery of export garments and its related products to its customer/agent nominated by customer, in accordance with commercial terms agreed. The revenue is recognised at a point in time when control of the goods has transferred to the customer.</p> <p>Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing the present right to receive payment for the products, delivery specifications including incoterms, timing of transfer of legal title of the asset and determination of the point of acceptance of goods by customer.</p>	<p>Our audit procedures in respect of this area included:</p> <ol style="list-style-type: none"><li>1. Assessed the appropriateness and consistency of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115").</li><li>2. Obtained an understanding and assessed the design, implementation, and operating effectiveness of controls over recognition and measurement of revenue in accordance with customer contracts, including timing of revenue recognition.</li><li>3. Performed substantive testing by selecting samples of revenue transactions recorded during the year and verifying with the underlying documents like sales invoices/contracts and related logistics documents.</li><li>4. Performed three-way match for the sales using documents which include purchase orders from customers, invoice and proof of deliveries (bill of lading for export sales and lorry receipts etc for domestic sales).</li></ol>

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	Revenue is identified as an area of significant risk and at the year-end management has to exercise significant judgement for recognition of revenue as per Ind AS 115. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	<ol style="list-style-type: none"> <li>5. Performed the cut-off testing of the revenue recorded in the appropriate period and traced the sales with Shipping bill, Bill of lading and other logistic documents to confirm the appropriateness of recognition of revenue for that period in the books of accounts.</li> <li>6. Assessed manual journals posted to revenue to identify unusual items &amp; tested the underlying documents of the same on a sample basis.</li> <li>7. Obtained management representation that revenue has been recorded as per the requirements of Ind AS 115.</li> <li>8. Evaluated the appropriateness of the disclosures made in the Standalone Financial Statements in relation to revenue recognised as per relevant accounting standards.</li> </ol>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc but does not include the standalone financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc, which is expected to be made available to us after that date.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial 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 Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 on the basis of these standalone financial statements.

We give in **"Annexure A"** a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph on reporting under Rule 11(g).
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) 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.

- (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph on reporting under Section 143(3)(b) and paragraph on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C"**.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 37 to the standalone financial statements;
  - ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    1. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 55 to the standalone financial statements, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    2. The Management has represented, that, to the best of its knowledge and belief, 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, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.

The Company has not declared any dividend during the year.

- vi. 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.

Based on our examination, the Company has used a payroll software which is operated by a third-party software service provider for maintaining its books of account for the year ended March 31, 2024. In the absence of independent auditor's report of the service organization, we are unable to comment whether the software has a feature of recording audit trail (edit log) facility nor are we able to comment on whether the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software. We are further unable to comments to whether there were any instances of the audit trail feature been tampered with.

Based on our examination, the Company has used an inventory 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, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024 in respect of the software to log any direct data changes.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this accounting software during the year ended March 31, 2024.

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 feature was enabled and operating.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Pankaj S Bhauwala**

Partner

Membership No. 233552

UDIN: 24233552BKBK6627

**Place:** Bengaluru

**Date:** May 26, 2024

# Annexure A

To the independent auditor's report on even date on the Standalone Financial Statements of **Gokaldas Exports Limited**

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

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

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

related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Pankaj S Bhauwala**

Partner

Membership No. 233552

UDIN: 24233552BKBKDD6627

**Place:** Bengaluru

**Date:** May 26, 2024

## Annexure B

To independent auditor's report of even date on the financial statements of **Gokaldas Exports Limited** for the year ended March 31, 2024

[Referred to in paragraph 1 Under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company except for below mentioned immovable property aggregating to ₹ 37.01 lakhs as at March 31, 2024, for which title deed is not in the name of the Company.

Sr. No.	Description of Property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of Company (also indicate if in dispute)
1	Land (Location: Andhra Pradesh- Pileru)	37.01	Andhra Pradesh Industrial Infrastructure Corporation Limited	No	Possession held since March 5, 2019	Due to pending fulfilment of the condition precedent for title deed registration

The title deeds of immovable properties aggregating to ₹ 1,614.41 lakhs as at March 31, 2024, are pledged with the banks and are not available with the Company. The same has been independently confirmed by the bank to us and verified by us.

- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks and financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns/statements filed with such Banks/financial institutions are in agreement with the books of accounts of the Company.



- iii. (a) According to the information explanation provided to us, the Company has provided loans, advances in the nature of loans, stood guarantee, and/or provided security(ies) to other entities.

- (A) The details of such loans, advances, guarantee or security(ies) to subsidiaries, Joint Ventures and Associates are as follows:

	(Amount in ₹ Lakhs)		
	Guarantees	Loans	Advances in the nature of loans
Aggregate amount granted/provided during the year			
- Subsidiaries	34,187	22,310.60	-
Balance Outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	50,187	35,507.19*	-

\*Includes interest outstanding on loans

- (B) The details of such loans, advances, guarantee or security(ies) to parties other than Subsidiaries, Joint ventures and Associates are as follows:

	(Amount in ₹ Lakhs)		
	Guarantees	Loans	Advances in the nature of loans
Aggregate amount granted/provided during the year			
- Loan to employees	-	124.34	-
Balance Outstanding as at balance sheet date in respect of above cases			
- Loan to employees	-	124.93	-

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans and/or advances in the nature of loans, granted to Company.
- (e) According to the information explanation provided to us, there were no loans or advance in the nature of loan granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loan given to the same parties.
- (f) According to the information explanation provided to us, the Company has not any granted loans and/or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of Section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions stated under clause 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 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/services of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (₹ in lakhs)	Amount Paid (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax payable	1,894.48	-	AY 22-23	Deputy Commissioner of Income Tax	-
Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Interest and Penalty etc.	122.54	*91.81	April 2005-08, June 2008 to August 2008 & July 2008 to July 2015	Employees Provident Fund Tribunal	-

\*₹ 91.81 lakhs has been paid as deposits to Employees Provident Fund Tribunal

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment or private placement of shares during the year and the requirements of Section 42 and Section 62 of the Companies Act, 2013, have been complied with. Refer note 50 of the standalone financial statements.

- xi. (a) Based on our 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 report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is 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 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 31 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Companies Act, 2013, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a

Fund specified in schedule VII of the Companies Act, 2013 or to a Special Account as per the provisions of Section 135 of the Companies Act, 2013 read with schedule VII to the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Pankaj S Bhauwala**

Partner

Membership No. 233552

UDIN: 24233552BKBK6627

**Place:** Bengaluru

**Date:** May 26, 2024



# Annexure C

To the independent auditor's report of even date on the Standalone Financial Statements of **Gokaldas Exports Limited**

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the Financial Statements for the year ended March 31, 2024]

## **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 Gokaldas Exports 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.

### **OPINION**

In our opinion, the Company, has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

### **MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's Management and the Board of Directors are 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. 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 adequate 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 adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

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

## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management

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

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Pankaj S Bhauwala**

Partner

Membership No. 233552

UDIN: 24233552BKBK6627

**Place:** Bengaluru

**Date:** May 26, 2024

# Standalone Balance Sheet

As at March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	17,308.71	15,432.20
Right-of-use assets	3 (b)	7,974.00	10,528.11
Other intangible assets	4	100.80	111.95
<b>Financial assets</b>			
Investments in subsidiaries and others	5(a)	34,807.92	2,074.85
Loans	6	35,507.19	12,113.68
Other financial assets	7(a)	3,255.68	2,711.34
Deferred tax assets (net)	8(a)	3,605.31	3,064.73
Non-current tax assets (net)	8(b)	81.15	386.70
Other non-current assets	9(a)	699.23	509.69
<b>Total non-current assets</b>		<b>1,03,339.99</b>	<b>46,933.25</b>
<b>Current assets</b>			
Inventories	10	36,267.77	29,229.37
<b>Financial assets</b>			
Investments	5(b)	15,592.69	34,399.06
Trade receivables	11	20,977.66	13,582.42
Cash and cash equivalents	12	1,408.76	1,345.29
Other bank balances (other than cash and cash equivalents)	12	7,195.15	743.44
Other financial assets	7(b)	1,086.84	104.17
Other current assets	9(b)	9,650.94	7,928.63
<b>Total current assets</b>		<b>92,179.81</b>	<b>87,332.38</b>
<b>Total assets</b>		<b>1,95,519.80</b>	<b>1,34,265.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	13	3,169.15	3,028.90
Other equity	14	1,30,987.61	86,270.07
<b>Total equity</b>		<b>1,34,156.76</b>	<b>89,298.97</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15(a)	-	7.42
Lease liabilities	16(a)	5,911.06	8,472.67
Provisions	17(a)	1,418.82	1,332.35
<b>Total non-current liabilities</b>		<b>7,329.88</b>	<b>9,812.44</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15(b)	15,809.76	2,499.65
Trade payables	18		
(a) Total outstanding dues of micro and small enterprises		273.37	241.02
(b) Total outstanding dues of creditors other than micro and small enterprises		13,548.29	8,138.19
Lease liabilities	16(b)	3,730.02	3,112.31
Other current financial liabilities	19	13,651.35	15,577.04
Other current liabilities	20	2,068.31	1,192.33
Provisions	17(b)	4,952.06	4,393.68
<b>Total current liabilities</b>		<b>54,033.16</b>	<b>35,154.22</b>
<b>Total liabilities</b>		<b>61,363.04</b>	<b>44,966.66</b>
<b>Total equity and liabilities</b>		<b>1,95,519.80</b>	<b>1,34,265.63</b>

Summary of significant accounting policies.

2.2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

**Place:** Bengaluru  
**Date:** May 26, 2024

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**  
CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

**Sathyamurthy A**  
Chief Financial Officer

**Place:** Bengaluru  
**Date:** May 26, 2024

**Sivaramkrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024

# Standalone Statement of Profit and Loss

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>I Income</b>			
Revenue from operations	21	2,13,906.28	2,22,108.59
Other income	22	4,474.67	3,056.54
<b>Total income</b>		<b>2,18,380.95</b>	<b>2,25,165.13</b>
<b>II Expenses</b>			
Cost of raw materials and components consumed	23	1,02,772.41	1,05,256.28
Purchases of stock-in-trade	24	-	85.27
Changes in inventories of finished goods and work-in-progress	25	(3,000.23)	12,324.37
Employee benefits expense	26	70,638.29	61,901.53
Finance costs	27	2,416.43	2,535.48
Depreciation and amortization expense	28	7,879.38	7,075.33
Job work charges		711.46	1,186.33
(Gain)/loss on account of foreign exchange fluctuations (net)		(76.93)	(668.42)
Other expenses	29	17,344.25	15,091.63
<b>Total expenses</b>		<b>1,98,685.06</b>	<b>2,04,787.80</b>
<b>III Profit before tax (I-II)</b>		<b>19,695.89</b>	<b>20,377.33</b>
<b>IV Exceptional items</b>	30	-	<b>605.03</b>
<b>V Profit after exceptional items and before tax (III-IV)</b>		<b>19,695.89</b>	<b>20,982.36</b>
<b>VI Tax expenses</b>	33		
Current tax		4,438.45	4,830.57
Adjustment of tax relating to earlier years		(27.21)	(160.11)
Deferred tax credit		(1,131.24)	(1,528.14)
		<b>3,280.00</b>	<b>3,142.32</b>
<b>VII Profit after tax for the year (V-VI)</b>		<b>16,415.89</b>	<b>17,840.04</b>
<b>VIII Other comprehensive income (net of tax)</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plan		119.76	206.82
Items that will be reclassified to profit or loss in subsequent periods:			
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		1,756.21	(2,440.34)
<b>Total other comprehensive income for the year</b>		<b>1,875.97</b>	<b>(2,233.52)</b>
<b>IX Total comprehensive income for the period attributable to equity holders (VII+VIII)</b>		<b>18,291.86</b>	<b>15,606.52</b>
<b>X Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2023- ₹ 5)]</b>			
Basic earnings per share (refer note 34)		27.01	29.50
Diluted earnings per share (refer note 34)		25.70	28.05

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

**Place:** Bengaluru  
**Date:** May 26, 2024

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**  
CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

**Sathyamurthy A**  
Chief Financial Officer

**Place:** Bengaluru  
**Date:** May 26, 2024

**Sivaramakrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024

# Standalone Cash Flow Statement

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>Cash flow from operating activities</b>			
<b>Profit before exceptional items and tax</b>		<b>19,695.89</b>	<b>20,377.33</b>
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation/amortization expense		7,879.38	7,075.33
Net gain on disposal of property, plant and equipment		(41.83)	(19.26)
Unrealised foreign exchange (gain)/loss, (net)		(63.68)	48.09
Gain on sale of investments in mutual fund units (including fair value gain)		(2,610.15)	(1,589.53)
Income from government grant		(942.56)	(173.83)
Share based payments to employees		2,418.76	2,298.00
Interest income		(1,792.10)	(891.63)
Finance costs		2,416.43	2,535.48
Provision for doubtful debts		273.03	27.70
Excess provision of earlier years written back		-	(190.52)
<b>Operating profit before working capital changes</b>		<b>27,233.17</b>	<b>29,497.16</b>
Changes in operating assets and liabilities:			
(Increase)/decrease in other financial assets		148.30	(72.82)
(Increase)/decrease in other assets		(2,454.32)	4,343.29
(Increase)/decrease in inventories		(7,038.40)	14,023.83
(Increase)/decrease in trade receivables		(7,127.56)	(4,472.99)
Increase/(decrease) in provisions for employee benefits		764.61	1,548.75
Increase/(decrease) in trade payables		5,969.12	(3,374.22)
Increase/(decrease) in other financial liabilities		(760.53)	(724.65)
Increase/(decrease) in other liabilities		398.95	(53.23)
		<b>17,133.34</b>	<b>40,715.12</b>
Direct taxes refunded/(paid) (net of refund/payments)		(4,105.69)	(3,870.58)
<b>Net cash flows from operating activities (A)</b>		<b>13,027.65</b>	<b>36,844.54</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(5,229.75)	(4,223.38)
Proceeds from sale of property, plant and equipment		109.30	898.49
Investments in bank deposits		(15,192.18)	(5,528.27)
Proceeds from redemption of bank deposits		8,740.47	6,281.67
Investment - Others		(314.74)	-
Investment in subsidiary companies		(32,418.33)	(85.10)
Loans given to subsidiary companies		(23,393.51)	(8,602.17)
Investment in mutual fund units		(22,750.00)	(36,500.00)
Proceeds from sale of investment in mutual fund units		44,166.52	19,135.84
Finance income received		1,528.76	327.21
<b>Net cash flows used in investing activities (B)</b>		<b>(44,753.46)</b>	<b>(28,295.71)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares/exercise of share options		24,753.68	431.49
Proceeds of borrowings		87,717.69	41,478.81
Repayment of borrowings		(74,415.00)	(45,299.00)
Payment of lease liabilities (Refer note 37)		(4,479.07)	(4,092.24)
Dividend paid		(606.51)	-
Finance costs paid		(1,181.51)	(979.92)
<b>Net cash flows from/(used in) financing activities (C)</b>		<b>31,789.28</b>	<b>(8,460.86)</b>
Net increase in cash and cash equivalents (A+B+C)		63.47	87.97
Cash and cash equivalents at the beginning of the year	12	1,345.29	1,257.32
<b>Cash and cash equivalents at the end of the year</b>		<b>1,408.76</b>	<b>1,345.29</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>			
Components of cash and cash equivalents			
Balances with banks			
In current accounts		1,395.36	1,338.01
Cash on hand		13.40	7.28
<b>Total</b>	12	<b>1,408.76</b>	<b>1,345.29</b>

Refer note 2.2 for summary of significant accounting policies.



(All amounts in Indian Rupees in lakhs, except stated otherwise)

**Notes:**

1. Reconciliation of liabilities arising from financing activities:

Particulars	Borrowings	Lease liability	Total
<b>Balance as at March 31, 2022</b>	<b>6,306.94</b>	<b>12,808.24</b>	<b>19,115.18</b>
Cash flows	(3,820.19)	(4,092.24)	(7,912.43)
Non-cash changes	20.32	2,868.98	2,889.30
<b>Balance as at March 31, 2023</b>	<b>2,507.07</b>	<b>11,584.98</b>	<b>14,092.05</b>
Cash flows	13,302.69	(4,479.07)	8,823.62
Non-cash changes	-	2,535.17	2,535.17
<b>Balance as at March 31, 2024</b>	<b>15,809.76</b>	<b>9,641.08</b>	<b>25,450.84</b>

2. The above Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS - 7 on Statement of Cash Flows notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.

3. Figures in brackets indicate cash outflow.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

**Place:** Bengaluru  
**Date:** May 26, 2024

**For and on behalf of the Board of Directors of**  
**Gokaldas Exports Limited**  
CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

**Sathyamurthy A**  
Chief Financial Officer

**Place:** Bengaluru  
**Date:** May 26, 2024

**Sivaramakrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024

# Standalone 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 ₹ 5 each issued, subscribed and fully paid		
At April 01, 2022	5,89,76,994	2,948.85
Add: Issued during the year	16,01,000	80.05
<b>At March 31, 2023</b>	<b>6,05,77,994</b>	<b>3,028.90</b>
At April 01, 2023	6,05,77,994	3,028.90
Add: Issued during the year	28,04,866	140.25
<b>At March 31, 2024</b>	<b>6,33,82,860</b>	<b>3,169.15</b>

## B. OTHER EQUITY

For the year ended March 31, 2024

	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
<b>As at April 01, 2023</b>	50,959.81	2,192.09	9,754.45	2,391.00	22,036.03	(1,063.31)	86,270.07
Profit for the year	-	-	-	-	16,415.89	-	16,415.89
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	1,756.21	1,756.21
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	119.76	-	119.76
<b>Total comprehensive income</b>	<b>50,959.81</b>	<b>2,192.09</b>	<b>9,754.45</b>	<b>2,391.00</b>	<b>38,571.68</b>	<b>692.90</b>	<b>1,04,561.93</b>
Additions	24,613.43	-	-	-	-	-	24,613.43
Transfer to securities premium on exercise of equity stock options	113.98	-	-	(113.98)	-	-	-
Dividend paid	-	-	-	-	(606.51)	-	(606.51)
Share based payment expense	-	-	-	2,418.76	-	-	2,418.76
<b>At March 31, 2024</b>	<b>75,687.22</b>	<b>2,192.09</b>	<b>9,754.45</b>	<b>4,695.78</b>	<b>37,965.17</b>	<b>692.90</b>	<b>1,30,987.61</b>

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

	Attributable to equity holders of the Company						Total
	Reserves and Surplus					Items of OCI	
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
<b>As at April 01, 2022</b>	<b>49,429.05</b>	<b>2,192.09</b>	<b>9,754.45</b>	<b>1,272.32</b>	<b>3,989.17</b>	<b>1,377.03</b>	<b>68,014.11</b>
Profit for the year	-	-	-	-	17,840.04	-	17,840.04
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	(2,440.34)	(2,440.34)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	206.82	-	206.82
<b>Total comprehensive income</b>	<b>49,429.05</b>	<b>2,192.09</b>	<b>9,754.45</b>	<b>1,272.32</b>	<b>22,036.03</b>	<b>(1,063.31)</b>	<b>83,620.63</b>
Additions on account of shares issued during the year	351.44	-	-	-	-	-	351.44
Transfer to securities premium on exercise of equity stock options	1,179.32	-	-	(1,179.32)	-	-	-
Dividend paid	-	-	-	-	-	-	-
Share based payment expense	-	-	-	2,298.00	-	-	2,298.00
<b>At March 31, 2023</b>	<b>50,959.81</b>	<b>2,192.09</b>	<b>9,754.45</b>	<b>2,391.00</b>	<b>22,036.03</b>	<b>(1,063.31)</b>	<b>86,270.07</b>

Refer note 2.2 for summary of significant accounting policies.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

**Place:** Bengaluru  
**Date:** May 26, 2024

For and on behalf of the Board of Directors of  
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CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

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Chief Financial Officer

**Place:** Bengaluru  
**Date:** May 26, 2024

**Sivaramakrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 1. CORPORATE INFORMATION

Gokaldas Exports Limited ('the Company') (having Corporate Identity Number (CIN): L18101KA2004PLC033475) was incorporated on March 1, 2004 by converting the erstwhile partnership firm Gokaldas India under Part IX of the Companies Act, 1956. Pursuant to the order of the Hon'ble High Court of Karnataka dated November 20, 2004, Gokaldas Exports Private Limited and The Unique Creations (Bangalore) Private Limited had been amalgamated with the Company, with effect from April 01, 2004 being the appointed date. The Company currently operates a 100% Export Oriented Unit, a Domestic Tariff Area Unit and a Special Economic Zone Unit.

The Company is a public Company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bangalore. The Company is engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Company is from manufacture and sale of garments and related products, both domestic and overseas.

## 2. MATERIAL 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 01, 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 material accounting policies

### a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Advance tax paid is classified as non-current assets.

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

The Company has identified twelve months as its operating cycle.

### b. Fair value measurement of financial instruments

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

Effective April 01, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 01, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

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

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

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

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

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

#### *Determining the transaction price*

The Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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.

## ii. Revenue from export incentives

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

## iii. Interest income

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

## iv. Dividends

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

## v. Others

Insurance/other claims are recognized on acceptance basis.

## e. Non-current assets held for sale

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

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

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

## f. Government grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the standalone statement of profit and loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the standalone balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

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

## g. Taxes

### Current income tax

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

## Deferred income tax

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

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

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

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

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

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

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

the future economic benefit associated with the asset will be realized.

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 01, 2016.

Freehold land is carried at historical cost and is not depreciated. Capital work in progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

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

Category of asset	Estimated useful life (in years)
Buildings	30 years
Plant and Machinery	15 years
Electrical Equipment	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers	3 years

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

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

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

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

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

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

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

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

## i. Borrowing costs

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

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

## j. Leases

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

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

For arrangements entered into prior to April 01, 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.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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.

## k. Inventories

### Inventories are valued as follows:

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

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

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

## l. Provisions and contingent liabilities

### i. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic

benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

### ii. Contingent liabilities

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

Provisions and contingent liabilities are reviewed at each balance sheet.

### m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

Gratuity liability is a defined benefit obligation which is funded through policy taken from Life Insurance Corporation of India ('LIC') and liability (net of fair value of investment in LIC) is

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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:

- The date of the plan amendment or curtailment; and
- 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:

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

## n. Share-based payments

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

### Equity-settled transactions

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

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

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

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

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



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

## o. Financial instruments

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

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

## Effective interest method

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

## (a) Financial assets

### *Financial assets at amortised cost*

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

### *Financial assets measured at fair value*

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

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

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

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

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

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

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

### *De-recognition of financial assets*

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

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

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

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

## (b) Financial liabilities and equity instruments

### *Classification as debt or equity*

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 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 standalone statement of profit and loss.

## q. Impairment of non-financial assets

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

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

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

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

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

impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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

## r. Corporate Social Responsibility ('CSR') expenditure

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

## s. Cash and cash equivalent

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

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 3(a) PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total
<b>Gross carrying value<sup>1</sup></b>										
<b>At April 01, 2022</b>	734.78	1,685.56	2,678.17	17,947.05	790.88	775.92	810.69	745.12	111.07	26,279.24
Additions	-	32.04	430.55	2,649.45	27.38	201.82	204.72	193.68	49.77	3,789.41
Capitalised during the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	(800.96)	-	(1,201.58)	(152.00)	(6.55)	(93.68)	(118.36)	(8.46)	(2,381.59)
<b>At March 31, 2023</b>	<b>734.78</b>	<b>916.64</b>	<b>3,108.72</b>	<b>19,394.92</b>	<b>666.26</b>	<b>971.19</b>	<b>921.73</b>	<b>820.44</b>	<b>152.38</b>	<b>27,687.06</b>
Additions	-	-	522.42	5,380.39	59.32	127.40	56.60	143.73	4.06	6,293.92
Capitalised during the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(2,004.16)	-	(142.91)	-	(253.02)	-	(2,400.09)
<b>At March 31, 2024</b>	<b>734.78</b>	<b>916.64</b>	<b>3,631.14</b>	<b>22,771.15</b>	<b>725.58</b>	<b>955.68</b>	<b>978.33</b>	<b>711.15</b>	<b>156.44</b>	<b>31,580.89</b>
<b>Depreciation</b>										
<b>At April 01, 2022</b>	-	808.76	1,448.70	6,761.38	343.40	475.94	325.30	587.85	35.97	10,787.30
Charge for the year	-	68.83	439.92	2,407.74	106.46	195.46	152.20	169.08	35.26	3,574.95
Disposals	-	(604.89)	-	(1,133.72)	(144.06)	(5.81)	(92.92)	(117.87)	(8.12)	(2,107.39)
<b>At March 31, 2023</b>	<b>-</b>	<b>272.70</b>	<b>1,888.62</b>	<b>8,035.40</b>	<b>305.80</b>	<b>665.59</b>	<b>384.58</b>	<b>639.06</b>	<b>63.11</b>	<b>12,254.86</b>
Charge for the year	-	61.18	601.88	2,973.73	139.12	177.90	206.66	153.04	36.41	4,349.92
Disposals	-	-	-	(1,937.82)	-	(141.76)	-	(253.02)	-	(2,332.60)
<b>At March 31, 2024</b>	<b>-</b>	<b>333.88</b>	<b>2,490.50</b>	<b>9,071.31</b>	<b>444.92</b>	<b>701.73</b>	<b>591.24</b>	<b>539.08</b>	<b>99.52</b>	<b>14,272.18</b>
<b>Net Book value</b>										
<b>At March 31, 2024</b>	<b>734.78</b>	<b>582.76</b>	<b>1,140.64</b>	<b>13,699.84</b>	<b>280.66</b>	<b>253.95</b>	<b>387.09</b>	<b>172.07</b>	<b>56.92</b>	<b>17,308.71</b>
<b>At March 31, 2023</b>	<b>734.78</b>	<b>643.94</b>	<b>1,220.10</b>	<b>11,359.52</b>	<b>360.46</b>	<b>305.60</b>	<b>537.15</b>	<b>181.38</b>	<b>89.27</b>	<b>15,432.20</b>

<sup>1</sup>The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 01, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 32 for information on property, plant and equipment pledged as security by the Company.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 3(b) RIGHT-OF-USE ASSETS

	Right-of-use		
	Buildings	Vehicles	Total
<b>Cost</b>			
At April 01, 2022	19,867.44	-	19,867.44
Additions (including modifications)	1,085.51	327.53	1,413.04
Deletions/Modifications	-	-	-
<b>At March 31, 2023</b>	<b>20,952.95</b>	<b>327.53</b>	<b>21,280.48</b>
Additions (including modifications)	674.12	187.04	861.16
Deletions/Modifications	-	-	-
<b>Cost as at March 31, 2024</b>	<b>21,627.07</b>	<b>514.57</b>	<b>22,141.64</b>
<b>Amortisation</b>			
Accumulated depreciation as at April 01, 2022	7,470.65	-	7,470.65
Charge during the year	3,244.21	37.51	3,281.72
Deletions/Modifications	-	-	-
<b>At March 31, 2023</b>	<b>10,714.86</b>	<b>37.51</b>	<b>10,752.37</b>
Charge during the year	3,291.14	124.13	3,415.27
Deletions/Modifications	-	-	-
<b>Amortisation as at March 31, 2024</b>	<b>14,006.00</b>	<b>161.64</b>	<b>14,167.64</b>
<b>Net carrying value</b>			
<b>At March 31, 2024</b>	<b>7,621.07</b>	<b>352.93</b>	<b>7,974.00</b>
<b>At March 31, 2023</b>	<b>10,238.09</b>	<b>290.02</b>	<b>10,528.11</b>

## 4. OTHER INTANGIBLE ASSETS

	Computer Software	Total
<b>Gross carrying value<sup>1</sup></b>		
At April 01, 2022	945.73	945.73
Additions	56.73	56.73
<b>At March 31, 2023</b>	<b>1,002.46</b>	<b>1,002.46</b>
Additions	103.04	103.04
<b>At March 31, 2024</b>	<b>1,105.50</b>	<b>1,105.50</b>
<b>Amortisation and impairment</b>		
At April 01, 2022	671.85	671.85
Charge during the year	218.66	218.66
<b>At March 31, 2023</b>	<b>890.51</b>	<b>890.51</b>
Charge during the year	114.19	114.19
<b>At March 31, 2024</b>	<b>1,004.70</b>	<b>1,004.70</b>
<b>Net book value</b>		
<b>At March 31, 2024</b>	<b>100.80</b>	<b>100.80</b>
<b>At March 31, 2023</b>	<b>111.95</b>	<b>111.95</b>

<sup>1</sup>The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 01, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 5(a) FINANCIAL ASSETS - NON-CURRENT INVESTMENTS IN SUBSIDIARIES AND OTHERS

Particulars	March 31, 2024	March 31, 2023
<b>Investments in equity instruments (carried at amortised cost, except stated otherwise)</b>		
<b>(i) Unquoted equity shares of subsidiary companies (domestic companies)</b>		
All Colour Garments Private Limited 20,000 (March 31, 2023: 20,000) equity shares of ₹ 10 each, fully paid-up	333.98	333.98
Vignesh Apparels Private Limited 20,000 (March 31, 2023: 20,000) equity shares of ₹ 10 each, fully paid-up	80.89	80.89
SNS Clothing Private Limited 20,000 (March 31, 2023: 20,000) equity shares of ₹ 10 each, fully paid-up	1,776.00	1,776.00
Matrix Design & Industries Private Limited 10,000 (March 31, 2023: Nil) equity shares of ₹ 10 each, fully paid-up	32,306.48	-
Gokaldasexports Acharpura Private Limited 10,000 (March 31, 2023: 10,000) equity shares of ₹ 10 each, fully paid-up	1.00	1.00
Sri Susamyuta Knits Private Limited 10,000 (March 31, 2023: 10,000) equity shares of ₹ 10 each, fully paid-up	1.00	1.00
	<b>34,499.35</b>	<b>2,192.87</b>
Less: impairment in value of investment in SNS Clothing Private Limited	(203.39)	(203.39)
<b>Total investment in unquoted equity shares of subsidiary companies (domestic companies)</b>	<b>34,295.96</b>	<b>1,989.48</b>
<b>(ii) Unquoted equity shares of subsidiary companies (foreign companies)</b>		
Gokaldas Exports FZCO 400,000 (March 31, 2023: 400,000) equity shares of AED 1 each, fully paid-up	85.10	85.10
Nava Apparels LLC FZ 500,000 (March 31, 2023: Nil) equity shares of AED 1 each, fully paid-up	111.85	-
<b>Total investment in unquoted equity shares of subsidiary companies (foreign companies)</b>	<b>196.95</b>	<b>85.10</b>
<b>(iii) Unquoted equity shares of other companies (domestic companies), (carried at fair value)</b>		
Clean Max Celest Private Limited 2,600 equity shares of ₹ 10 each, fully paid-up	314.74	-
<b>Total investment in unquoted equity shares in other companies (domestic companies)</b>	<b>314.74</b>	<b>-</b>
<b>(iv) Investment in unquoted government securities</b>		
Investment in National Savings Certificates	0.27	0.27
<b>Total investment in unquoted government securities</b>	<b>0.27</b>	<b>0.27</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 5(a) FINANCIAL ASSETS - NON-CURRENT INVESTMENTS IN SUBSIDIARIES AND OTHERS

(Contd.)

Particulars	March 31, 2024	March 31, 2023
<b>(v) Unquoted investment in preference shares in body corporates (carried at amortised cost)</b>		
Yepme UK Limited [22,577 (March 31, 2023: 22,577) 0.1% preference shares of GBP 1 each fully paid up]	626.56	626.56
Less: Impairment in value of investment (Refer note 1 below)	(626.56)	(626.56)
<b>Total investment in unquoted equity shares in other body corporates</b>	-	-
<b>Total Non-current investments (i+ii+iii+iv+v)</b>	<b>34,807.92</b>	<b>2,074.85</b>

Note 1:

Particulars	March 31, 2024	March 31, 2023
Investments classified as held for sale	626.56	626.56
Less: Impairment in value of investment*	(626.56)	(626.56)
<b>Total</b>	<b>-</b>	<b>-</b>

\*The Company has filed legal proceedings against Yepme UK which is pending before the VI Chief Metropolitan Magistrate (Economic Offences) Court, Bengaluru.

## 5(b) FINANCIAL ASSETS - CURRENT INVESTMENTS

Particulars	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Units	Units	Amount	Amount
<b>Investments carried at fair value through profit and loss</b>				
Investment in liquid mutual fund units				
Quoted				
HDFC Money market Direct-G	59,921	91,999	3,175.83	4,527.94
ICICI Prud Money market direct-G	7,94,455	12,47,736	2,774.47	4,046.52
Axis Credit risk Direct-G	1,83,812	-	2,411.59	-
Kotak Money market direct-G	53,946	1,16,937	2,223.92	4,476.74
Nippon India Money Market fund	45,061	-	1,721.92	-
Aditya Birla SL Savings Direct-G	3,52,654	-	1,201.81	-
Axis Liquid Fund Direct-G	41,632	1,72,571	1,117.28	4,315.81
Kotak Liquid Fund Direct-G	19,796	1,08,297	965.87	4,925.78
SBI Liquid Direct-G	-	1,32,326	-	4,662.25
HDFC Liquid Direct-G	-	98,111	-	4,339.65
ICICI Pru Liquid Direct-G	-	9,31,726	-	3,104.37
<b>Total Investment in mutual fund units</b>			<b>15,592.69</b>	<b>34,399.06</b>
Aggregate carrying amount and market value of mutual fund investments			15,592.69	34,399.06

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 6. FINANCIAL ASSETS - LOANS

Particulars	March 31, 2024	March 31, 2023
<b>Unsecured, considered good</b>		
Loans given to subsidiaries (Refer note 40(c)(ii))	35,507.19	12,113.68
<b>Total Financial assets - Loans</b>	<b>35,507.19</b>	<b>12,113.68</b>

## 7. FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	March 31, 2024	March 31, 2023
<b>Carried at amortised cost</b>		
<b>Unsecured, considered good</b>		
<b>(a) Non-current</b>		
Security and other deposits (refer note below)	2,978.91	2,657.01
Bank balances (including term deposits)	-	-
Interest accrued on loans given to subsidiaries (Refer note 40(c)(iii))	244.06	-
Loan to employees	32.71	54.33
<b>(A)</b>	<b>3,255.68</b>	<b>2,711.34</b>
<b>(b) Current</b>		
<b>Derivative instruments at fair value through OCI</b>		
Cash flow hedges - foreign exchange forward contracts	925.95	-
<b>Other financial assets at amortised cost</b>		
Interest accrued on fixed deposits	38.40	19.12
Loan to employees	92.22	82.71
Dues from related parties (Refer note 40(c)(iii))	30.27	2.34
<b>(B)</b>	<b>1,086.84</b>	<b>104.17</b>
<b>Total other financial assets (A+B)</b>	<b>4,342.52</b>	<b>2,815.51</b>

**Note:** Security and other deposits are primarily in relation to public utility services and rental agreements.

## 8(a) DEFERRED TAX ASSETS

Particulars	March 31, 2024	March 31, 2023
Deferred tax assets		
Impact of difference between tax depreciation and depreciation for financial reporting	480.00	400.00
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years on payment basis	3,125.31	2,664.73
<b>Total Deferred tax assets</b>	<b>3,605.31</b>	<b>3,064.73</b>

Movement in deferred income tax asset/(liability) is as below:

Particulars	March 31, 2024	March 31, 2023
Opening balance	3,064.73	1,178.98
Recognised in profit and loss	1,131.24	1,528.14
Recognised in OCI	(590.66)	357.61
<b>Closing balance</b>	<b>3,605.31</b>	<b>3,064.73</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 8(b) NON-CURRENT TAX ASSETS (NET)

Particulars	March 31, 2024	March 31, 2023
Advance payment of income tax (including tax paid under protest)	81.15	386.70
<b>Total non-current tax assets</b>	<b>81.15</b>	<b>386.70</b>

## 9. OTHER CURRENT/NON-CURRENT ASSETS

### (a) Non-current

Particulars	March 31, 2024	March 31, 2023
<b>Unsecured, considered good</b>		
Capital advances	340.37	356.17
Prepaid expenses	358.86	153.52
<b>(A)</b>	<b>699.23</b>	<b>509.69</b>
<b>Unsecured, considered doubtful</b>		
Advance to suppliers [refer note 9(a)(i)]	178.05	178.05
Less: Impairment [refer note 9(a)(i)]	(178.05)	(178.05)
<b>(B)</b>	<b>-</b>	<b>-</b>
<b>Total non-current assets (A+B)</b>	<b>699.23</b>	<b>509.69</b>

### 9(a)(i): Movement is as below:

	Advance to suppliers	Export incentive receivables	Impairment	Total
<b>Balance as at April 01, 2022</b>	<b>272.63</b>	<b>190.52</b>	<b>(463.15)</b>	<b>-</b>
Less: Amount written off	(94.58)	-	(94.58)	-
Less: Provision reversal recognised in profit and loss during the year (refer note 22)	-	(190.52)	(190.52)	-
<b>Balance as at April 01, 2023</b>	<b>178.05</b>	<b>-</b>	<b>(178.05)</b>	<b>-</b>
Less: Amount written off	-	-	-	-
Less: Provision reversal recognised in profit and loss during the year	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>178.05</b>	<b>-</b>	<b>(178.05)</b>	<b>-</b>

### (b) Current

Particulars	March 31, 2024	March 31, 2023
<b>Unsecured, considered good</b>		
Prepaid expenses	1,534.28	890.06
Balances with statutory/government authorities	4,364.17	1,576.93
Advance to suppliers	1,783.30	2,309.97
Export incentives receivable	1,969.19	3,151.67
<b>Total current assets (C)</b>	<b>9,650.94</b>	<b>7,928.63</b>
<b>Total other current/non-current assets (A+B+C)</b>	<b>10,350.17</b>	<b>8,438.32</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 10. INVENTORIES

Particulars	March 31, 2024	March 31, 2023
Raw materials (including packing materials) and components	16,065.36	12,055.92
Work-in-progress	17,830.87	12,377.82
Finished goods (readymade garments)	1,749.11	4,201.93
Consumables, stores and spares parts	622.43	593.70
<b>Total inventories</b>	<b>36,267.77</b>	<b>29,229.37</b>
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	782.42	378.74
Finished goods (readymade garments)	935.38	3,195.37
	<b>1,717.80</b>	<b>3,574.11</b>

- (a) For method of valuation for each class of inventories, refer note 2.2(k)
- (b) The value of inventories above is stated net of writedown of ₹ 3,106.12 lakhs as at March 31, 2024 (as at March 31, 2023: ₹ 3,934.87 lakhs)
- (c) The carrying value of inventories as at March 31, 2024 and March 31, 2023 is pledged as security against the borrowings (refer note 15 and 32)

## 11. FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	March 31, 2024	March 31, 2023
<b>Trade receivables</b>		
From related parties	-	-
From others	20,977.66	13,582.42
<b>Total</b>	<b>20,977.66</b>	<b>13,582.42</b>
<b>(A) Breakup of trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	20,977.66	13,582.42
Trade receivables which have significant increase in credit risk	516.78	243.75
Trade receivables - credit impaired	-	-
	<b>21,494.44</b>	<b>13,826.17</b>
<b>(B) Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	(516.78)	(243.75)
Trade receivables - credit impaired	-	-
	<b>(516.78)</b>	<b>(243.75)</b>
<b>Total financial assets - trade receivables (A+B)</b>	<b>20,977.66</b>	<b>13,582.42</b>

### Notes:

- The Company follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.
- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.
- Trade receivables are non-interest bearing.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## Aging of trade receivables:

There are no disputed trade receivables as at and for the years ended March 31, 2024 and March 31, 2023.

Below is the list of undisputed trade receivables outstanding for following periods from the due date.

### March 31, 2024

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Not due	19,614.67	-	-	19,614.67
Less than 6 months	1,348.78	-	-	1,348.78
6 months to 1 year	14.21	0.45	-	14.66
1 to 2 years	-	391.44	-	391.44
2 to 3 years	-	87.25	-	87.25
More than 3 years	-	37.64	-	37.64
<b>Total</b>	<b>20,977.66</b>	<b>516.78</b>	<b>-</b>	<b>21,494.44</b>

### March 31, 2023

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Not due	13,002.29	-	-	13,002.29
Less than 6 months	570.26	-	-	570.26
6 months to 1 year	9.87	91.78	-	101.65
1 to 2 years	-	96.86	-	96.86
2 to 3 years	-	31.20	-	31.20
More than 3 years	-	23.91	-	23.91
<b>Total</b>	<b>13,582.42</b>	<b>243.75</b>	<b>-</b>	<b>13,826.17</b>

## 12. FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Particulars	March 31, 2024	March 31, 2023
<b>Current</b>		
Balances with banks		
In current accounts <sup>1,2</sup>	1,395.36	1,338.01
Cash on hand	13.40	7.28
<b>Total Financial assets - Cash and cash equivalents (Current)</b>	<b>1,408.76</b>	<b>1,345.29</b>

### Bank balances (other than cash and cash equivalents)

Particulars	March 31, 2024	March 31, 2023
<b>Current</b>		
In fixed deposits accounts		
Held as margin money or security against borrowings and other commitments		
With remaining maturity for more than 12 months	-	-
With original maturity of more than 3 months but less than/equal to 12 months	7,195.15	743.44
	<b>7,195.15</b>	<b>743.44</b>

#### Notes:

<sup>1</sup>Balances with bank on current accounts does not earn interest.

<sup>2</sup>includes balances in Exchange Earner's Foreign Currency Accounts.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 13. EQUITY SHARE CAPITAL

	Number of shares	Amount
<b>Authorised share capital</b>		
At April 01, 2022	6,50,00,000	3,250.00
Increase during the year	-	-
<b>At March 31, 2023</b>	<b>6,50,00,000</b>	<b>3,250.00</b>
Increase during the year	2,00,00,000	1,000.00
<b>At March 31, 2024</b>	<b>8,50,00,000</b>	<b>4,250.00</b>

### (a) Issued equity capital

Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 01, 2022	5,89,76,994	2,948.85
Add: received during the year on account of exercise of share options	16,01,000	80.05
At March 31, 2023	6,05,77,994	3,028.90
Add: received during the year on account of issue of shares	27,31,366	136.57
Add: received during the year on account of exercise of share options	73,500	3.68
<b>At March 31, 2024</b>	<b>6,33,82,860</b>	<b>3,169.15</b>

### (b) Terms/rights attached to equity shares

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

- The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity is entitled to one vote per share.
- The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend.
- In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2024	March 31, 2023
<b>Clear Wealth Consultancy Services LLP:</b>		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	64,55,957	64,55,957
% holding in the class	10.19%	10.66%
<b>SBI Mutual Funds (refer note 13(c)(i))</b>		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	59,59,930	44,45,020
% holding in the class	9.40%	7.34%
<b>Nippon Life India Trustee Ltd</b>		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	41,03,779	40,03,779
% holding in the class	6.47%	6.61%
<b>Goldman Sachs Funds - Goldman Sachs India Equity</b>		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	33,12,165	28,27,763
% holding in the class	5.23%	4.67%

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.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## Note 13(c)(i): SBI mutual funds comprises of (for current and previous year):

SBI Magnum Children's Benefit Fund;  
SBI Magnum Midcap Fund;  
SBI Resurgent India Opportunities Scheme;  
SBI Equity Savings Fund;  
SBI Consumption Opportunities Fund;  
SBI Conservative Hybrid Fund.

## (d) Details on shareholding of promoters

Promoter name	March 31, 2024	March 31, 2023
<b>Clear Wealth Consultancy Services LLP</b>		
No. of shares	64,55,957	64,55,957
% of total shares	10.19%	10.66%
% change during the year	0.00%	0.00%
<b>Gautham Madhavan</b>		
No. of shares	2,49,391	2,49,391
% of total shares	0.39%	0.41%
% change during the year	0.00%	0.00%

## (e) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, Refer note 42.

## 14. OTHER EQUITY

	March 31, 2024	March 31, 2023
<b>Reserves and Surplus</b>		
(A) <b>Securities premium reserve</b>		
Balance at the beginning of the year	50,959.81	49,429.05
Add: received during the year on account of issue of shares refer note 50)	24,613.43	-
Add: received during the year on account of exercise of share options	-	351.44
Add: transfer from share based payments reserve	113.98	1,179.32
<b>Balance at the end of the year</b>	<b>75,687.22</b>	<b>50,959.81</b>
This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.		
(B) <b>General reserve</b>		
<b>Balance at the end of the year</b>	<b>2,192.09</b>	<b>2,192.09</b>
Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.		
(C) <b>Capital reserve on amalgamation</b>		
<b>Balance at the end of the year</b>	<b>9,754.45</b>	<b>9,754.45</b>
Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Company.		

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 14. OTHER EQUITY (Contd.)

	March 31, 2024	March 31, 2023
(D) <b>Share based payments reserve</b>		
Balance at the beginning of the year	2,391.00	1,272.32
Add: addition during the year (refer note 42)	2,418.76	2,298.00
Less: transfer to securities premium reserve	(113.98)	(1,179.32)
<b>Balance at the end of the year</b>	<b>4,695.78</b>	<b>2,391.00</b>
Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		
(E) <b>Retained earnings</b>		
Balance at the beginning of the year	22,036.03	3,989.17
Profit for the year	16,415.89	17,840.04
Add: Remeasurement of post employment benefits obligations (net of deferred tax)	119.76	206.82
Less: Dividends paid	(606.51)	-
<b>Balance at the end of the year</b>	<b>37,965.17</b>	<b>22,036.03</b>
Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
(F) <b>Cash flow hedging reserve</b>		
<b>Balance at the beginning of the year</b>	<b>(1,063.31)</b>	<b>1,377.03</b>
Add: Reclassified to the statement of profit and loss	1,756.21	(2,440.34)
<b>Balance at the end of the year</b>	<b>692.90</b>	<b>(1,063.31)</b>
When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss when related forecasted transaction (hedged item) affects the profit or loss.		
<b>Total other equity (A+B+C+D+E+F)</b>	<b>1,30,987.61</b>	<b>86,270.07</b>

## 15. FINANCIAL LIABILITIES - BORROWINGS

	March 31, 2024	March 31, 2023
(a) <b>Non-current borrowings</b>		
<b>Term loans from banks (Secured)</b>		
Indian rupee term loan from bank	-	7.42
<b>Total non-current borrowings (Secured)</b>	<b>-</b>	<b>7.42</b>
(b) <b>Current borrowings</b>		
<b>Loans repayable on demand from banks (Secured)</b>		
Indian rupee packing credit loan	2,156.38	900.00
Indian rupee loan from bank	13,520.00	-
Bill discounting from banks	-	-
Current maturities of long-term borrowings	133.38	1,599.65
<b>Total current borrowings (Secured)</b>	<b>15,809.76</b>	<b>2,499.65</b>
<b>Total current borrowings</b>	<b>15,809.76</b>	<b>2,499.65</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 15. FINANCIAL LIABILITIES - BORROWINGS (Contd.)

	March 31, 2024	March 31, 2023
<b>Total Financial liabilities - Borrowings</b>	<b>15,809.76</b>	<b>2,507.07</b>
The above amount includes:		
Secured non-current borrowings	-	7.42
Secured current borrowings	15,809.76	2,499.65
	<b>15,809.76</b>	<b>2,507.07</b>

Also refer note 32 on notes relating to borrowings.

## 16. LEASE LIABILITIES

	March 31, 2024	March 31, 2023
<b>(a) Non-current</b>		
Lease liabilities	5,911.06	8,472.67
	<b>5,911.06</b>	<b>8,472.67</b>
<b>(b) Current</b>		
Lease liabilities	3,730.02	3,112.31
	<b>3,730.02</b>	<b>3,112.31</b>
<b>Total Lease liabilities (Current + Non-current)</b>	<b>9,641.08</b>	<b>11,584.98</b>

Refer Note 37 (I) for maturity profile and other details.

## 17. PROVISION FOR EMPLOYEE BENEFITS

	March 31, 2024	March 31, 2023
<b>(a) Non-current</b>		
Gratuity (refer note 39)	1,418.82	1,332.35
	<b>1,418.82</b>	<b>1,332.35</b>
<b>(b) Current</b>		
Gratuity (refer note 39)	3,170.09	2,591.32
Compensated absences	1,781.97	1,802.36
	<b>4,952.06</b>	<b>4,393.68</b>
<b>Total provision for employee benefits</b>	<b>6,370.88</b>	<b>5,726.03</b>

## 18. FINANCIAL LIABILITIES - TRADE PAYABLES

	March 31, 2024	March 31, 2023
<b>Current</b>		
Total outstanding dues of micro and small enterprises; and	273.37	241.02
Total outstanding dues of creditors other than micro and small enterprises	13,548.29	8,138.19
<b>Total financial liabilities - Trade payables</b>	<b>13,821.66</b>	<b>8,379.21</b>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing.
- For explanations on the Company's credit risk management processes, Refer note 43.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## Aging of trade payables:

There are no disputed trade payables as at and for the years ended March 31, 2024 and March 31, 2023.

Below is the list of undisputed trade payables outstanding for following periods from the due date.

### March 31, 2024

Periods	MSME	Others
Not due	238.89	8,473.44
Less than 1 year	34.48	5,074.85
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>273.37</b>	<b>13,548.29</b>

### March 31, 2023

Periods	MSME	Others
Not due	28.49	5,364.90
Less than 1 year	212.53	2,773.29
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>241.02</b>	<b>8,138.19</b>

## 19. FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2024	March 31, 2023
<b>Financial liabilities at fair value through OCI</b>		
Cash flow hedges - foreign exchange forward contracts	-	1,420.92
<b>Other Financial liabilities at amortised cost</b>		
Interest accrued and not due on loans	370.91	323.98
Payable to related parties	966.76	1,645.50
Employee related payables	9,195.66	7,900.85
Accrued expenses*	2,814.91	4,191.90
Unpaid dividend	0.39	-
Liability for capital assets	302.72	93.89
<b>Total financial liabilities - other current financial liabilities</b>	<b>13,651.35</b>	<b>15,577.04</b>

\*Accrued expenses represent amounts accrued for other operational expenses.

## 20. OTHER CURRENT LIABILITIES

	March 31, 2024	March 31, 2023
Advances received from customers	674.84	197.81
Statutory liabilities payable*	1,393.47	994.52
<b>Total other current liabilities</b>	<b>2,068.31</b>	<b>1,192.33</b>

\*Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 21. REVENUE FROM OPERATIONS

	March 31, 2024	March 31, 2023
<b>(a) Sale of finished goods</b>		
Exports	1,75,438.60	1,85,190.38
Domestic	20,886.70	21,262.73
	<b>1,96,325.30</b>	<b>2,06,453.11</b>
<b>(b) Other operating revenues</b>		
Export incentives and others*	12,825.13	11,492.43
Sale of accessories, fabrics, scrap and others	4,046.72	3,381.00
Job work income	709.13	782.05
	<b>17,580.98</b>	<b>15,655.48</b>
<b>Total revenue from operations</b>	<b>2,13,906.28</b>	<b>2,22,108.59</b>

\*Others represents government grant, which is in the form of import duty savings, have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2024 and March 31, 2023.

### i. Disaggregation of Revenue from sale of finished goods

The Company has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 36.

Primary Geographic Markets (Name of the country)	Sale of finished goods	
	March 31, 2024	March 31, 2023
United States of America	1,49,643.72	1,65,149.21
Canada	8,755.03	8,273.13
Netherlands	5,080.32	4,311.42
United Kingdom	3,239.48	1,459.83
France	1,545.50	1,296.21
China	1,214.29	1,151.89
Belgium	1,137.55	27.45
Panama	636.48	467.32
Japan	549.42	466.36
Australia	547.54	495.54
United Arab Emirates	417.58	182.76
Germany	417.47	149.96
Mexico	353.27	186.35
Spain	287.45	145.36
Hong Kong	264.36	124.69
Denmark	64.39	296.05
Other Overseas Countries	1,284.75	1,006.85
India	20,886.70	21,262.73
<b>Total</b>	<b>1,96,325.30</b>	<b>2,06,453.11</b>

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counterparties, timing of transfer of goods, uncertainty of revenue and cashflows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## ii. Remaining performance obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

## iii. Estimates and assumptions

There are no significant estimates and assumptions.

## iv. Contract balances

	Contract liabilities	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	197.81	250.02
Less: Amount included in contract liabilities that was recognised as revenue during the period	(197.81)	(250.02)
Add: Cash received in advance of performance and not recognised as revenue during the period	674.84	197.81
<b>Balance at the end of the year</b>	<b>674.84</b>	<b>197.81</b>

## 22. OTHER INCOME

	March 31, 2024	March 31, 2023
<b>Interest income on</b>		
Bank deposits	167.75	112.86
Security deposits	178.78	164.10
Loans given to subsidiaries	1,445.57	561.51
Income tax refunds	-	53.16
Others	0.31	-
<b>Other non-operating income</b>		
Net gain on disposal of property, plant and equipment	41.83	19.26
Gain on sale of investments in mutual fund units	2,104.88	425.98
Fair value gain on investments in mutual fund units	505.27	1,163.55
Provision no longer required written back	-	190.52
Miscellaneous income	30.28	365.60
<b>Total other income</b>	<b>4,474.67</b>	<b>3,056.54</b>

## 23. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	March 31, 2024	March 31, 2023
Inventory at the beginning of the year	12,055.92	13,674.99
Add: Purchases	1,06,781.85	1,03,637.21
	1,18,837.77	1,17,312.20
Less: inventory at the end of the year	(16,065.36)	(12,055.92)
<b>Total cost of raw materials and components consumed</b>	<b>1,02,772.41</b>	<b>1,05,256.28</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 24. PURCHASES OF STOCK-IN-TRADE

	March 31, 2024	March 31, 2023
Purchases of stock-in-trade	-	85.27
<b>Total Purchases of stock-in-trade</b>	<b>-</b>	<b>85.27</b>

## 25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	March 31, 2024	March 31, 2023
<b>Inventories at the beginning of the year</b>		
Work-in-progress	12,377.82	17,646.49
Finished goods (Readymade garments)	4,201.93	11,257.63
	16,579.75	28,904.12
<b>Inventories at the end of the year</b>		
Work-in-progress	17,830.87	12,377.82
Finished goods (Readymade garments)	1,749.11	4,201.93
	19,579.98	16,579.75
<b>Total Changes in inventories of finished goods and work-in-progress</b>	<b>(3,000.23)</b>	<b>12,324.37</b>

## 26. EMPLOYEE BENEFITS EXPENSE

	March 31, 2024	March 31, 2023
Salaries and wages	58,353.23	50,433.28
Contribution to provident and other funds	6,654.92	5,849.03
Share based payment expenses (Refer note 42)	2,418.76	2,298.00
Gratuity expense (net) (Refer note 39)	1,446.10	1,609.40
Staff welfare expense	1,765.28	1,711.82
<b>Total employee benefit expenses</b>	<b>70,638.29</b>	<b>61,901.53</b>

## 27. FINANCE COSTS

	March 31, 2024	March 31, 2023
Interest charge		
on Indian rupee packing credit loan/Indian rupee loan from bank	318.73	178.13
on bill discounting and others	71.48	23.80
on lease liabilities	1,187.99	1,465.33
Bank charges and other borrowing costs	838.23	868.22
<b>Total finance costs</b>	<b>2,416.43</b>	<b>2,535.48</b>

## 28. DEPRECIATION AND AMORTIZATION EXPENSE

	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment	4,349.92	3,574.95
Amortisation of other intangible assets	114.19	218.66
Amortisation on right-of-use assets	3,415.27	3,281.72
<b>Total depreciation and amortisation expenses</b>	<b>7,879.38</b>	<b>7,075.33</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 29. OTHER EXPENSES

	March 31, 2024	March 31, 2023
Consumption of stores, spares and other manufacturing expenses	2,568.20	2,076.35
Water, electricity and fuel charges	3,396.64	3,087.31
Clearing, forwarding and freight	1,843.09	2,043.47
Rental charges	1,544.18	1,400.67
Legal and professional fees	2,318.66	1,281.36
Travelling and conveyance	766.28	678.68
Rates and taxes	234.42	322.11
Insurance	487.29	450.10
Repairs and maintenance		
Plant and machinery	853.64	903.48
Buildings	198.71	216.94
Others	1,137.38	960.20
Telephone and internet expenses	203.75	182.49
Payments to auditors [Refer note 29(a)]	67.78	52.55
Sitting fees	49.60	51.20
Corporate social responsibility expenditure [Refer note 29(b)]	235.24	103.55
Provision for doubtful debts	273.03	27.70
Miscellaneous expenses	1,166.36	1,253.47
<b>Total other expenses</b>	<b>17,344.25</b>	<b>15,091.63</b>

### Note 29(a): Payment to auditors (exclusive of GST)

	March 31, 2024	March 31, 2023
<b>As auditor</b>		
Audit fees (including fees for audit of consolidated and standalone financial statements and quarterly limited reviews)	55.00	45.00
<b>In other capacity</b>		
Certificates	8.75	2.00
Reimbursement of expenses	4.03	5.55
<b>Total payment to auditors (exclusive of GST)</b>	<b>67.78</b>	<b>52.55</b>

### Note 29(b): Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are utilized through the year on the activities specified in Schedule VII of the Companies Act, 2013.

The nature of the corporate social responsibility activities undertaken by the Company for the year ended March 31, 2024 and March 31, 2023 includes education and healthcare.

	March 31, 2024	March 31, 2023
Gross Amount required to be spent as per Section 135 of the Act	235.24	103.55
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	235.24	103.55
Amount approved by the Board to be spent during the year	235.24	103.55



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## Details related to amount spent/unspent

	March 31, 2024	March 31, 2023
Contribution to the trust by the Company (A)	235.24	103.55
CSR expenditure directly incurred by the Company (B)	-	-
<b>Total amount incurred by the Company (A+B)</b>	<b>235.24</b>	<b>103.55</b>
Amount of expenditure incurred by the trust	166.05	71.51
Amount remaining unspent by the trust for the year	69.19	32.04
Cumulative amount remaining unspent by the trust at the end of the year	69.19	32.04
Amount deposited in specified fund of schedule VII of the Act within 6 months (₹)	-	-
Nature of activity as part of ongoing CSR project	Healthcare	Healthcare

There are no contributions to Related Parties/no CSR Expenditure incurred with Related Parties.

## 30. EXCEPTIONAL ITEMS

	March 31, 2024	March 31, 2023
Net gain on disposal of Property, plant and equipment (refer note 49)	-	605.03
	-	<b>605.03</b>

## 31. RATIO ANALYSIS AND ITS ELEMENTS

	March 31, 2024	March 31, 2023
Current Ratio [Refer note 31(a)]	2.01	2.25
Debt Equity Ratio [Refer note 31(b)]	0.08	0.05
Debt Service Coverage Ratio [Refer note 31(c)]	0.40	0.66
Return on Equity Ratio [Refer note 31(d)]	0.15	0.22
Inventory Turnover Ratio [Refer note 31(e)]	3.05	3.25
Trade Receivables Turnover Ratio [Refer note 31(f)]	11.36	18.11
Trade Payable Turnover Ratio [Refer note 31(g)]	9.62	10.30
Net Capital Turnover Ratio [Refer note 31(h)]	1.91	2.77
Net Profit Ratio [Refer note 31(i)]	7.67%	8.03%
Return on Capital Employed [Refer note 31(j)]	30.85%	35.18%
Return on Investment [Refer note 31(k)]	18.19%	23.35%

## Formula for computation of Ratios

Particulars	Numerator	Denominator
Current Ratio	Average Current Assets	Average Current Liabilities
Debt Equity Ratio	Average Debt (Borrowing)	Average total Equity
	Average Debt (Borrowing)= (opening debt+closing debt)/2	Average total Equity = (opening total equity+closing total equity)/2
Debt Service Coverage Ratio	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Total Debt (Borrowing+interest paid) repaid during the year

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## Formula for computation of Ratios (Contd.)

Particulars	Numerator	Denominator
Return on Equity ratio	Profit for the period/year	Average total Equity Average total Equity = (opening total equity+closing total equity)/2
Inventory Turnover Ratio	Cost of goods sold	Average Inventory Average Inventory=(opening inventory+closing inventory)/2
Trade Receivables Turnover Ratio	Total sale of finished goods	Average trade receivables Average trade receivables=(opening trade receivables+closing trade receivables)/2
Trade Payable Turnover Ratio	Total Purchases	Average trade payables Average trade payable=(opening trade payable+closing trade payable)/2
Net Capital Turnover Ratio	Revenue from operations	Average total Equity Average total Equity = (opening total equity+closing total equity)/2
Net Profit Ratio	Profit for the period/year (PAT)	Revenue from operations
Return on Capital Employed	Profit Before Tax + Finance cost excluding interest on ROU liabilities - Fair value gain on mutual fund investments - Interest on Bank Deposits	((Total Assets - ROU Assets - investment in mutual funds - Fixed Deposit - Investments relating to acquired entities )-(Current Liabilities-Current borrowings-Current lease liabilities))
Return on Investment	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Average total assets = (opening total assets+closing total assets)/2

### Notes on reason for variances:

- 31(a): Due to decreased current investment and increase in current liabilities mainly borrowings and trade payables.
- 31(b): Increased due to increase in borrowings attributed to working capital demand loans.
- 31(c): Decreased in DSCR due to repayment of borrowings and marginal drop in operating income.
- 31(d): Decreased due to increase in equity base on account of acquisition of Matrix clothing through preferential allotment of shares in the March 2024 from which the yield is yet to occur.
- 31(e): Lower inventory turns due to increased inventory holding with a lower revenue base. Inventory was built up to meet the subsequent months production.
- 31(f): Increase in receivables due to year-end shipments as opposed to lower revenue resulted in the lower receivable turns.
- 31(g): No major variance given the higher payables at the end of the year.
- 31(h): Lower due to significant increase in equity consequent to preferential allotment of shares to Matrix Clothing for acquisition.
- 31(i): Decreased due to lower profit after tax in relation to decrease in sales of finished goods.
- 31(j): Decreased due to lower earnings and increased capital investments relating to modernisation/upgradation of machinery, capacity expansion.
- 31(k): Decreased due to lower earnings before interest and tax consequent to decrease in sales of finished goods and increase in capital investment to complete new business acquisitions.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 32. NOTES ON BORROWINGS

### (A) Notes on non-current borrowings

#### Indian rupee term loan from bank (Secured)

	As at March 31, 2024	As at March 31, 2023
Gross amount of indian rupee term loan taken	3,915.56	5,013.10
Outstanding balance:		
Non-current borrowings	-	7.42
Current maturities of long-term borrowings	133.38	1,599.65
<b>Total outstanding balance</b>	<b>133.38</b>	<b>1,607.07</b>
Applicable Interest rate	10.00%	8.85%

**Terms of repayment:** Indian rupee term loan from banks is repayable in 24 to 48 equal monthly instalments with a moratorium period of 6 months.

	March 31, 2024	March 31, 2023
Number of instalments due as at Balance sheet date (months)	1	13
<b>Maturity profile including current maturities</b>		
Not later than one year	133.38	1,599.65
Later than one year but not later than two years	-	7.42
Later than two years but not later than three years	-	-
Later than three years but not later than four years	-	-
Later than four years but not later than five years	-	-
More than five years	-	-
	<b>133.38</b>	<b>1,607.07</b>

**Disclosure about the nature of security:** The loan is secured by hypothecation of Plant & Machinery and Equipments.

During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 40) have given any personal guarantee or personal security for any non-current borrowings taken by the Company and is outstanding as at balance sheet date.

### (B) Notes on current borrowings

Particulars	Credit facility		Utilised amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Packing credit loan from banks	14,100.00	23,000.00	2,156.38	900.00
Bill discounting from banks	5,500.00	9,000.00	-	-
Working capital demand loan from banks	19,500.00	-	13,520.00	-
Bank overdraft	2,500.00	2,500.00	-	-

Indian rupee packing credit loan from banks carries interest at upto 6 months Marginal cost of funds based lending rate ('MCLR') + 0% to 0.75% (March 31, 2023: at upto 6 months Marginal cost of funds based lending rate ('MCLR') + 0% to 0.75%) and interest is payable monthly.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

Indian rupee packing credit loans from all the banks are secured by first pari passu charge on current assets of the Company including hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and trade receivables and fixed assets of the Company.

Bill discounting from banks carries interest upto 6 months MCLR plus upto 0.75% for Indian Rupee bills discounting (March 31, 2023: interest upto 6 months MCLR plus upto 0.75% for Indian Rupee bills discounting) and interest is payable on transaction basis.

Bill discounting loans from all the banks are secured by first pari passu charge on current assets of the Company including hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and trade receivables and fixed assets of the Company.

Working Capital demand loans from banks carries interest ranging from 8.30% to 8.75%.

Bank overdraft from banks carries interest linked to at 1 Year MCLR plus applicable spreads ranging from 0.75% to 3.00% p.a. (March 31, 2023: @ 6 months MCLR plus applicable spreads ranging from 0.75% to 2.50% p.a.). Interest is payable on monthly basis.

Bank overdraft is secured by pari passu hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and trade receivables of the Company and first pari passu charge on current assets of the Company.

The Company has further provided the following as the collateral to the Multiple Banking Arrangement (MBA) lenders towards the borrowings availed by the Company and as mentioned in the aforesaid notes.

- Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company.
- Pari passu charge on plant and machinery and certain movable assets of the Company.

The Company has availed the interest subvention during the years ended March 31, 2024 and March 31, 2023 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

## Repayment of current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of current borrowings and interest there on.

## Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties.

## 33. INCOME TAX

The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic Company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 01, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

	March 31, 2024	March 31, 2023
(a) Current tax	4,438.45	4,830.57
(b) Adjustment of tax relating to earlier periods	(27.21)	(160.11)
(c) Deferred tax credit	(1,131.24)	(1,528.14)
<b>Total tax expenses</b>	<b>3,280.00</b>	<b>3,142.32</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

**Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:**

	March 31, 2024	March 31, 2023
Profit after exceptional items and before tax	19,695.89	20,982.36
Applicable normal income tax rate in India	25.168%	25.168%
Computed tax expense	4,957.06	5,280.84
<b>Tax effect of</b>		
Exempted income	(5,569.98)	(5,293.46)
Expenses disallowed	3,892.92	3,154.94
<b>Total tax expenses</b>	<b>3,280.00</b>	<b>3,142.32</b>

## 34. 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 loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**The following table reflects the data used in the basic and diluted EPS computations:**

	March 31, 2024	March 31, 2023
Face value of equity shares (₹ per share)	5.00	5.00
Profit attributable to equity holders of the Company	16,415.89	17,840.04
Weighted average number of equity shares used for computing earning per share (basic)	6,07,80,420	6,04,80,887
Weighted average number of equity shares used for computing earning per share (diluted)	6,38,72,438	6,35,91,768
EPS - basic (₹)	27.01	29.50
EPS - diluted (₹)	25.70	28.05

## 35. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non-current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

### f. Contingencies

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

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

### g. Defined benefit obligations

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

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

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

Further details about gratuity obligations are given in note 39.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## h. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "(Increase)/decrease in inventories of finished goods and work-in-progress" in the statement of profit and loss.

## i. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

## j. Non-current assets held for sale

Non-current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

## k. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate of fair value at grant date of the ESOPs/RSUs granted. The Company estimates fair value of ESOPs/RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

## l. Revenue from Export incentives

For measurement of income from the export incentives, significant estimates and judgments are made which include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate notified/to be notified by the government authorities.

## 36. SEGMENT INFORMATION- DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENT'

### (a) Basis of identifying operating segments

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components); (b) whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Company is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

## (c) Geographic information

The Company mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

Particulars	Segment revenue*		Non-current assets**	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
India	35,972.37	35,511.77	26,082.74	26,581.95
Rest of world	1,77,933.91	1,86,596.82	-	-
<b>Total</b>	<b>2,13,906.28</b>	<b>2,22,108.59</b>	<b>26,082.74</b>	<b>26,581.95</b>

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2023: Three) customer amounted to ₹ 133,619.07 lakhs (March 31, 2023: ₹ 154,269.69 lakhs), arising from sales of readymade garments.

\*Total Revenue from operations by geographical area are based on the geographical location of the client.

\*\*Non-current assets excludes non-current financial assets and non-current tax assets.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 37. COMMITMENTS AND CONTINGENCIES

### I. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and nonlease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both. The Company records the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.

The movement in lease liabilities is as follows:

	March 31, 2024	March 31, 2023
Opening balance	11,584.98	12,808.24
Additions	1,347.18	1,403.65
Deletions	-	-
Finance cost accrued	1,187.99	1,465.33
Payment of lease liabilities	(4,479.07)	(4,092.24)
<b>Closing balance</b>	<b>9,641.08</b>	<b>11,584.98</b>

The break-up of current and non-current lease liabilities is as follows:

	March 31, 2024	March 31, 2023
Current lease liabilities	3,730.02	3,112.31
Non-current lease liabilities	5,911.06	8,472.67
<b>Total</b>	<b>9,641.08</b>	<b>11,584.98</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

	March 31, 2024	March 31, 2023
Less than one year	4,596.88	4,230.64
One to five years	6,782.12	10,103.24
More than five years	371.09	776.33
<b>Total</b>	<b>11,750.09</b>	<b>15,110.21</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental charges recorded for short-term leases during the year is ₹ 1,544.18 Lakhs (31 March 2023: ₹ 1,400.67 Lakhs).

### II. Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows:

	March 31, 2024	March 31, 2023
<b>(a) Bank Guarantees</b>		
Sanctioned	270.00	270.00
Outstanding	37.25	98.76
<b>(b) Outstanding letters of credit</b>		
Sanctioned	38,722.00	13,822.00
Outstanding	30,123.41	3,709.35
<b>(c) Litigations</b>		
(i) Matters relating to direct taxes under dispute	1,894.47	-
(ii) Matters relating to other taxes under dispute	122.54	122.54

- (i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.
- (ii) The Company is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Company's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the standalone financial statements.

## III. Capital and other commitments

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	442.27	1,848.98
Commitments relating to forward contract - hedge of highly probable forecast sales	1,61,647.03	1,43,037.06

## IV. Corporate guarantee

The Company has provided corporate guarantee to the banks for the credit limits obtained by the wholly owned subsidiaries namely "Sri Susamyuta Knits Private Limited", "Gokaldasexports Acharpura Private Limited", "Gokaldas Exports FZCO" and "Nava Apparels L.L.C-FZ".

## 38. HEDGING ACTIVITIES

### Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Company's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The Company is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount	Average Strike rate
March 31, 2024	USD	1,910.00	84.63
March 31, 2024	INR	1,61,647.03	
March 31, 2023	USD	1,731.16	82.62
March 31, 2023	INR	1,43,037.06	

## Details relating to hedging instrument with respect to foreign currency risk arising from sales:

	March 31, 2024	March 31, 2023
Nominal amount of hedging instrument	1,61,647.03	1,43,037.06
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	925.95	-
Liabilities	-	1,420.92
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 19
Changes in fair value for calculating hedge ineffectiveness	-	-

## Details relating to hedged item with respect to foreign currency risk arising from sales:

	March 31, 2024	March 31, 2023
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	692.90	1,063.31
For hedges no longer applied	-	-
<b>Total balance</b>	<b>692.90</b>	<b>1,063.31</b>

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The cash flow hedges of the expected future sales during the year ended March 31, 2024 and March 31, 2023 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2024 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2025 and March 31, 2026.

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on:

Cash flow hedge reserve	March 31, 2024	March 31, 2023
Opening balance	(1,063.31)	1,377.03
<b>Movement in OCI</b>		
Gain/(loss) recognised in OCI during the year	370.42	(553.81)
Amount reclassified to standalone statement of profit and loss as hedged item has affected profit or loss	1,385.79	(1,886.53)
Amount reclassified to standalone statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	1,756.21	(2,440.34)
Amount recognised in the standalone statement of profit and loss on account of hedge ineffectiveness	-	-
<b>Closing balance</b>	<b>692.90</b>	<b>(1,063.31)</b>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The Company offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## 39. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the standalone statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit.

### (a) Net benefit expenses (recognised in the standalone statement of profit and loss):

Particulars	March 31, 2024	March 31, 2023
Current service cost	1,183.45	1,406.65
Net interest cost on defined benefit obligations/(assets)	262.65	202.75
<b>Net benefit expenses</b>	<b>1,446.10</b>	<b>1,609.40</b>

### (b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	30.13	316.86
Actuarial (gain)/loss on obligations arising from changes in experience adjustments	(148.49)	(525.96)
<b>Actuarial (gain)/loss arising during the year</b>	<b>(118.36)</b>	<b>(209.10)</b>
Return on plan assets (greater)/less than discount rate	(1.40)	2.28
<b>Actuarial (gain)/loss recognised in other comprehensive income</b>	<b>(119.76)</b>	<b>(206.82)</b>

### (c) Net defined benefit asset/(liability):

Particulars	March 31, 2024	March 31, 2023
Defined benefit obligation	4,619.93	3,951.27
Fair value of plan assets	(31.02)	(27.60)
<b>Plan liability/(asset)</b>	<b>4,588.91</b>	<b>3,923.67</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## (d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2024	March 31, 2023
Opening defined benefit obligation	3,951.27	3,053.85
Current service cost	1,183.45	1,406.65
Interest cost on the defined benefit obligation	264.67	204.78
Benefits paid	(661.10)	(504.91)
Actuarial (gain)/loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	30.13	316.86
Actuarial (gain)/loss on obligations arising from changes in experience adjustments	(148.49)	(525.96)
<b>Closing defined benefit obligation</b>	<b>4,619.93</b>	<b>3,951.27</b>

## (e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2024	March 31, 2023
Opening fair value of plan assets	27.60	27.60
Interest income on plan assets	2.02	2.03
Contributions by employer	661.10	505.16
Benefits paid	(661.10)	(504.91)
Return on plan assets (lesser)/greater than discount rate	1.40	(2.28)
<b>Closing fair value of plan assets</b>	<b>31.02</b>	<b>27.60</b>

The Company expects to contribute ₹ 3,170.09 lakhs (March 31, 2023: ₹ 2,591.32 lakhs) towards gratuity fund.

## (f) The following benefit payments (undiscounted) are expected in future years:

Particulars	March 31, 2024
March 31, 2025	885.67
March 31, 2026	663.01
March 31, 2027	473.94
March 31, 2028	432.16
March 31, 2029	324.51
For March 31, 2030 & above	3,581.23

## (g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2024	March 31, 2023
Investments with insurer	100%	100%

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

**(h) The principal assumptions used in determining gratuity for the Company's plan is as shown below:**

Particulars	March 31, 2024	March 31, 2023
Discount rate (in %)	7.17%	7.31%
Salary escalation (in %)	5% to 8%	5% to 8%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

**Notes:**

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2012-14) ultimate.
5. Refer note 17 for current and non-current classification.

**(i) A quantitative sensitivity analysis for significant assumption is as shown below:**

Particulars	March 31, 2024	March 31, 2023
<b>Discount rate</b>		
Impact of defined benefit obligation due to 1% increase in discount rate	(197.55)	(166.83)
Impact of defined benefit obligation due to 1% decrease in discount rate	215.33	181.82
<b>Salary escalation rate</b>		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	185.56	157.04
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(173.97)	(146.87)
<b>Attrition rate</b>		
Impact of defined benefit obligation due to 1% increase in attrition rate	(46.27)	(38.81)
Impact of defined benefit obligation due to 1% decrease in attrition rate	48.45	40.62

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## 40. RELATED PARTY TRANSACTIONS

**a. Names of related parties and description of relationships:**

Description of relationship	Name of related parties
<b>Entity which has significant influence on the Company</b>	Clear Wealth Consultancy Services LLP
<b>Wholly owned subsidiaries</b>	All Colour Garments Private Limited
	SNS Clothing Private Limited
	Vignesh Apparels Private Limited
	Gokaldasexports Acharpura Private Limited

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## a. Names of related parties and description of relationships: (Contd.)

Description of relationship	Name of related parties
	Sri Susamyuta Knits Private Limited
	Gokaldas Exports FZCO
	Nava Apparels L.L.C-FZ
	Matrix Design & Industries Private Limited
	Gokaldas Exports Corporation
<b>Step down subsidiaries</b>	Ashton Apparel Manufacturing Private Limited Company, Ethiopia
	Ashton Mombasa Apparel EPZ Limited, Kenya
	Amibros S.A., Panama (operating under the name of Atraco Industrial Enterprise, United Arab Emirates)
	Atraco Logistics Co LLC, United Arab Emirates
<b>Other body corporates</b>	Yepme UK Limited
<b>Key management personnel and their relatives</b>	Mr. Richard B Saldanha, (Chairman and Independent Director) (upto November 28, 2022)
	Mr. Mathew Cyriac, (Chairman and Non-Executive Director) (appointed as Chairman w.e.f November 29, 2022)
	Mr. Sivaramakrishnan Ganapathi, Vice Chairman and Managing Director
	Mr. George Varughese (Independent Director) (w.e.f October 27, 2022)
	Mr. Shivanandan Ashok Dalvie (Independent Director)(w.e.f October 27, 2022)
	Ms. Rama Bijapurkar (Independent Director) (w.e.f October 27, 2022)
	Ms. Pavitra Rajaram (Independent Director) (w.e.f April 26, 2023)
	Mr. Prabhat Kumar Singh (Whole-time Director)
	Mr. Poorana Seenivasan (Executive Director) (w.e.f October 27, 2022)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Mr. Gourish Hegde, (Company Secretary) (w.e.f February 10, 2023)
	Ms. Anuradha Sharma (Independent Director) (upto February 07, 2023)
	Mr. Gautham Madhavan (Non-Executive Director) (upto October 27, 2022)
	Ms. Shrithee MS (Company Secretary) (upto November 11, 2022)

## b. Summary of transactions during the year with the above related parties are as follows:

Particulars	March 31, 2024	March 31, 2023
<b>i) Sale of accessories, fabrics, etc</b>		
Wholly owned Subsidiary companies		
SNS Clothing Private Limited	34.89	21.90
Gokaldasexports Acharpura Private Limited	94.92	20.15
Sri Susamyuta Knits Private Limited	1.70	-
	<b>131.51</b>	<b>42.05</b>
<b>ii) Purchases</b>		
Wholly owned Subsidiary companies		
Gokaldasexports Acharpura Private Limited	120.73	-
	<b>120.73</b>	-
<b>iii) Jobwork income</b>		
Wholly owned Subsidiary companies		
SNS Clothing Private Limited	26.41	-
	<b>26.41</b>	-

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## b. Summary of transactions during the year with the above related parties are as follows:

(Contd.)

Particulars	March 31, 2024	March 31, 2023
<b>iv) Sale of property, plant and equipment</b>		
Wholly owned Subsidiary companies		
Gokaldasexports Acharpura Private Limited	-	7.05
Sri Susamyuta Knits Pvt Ltd	-	1.50
	-	<b>8.55</b>
<b>v) Rent</b>		
Wholly owned Subsidiary companies		
SNS Clothing Private Limited	246.00	162.00
	<b>246.00</b>	<b>162.00</b>
<b>vi) Interest income on loan given to subsidiary</b>		
Wholly owned Subsidiary companies		
Gokaldasexports Acharpura Private Limited	506.96	286.45
Sri Susamyuta Knits Pvt Ltd	696.28	275.06
Gokaldas Exports FZCO	124.83	-
Nava Apparels L.L.C-FZ	117.50	-
	<b>1,445.57</b>	<b>561.51</b>
<b>vii) Corporate guarantee service income</b>		
Wholly owned Subsidiary companies		
Gokaldas Exports FZCO	23.23	-
Nava Apparels L.L.C-FZ	7.04	-
	<b>30.27</b>	-
<b>viii) Stock options exercised during the year (face value + Security premium)</b>		
Richard B Saldanha	-	15.24
Sivaramakrishnan Ganapathi	-	307.88
Sathyamurthy A	-	61.79
Poorana Seenivasan	2.50	-
	<b>2.50</b>	<b>384.91</b>
<b>ix) Investment made in wholly owned Subsidiary company</b>		
Gokaldas Exports FZCO	-	85.10
Nava Apparels L.L.C-FZ	111.85	-
Matrix Design & Industries Private Limited	32,306.48	-
	<b>32,418.33</b>	<b>85.10</b>
<b>x) Managerial remuneration to</b>		
<b>a) Key managerial personnel</b>		
Sivaramakrishnan Ganapathi	869.16	962.09
Sathyamurthy A	190.88	169.85
Prabhat Kumar Singh	83.75	65.00
Poorana Seenivasan	220.04	89.03
Gourish Hegde	17.23	2.01
Shrithee MS	-	8.71
	<b>1,381.06</b>	<b>1,296.69</b>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## b. Summary of transactions during the year with the above related parties are as follows:

(Contd.)

Particulars	March 31, 2024	March 31, 2023
<b>b) Sitting fees paid to directors (Independent Directors and Non-Executive Directors)</b>		
Richard B. Saldanha	-	10.40
Mathew Cyriac	15.20	14.40
George Varughese	12.80	3.20
Shivanandan Ashok Dalvie	8.80	1.60
Rama Bijapurkar	9.60	2.40
Anuradha Sharma	-	10.40
Pavitra Rajaram	3.20	-
Gautham Madhavan	-	8.80
	<b>49.60</b>	<b>51.20</b>
<b>c) Summary of compensation of key managerial personnel of the Company</b>		
Managerial remuneration	1,381.06	1,296.69
Sitting fees	49.60	51.20
Share based payment expenses	1,202.95	1,161.86
	<b>2,633.61</b>	<b>2,509.75</b>

## c. Summary of outstanding balances with the above related parties are as follows:

Particulars	March 31, 2024	March 31, 2023
<b>i) Other financial liabilities</b>		
Payable to wholly owned Subsidiary companies		
All Colour Garments Private Limited	367.25	368.11
SNS Clothing Private Limited	504.76	1,181.93
Vignesh Apparels Private Limited	94.75	95.46
	<b>966.76</b>	<b>1,645.50</b>
<b>ii) Loans</b>		
Receivable from wholly owned Subsidiary companies		
Gokaldasexports Acharpura Private Limited	10,096.96	5,299.83
Sri Susamyuta Knits Pvt Ltd	11,145.50	6,813.85
Gokaldas Exports FZCO	6,973.59	-
Nava Apparels L.L.C-FZ	6,791.14	-
Matrix Design & Industries Private Limited	500.00	-
	<b>35,507.19</b>	<b>12,113.68</b>
<b>iii) Other financial assets</b>		
Receivable from wholly owned Subsidiary companies		
Gokaldas Exports FZCO	148.95	2.34
Nava Apparels L.L.C-FZ	125.38	-
	<b>274.33</b>	<b>2.34</b>

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## c. Summary of outstanding balances with the above related parties are as follows: (Contd.)

Particulars	March 31, 2024	March 31, 2023
<b>iv) Remuneration payable to Key managerial personnel</b>		
Sivaramakrishnan Ganapathi	576.66	719.37
Sathyamurthy A	65.00	50.00
Prabhat Kumar Singh	15.00	10.00
Poorana Seenivasan	100.00	38.71
	<b>756.66</b>	<b>818.08</b>

As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Company as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

## 41. DISCLOSURES OF DUES/PAYMENTS TO MICRO AND SMALL ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE COMPANY

Particulars	March 31, 2024	March 31, 2023
i. The principal amount due thereon remaining unpaid as at the year end Interest amount due and remaining unpaid as at the year end*	273.37	241.02
ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

\*There are no overdue amounts to Micro, Small and Medium Enterprises as on March 31, 2024 and March 31, 2023.

## 42. SHARE-BASED PAYMENTS

The Company's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Company approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Company including employees of subsidiaries, directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all employees of the Company including employees of subsidiaries, directors and provided for the issue of 2,133,040 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated April 03, 2022 approved Stock Option Plan (ESOP 2022) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all employees of the Company including employees of subsidiaries, directors and provided for the issue of 4,500,000 shares of ₹ 5 each (increased from 3,000,000 to 4,500,000 options vide special resolution passed by the shareholders on February 29, 2024).

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Company recognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is ranging from two to three years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

## Employee stock option expense is as set out below:

Particulars	March 31, 2024	March 31, 2023
Expense arising from equity-settled share based payment transactions	2,418.76	2,298.00
	<b>2,418.76</b>	<b>2,298.00</b>

## Movement during the year for ESOP 2010 Plan:

The activity in the ESOP 2010 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2024		March 31, 2023	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	20,000	72.55	4,85,000	78.30
Granted during the year	2,04,000	315.44	-	-
Exercised during the year	-	-	(4,65,000)	-
Lapsed during the year	-	-	-	-
<b>Closing balance</b>	<b>2,24,000</b>	<b>293.75</b>	<b>20,000</b>	<b>72.55</b>
Exercisable as at year end	20,000		20,000	

The weighted average share price at the date of exercise of the options during the period is not applicable (March 31, 2023: ₹ 376.27).

The weighted average remaining contractual life for the share options outstanding is 8.53 (March 31, 2023: 3.17 years)

The weighted average fair value of options granted during the year was ₹ 267.80 (March 31, 2023: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 72.55 to ₹ 315.44 (March 31, 2023: ₹ 60.95 to ₹ 85.96).

## Movement during the year for RSU 2018 Plan:

The activity in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2024		March 31, 2023	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	1,33,500	5.00	12,69,500	5.00
Granted during the year	-	-	-	-
Exercised during the year	(73,500)	5.00	(11,36,000)	5.00
Lapsed during the year	-	-	-	-
<b>Closing balance</b>	<b>60,000</b>	<b>5.00</b>	<b>1,33,500</b>	<b>5.00</b>
Exercisable as at year end	60,000		83,500	

The weighted average share price at the date of exercise of the options during the period is ₹ 409.74 (March 31, 2023 : ₹ 380.01).

The weighted average remaining contractual life for the share options outstanding is 4.51 years (March 31, 2023: 4.88 years)

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2023: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2023: ₹ 5).

## Movement during the year for ESOP 2022 Plan:

The activity in the ESOP 2022 Plan for equity-settled share based payment transactions is set out below:

Particulars	31-Mar-24		31-Mar-23	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	28,90,500	302.20	-	-
Granted during the year	-	-	30,00,000	302.20
Exercised during the year	-	-	-	-
Lapsed during the year	(65,250)	-	(1,09,500)	-
Closing balance	28,25,250	302.20	28,90,500	302.20
Exercisable as at year end	-	-	-	-

The weighted average remaining contractual life for the share options outstanding is 6 years (March 31, 2023: 7 years)

The weighted average fair value of options granted during the year was not applicable (March 31, 2023: ₹ 236.25)

The range of exercise prices for options outstanding at the end of the year was ₹ 302.20 (March 31, 2023: ₹ 302.20)

The following table list the inputs to the models used for the ESOP 2010 Plan:

Particulars	March 31, 2024	March 31, 2023
Dividend yield (%)	-	-
Expected volatility (%)	53.00%	-
Risk-free interest rate (%)	7.00%	-
Expected life of share options (years)	7.00	-
Weighted average exercise price (₹)	315.44	-
Model used	Black-Scholes Merton (BSM) options pricing model	-

\*No options were granted under ESOP 2010 plan during the year ended March 31, 2023.

The following table list the inputs to the models used for the ESOP 2022 plan:

Particulars	March 31, 2024	March 31, 2023
Dividend yield (%)	-	-
Expected volatility (%)	-	54.43%
Risk-free interest rate (%)	-	6.77%
Expected life of share options (years)	-	7.00
Weighted average exercise price (₹)	-	302.20
Model used	-	Black-Scholes Merton (BSM) options pricing model

\*No options were granted under ESOP 2022 during the year ended March 31, 2024.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

## 43. DISCLOSURES ON FINANCIAL INSTRUMENTS

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in Note 2.2 (b) and Note 2.2 (o) to the standalone financial statements.

### (a) Financial assets and liabilities

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

As at March 31, 2024

Particulars	Amortised cost	Fair value through OCI	Total
<b>Financial assets</b>			
Investments (other than investments in subsidiaries/other companies)	15,592.96	-	15,592.96
Loans	35,507.19	-	35,507.19
Trade receivables	20,977.66	-	20,977.66
Cash and cash equivalents	1,408.76	-	1,408.76
Other bank balances (other than cash and cash equivalents)	7,195.15	-	7,195.15
Other financials assets	3,416.57	-	3,416.57
Foreign exchange forward contracts	-	925.95	925.95
<b>Total assets</b>	<b>84,098.29</b>	<b>925.95</b>	<b>85,024.24</b>
<b>Financial liabilities</b>			
Lease liabilities	9,641.08	-	9,641.08
Borrowings	15,809.76	-	15,809.76
Trade payables	13,821.66	-	13,821.66
Other financial liabilities	13,651.35	-	13,651.35
Foreign exchange forward contracts	-	-	-
<b>Total liabilities</b>	<b>52,923.85</b>	<b>-</b>	<b>52,923.85</b>

As at March 31, 2023

Particulars	Amortised cost	Fair value through OCI	Total
<b>Financial assets</b>			
Investments (other than investments in subsidiaries/other companies)	34,399.33	-	34,399.33
Loans	12,113.68	-	12,113.68
Trade receivables	13,582.42	-	13,582.42
Cash and cash equivalents	1,345.29	-	1,345.29
Other bank balances (other than cash and cash equivalents)	743.44	-	743.44
Other financials assets	2,815.51	-	2,815.51
Foreign exchange forward contracts	-	-	-
<b>Total assets</b>	<b>64,999.67</b>	<b>-</b>	<b>64,999.67</b>



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

As at March 31, 2023 (Contd.)

Particulars	Amortised cost	Fair value through OCI	Total
<b>Financial liabilities</b>			
Lease liabilities	11,584.98	-	11,584.98
Borrowings	2,499.65	-	2,499.65
Trade payables	8,379.21	-	8,379.21
Other financial liabilities	14,156.12	-	14,156.12
Foreign exchange forward contracts	-	1,420.92	1,420.92
<b>Total liabilities</b>	<b>36,619.96</b>	<b>1,420.92</b>	<b>38,040.88</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.

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
<b>March 31, 2024</b>				
Financial assets				
Foreign exchange forward contracts	-	925.95	-	925.95
Investment in other companies	-	314.74	-	314.74
Financial liabilities				
Foreign exchange forward contracts	-	-	-	-
<b>March 31, 2023</b>				
Financial assets				
Investment in other companies	-	-	-	-
Financial liabilities				
Foreign exchange forward contracts	-	1,420.92	-	1,420.92

- (i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.  
Fair value of loans (security deposits) having a carrying amount of ₹ 2,978.91 lakhs as at March 31, 2024 (March 31, 2023: ₹ 2,657.01 lakhs) was ₹ 2,978.91 lakhs (March 31, 2023: ₹ 2,657.01)
- (ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

(iv) There have been no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 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 debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2024	50	79.05
March 31, 2023	50	12.54

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

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating and financing activities. The Company's exposure to foreign currency changes from investing activities is not material.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 months period for hedges of forecasted sales.

As at March 31, 2024 and March 31, 2023, the Company hedged ₹ 161,647.03 lakhs (USD 1,910.00 lakhs) and ₹ 143,037.06 lakhs (USD 1,731.16 lakhs) respectively of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2024 and March 31, 2023:

Particulars	Currency	March 31, 2024	March 31, 2023
<b>Assets</b>			
Trade receivables	USD	223.56	154.88
Trade receivables	EUR	1.66	2.08
Trade receivables	GBP	7.56	-
Advance to suppliers	USD	19.05	24.12
Advance to suppliers	HKD	-	0.37
Capital advances	USD	0.33	2.98
Capital advances	EUR	0.15	0.54
<b>Liabilities</b>			
Trade payables	USD	11.46	3.91
Liability for capital assets	USD	2.68	-
Liability for capital assets	EUR	0.26	0.84
Advances received from customers	USD	7.35	4.02

**Note:** All figures are in lakhs.

## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
<b>March 31, 2024</b>		
₹ in lakhs	5%	922.75
<b>March 31, 2023</b>		
₹ in lakhs	5%	715.17

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities at March 31, 2024 and March 31, 2023. The period end balances are not necessarily representative of the average debt outstanding during the period.

## Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 85,024.24 lakhs, ₹ 64,999.67 lakhs, as at March 31, 2024 and March 31, 2023 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

With respect to Trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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 has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

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

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

Particulars	0-1 year	> 1 year	Total
<b>March 31, 2024</b>			
Lease liabilities	3,730.02	5,911.06	9,641.08
Borrowings	15,809.76	-	15,809.76
Trade payables	5,109.33	-	5,109.33
Other financial liabilities	13,651.35	-	13,651.35
	<b>38,300.46</b>	<b>5,911.06</b>	<b>44,211.52</b>
<b>March 31, 2023</b>			
Lease liabilities	3,112.31	8,472.67	11,584.98
Borrowings	2,499.65	7.42	2,507.07
Trade payables	8,379.21	-	8,379.21
Other financial liabilities	15,577.04	-	15,577.04
	<b>29,568.21</b>	<b>8,480.09</b>	<b>38,048.30</b>

## Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Company's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ 34,807.65 lakhs and ₹ 2,074.58 lakhs 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.

## 44. CAPITAL MANAGEMENT

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

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

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

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

Particulars	March 31, 2024	March 31, 2023
Borrowings including current maturities	15,809.76	2,507.07
<b>Total debts</b>	<b>15,809.76</b>	<b>2,507.07</b>
<b>Capital components</b>		
Equity share capital	3,169.15	3,028.90
Other equity	1,30,987.61	86,270.07
<b>Total capital</b>	<b>1,34,156.76</b>	<b>89,298.97</b>
<b>Capital and borrowings</b>	<b>1,49,966.52</b>	<b>91,806.04</b>
<b>Gearing ratio (%)</b>	<b>10.54%</b>	<b>2.73%</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.

**45.** The Company is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Company during financial year ended March 31, 2024. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

**46.** The Company assessed the fair value less cost of sale of the investment in an associate held for sale. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Company's investment. The Company has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the year ended March 31, 2019. The Company continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal

of the impairment loss. Further to related developments during the year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.

**47.** The Company had filed petition with the Company Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

**48.** The Board of Directors of the Company at their meeting held on May 25, 2023 had recommended a final dividend of ₹ 1/- (one rupee only) per equity share (i.e. 20% of face value of ₹ 5 per equity share) for the financial year ended March 31, 2023. The dividend recommended by the Board of Directors was approved by the shareholders at the Annual General Meeting of the Company held on September 20, 2023 and was subsequently paid.

**49.** During the year ended March 31, 2023, pursuant to the approval of the Board of Directors, the Company had concluded the sale of one of its building on leasehold land and other assets. The transaction had resulted in a gain of ₹ 605.03 lakhs, which was disclosed as an exceptional item for that year.



# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

**50.** During the year ended March 31, 2024, the Holding Company has acquired 100% shareholding in Matrix Design and Industries Private Limited ("MDIPL") for a consideration of ₹ 32,306 lakhs settled through a combination of cash consideration of ₹ 7,557 lakhs and preferential allotment of 27,31,366 equity shares of Gokaldas Exports Limited at a price of 906.14 per share. The acquisition resulted in transfer of control w.e.f. March 13, 2024 and accounted for in accordance with Ind AS 103, Business Combination.

**51.** For the period/days of the respective covid lockdowns imposed by the government during FY 2020-21, the Group had evaluated the various directions, circulars and orders issued by relevant government authorities regarding payment of wages to employees, accordingly had paid certain ex-gratia amount to eligible employees. Management evaluated further directions, orders issued by relevant government authorities and understand that the matter should be settled based on mutual discussion between relevant stakeholders. Pending conclusion of such matter, management believes that the Company continues to be in compliance with the directives and will reassess this periodically.

**52.** During the year ended March 31, 2024, the Company had executed certain agreements with Clean Max Enviro Energy Solutions Private limited and Clean Max Celeste Private Limited (SPV), including a share purchase agreement for investment in a renewable Captive Generating Plant. This involved an investment in a Special Purpose Vehicle (SPV), a private limited Company through an acquisition of 26% stake through an investment of ₹ 315 lakhs (Indian Rupees Three hundred and fifteen lakhs) by way of an equity share capital contribution in the SPV, the arrangement also involves certain power purchase arrangements, basis the evaluation of the terms of the aforementioned agreements, the Company has assessed and classified this as an investment and is recorded at fair value.

**53.** Subsequent to the year ended March 31, 2024, on April 24, 2024, the Company raised money by way of Qualified Institutional Placement ('QIP') and allotted 77,41,935 equity shares of face value ₹ 5/- each to the eligible qualified institutional buyers ('QIB') at a price of ₹ 775/-per share (Including a premium of ₹ 770 per share) aggregating to ₹ 60,000 lakhs on April 23, 2024. This issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018.

**54.** During the year ended March 31, 2024, the Company has provided corporate guarantees to financial institutions on behalf of its wholly owned subsidiaries Gokaldas Exports FZCO and Nava Apparels L.L.C. – FZ amounting to USD 34 million and USD 7 million respectively for loans availed by them, towards the acquisition of ATRACO Group entities. Additionally the Company has advanced loans amounting to USD 7 million (₹ 5,821 lakhs) and USD 8 million (₹ 6,652 lakhs) to Gokaldas Exports FZCO and Nava Apparels L.L.C. – FZ.

## 55. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

- a. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks are in agreement with the books of accounts.
- c. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- d. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- e. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- f. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- g. During the year the Company (Ultimate Beneficiary) provided loans (refer note 54) to its wholly owned subsidiaries 'Gokaldas Exports FZCO' and 'Nava Apparels LLC' (Intermediaries). The terms of these transactions have been documented in writing. On January 03, 2024, the Intermediaries directly invested in other entities identified by the Ultimate Beneficiary for the purpose of acquiring the ATRACO group. There has been no violation or non-compliance with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Prevention of Money-Laundering act, 2002 (15 of 2003), or the Companies Act, 2013 in relation to these transactions.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

# Notes to the Standalone Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

- h. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- i. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- j. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

2020 on November 13, 2020 inviting objections and suggestions, if any, from the stakeholders. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to Employees' Provident Fund, Employees' State Insurance Corporation, Gratuity, Maternity Benefit, Social Security and Cess in respect of Building and Other Construction Workers, Social Security for Unorganised Workers, Gig Workers and Platform Workers.

The Group will assess the impact and will give appropriate accounting treatment in its financial statements in the period in which the Code on Social Security, 2020 (including the related rules framed thereunder) becomes effective.

## 56. UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year March 31, 2024 and March 31, 2023 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**57.** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**58.** The Indian Parliament had approved the Code on Social Security, 2020. The Ministry of Labour and Employment has notified the draft rules under the Code on Social Security,

**59.** The statement of audited standalone financial statements for the year ended March 31, 2024 have been reviewed by the Audit Committee in their meeting on May 26, 2024 and approved by the Board of Directors in their meeting held on May 26, 2024.

**60.** Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

**61.** Previous period/year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current period/year's classification.

As per our report of even date

For **M S K A & Associates**

Chartered Accountants

ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**

Partner

Membership No.: 233552

**Place:** Bengaluru

**Date:** May 26, 2024

For and on behalf of the Board of Directors of

**Gokaldas Exports Limited**

CIN: L18101KA2004PLC033475

**Mathew Cyriac**

Chairman

DIN: 01903606

Place: Mumbai

**Sathyamurthy A**

Chief Financial Officer

**Place:** Bengaluru

**Date:** May 26, 2024

**Sivaramakrishnan Ganapathi**

Vice Chairman and Managing Director

DIN: 07954560

Place: San Francisco, USA

**Gourish Hegde**

Company Secretary

Membership No: A44775

**Place:** Bengaluru

**Date:** May 26, 2024

# Independent Auditor's Report

To the Members of Gokaldas Exports Limited

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company, and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies

(Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Refer Note 2.3 of consolidated financial statements with respect to the accounting policies followed by the Company for recognizing revenue.</p> <p>The Company derives its revenue primarily from delivery of export garments and its related products to its customer/agent nominated by customer, in accordance with commercial terms agreed. The revenue is recognised at a point in time when control of the goods has transferred to the customer.</p> <p>Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing the present right to receive payment for the products, delivery specifications including incoterms, timing of transfer of legal title of the asset and determination of the point of acceptance of goods by customer.</p>	<p>Our audit procedures in respect of this area included:</p> <ol style="list-style-type: none"><li>1. Assessed the appropriateness and consistency of the Company's revenue recognition accounting policies as per Ind AS 115 "Revenue from Contracts with Customers" ("Ind AS 115").</li><li>2. Obtained an understanding and assessed the design, implementation, and operating effectiveness of controls over recognition and measurement of revenue in accordance with customer contracts, including timing of revenue recognition.</li><li>3. Performed substantive testing by selecting samples of revenue transactions recorded during the year and verifying with the underlying documents like sales invoices/contracts and related logistics documents.</li></ol>

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	Revenue is identified as an area of significant risk and at the year-end management has to exercise significant judgement for recognition of revenue as per Ind AS 115. Accordingly, Revenue Recognition is identified as a Key Audit Matter.	<ol style="list-style-type: none"> <li>4. Performed three-way match for the sales using documents which include purchase orders from customers, invoice and proof of deliveries (bill of lading for export sales and lorry receipts etc for domestic sales).</li> <li>5. Performed the cut-off testing of the revenue recorded in the appropriate period and traced the sales with Shipping bill, Bill of lading and other logistic documents to confirm the appropriateness of recognition of revenue for that period in the books of accounts.</li> <li>6. Assessed manual journals posted to revenue to identify unusual items &amp; tested the underlying documents of the same on a sample basis.</li> <li>7. Obtained management representation that revenue has been recorded as per the requirements of Ind AS 115.</li> <li>8. Evaluated the appropriateness of the disclosures made in the Consolidated Financial Statements in relation to revenue recognised as per relevant accounting standards.</li> </ol>
2	<p>Refer to Note 44 to the Consolidated Financial Statements – “Business Combination” On January 03, 2024, the Company acquired 100% equity shares of ATRACO group ('ATRACO') pursuant to various share and asset purchase agreements and on March 13, 2024, Company acquired 100% equity shares Matrix Design &amp; Industries Private Limited ('MDIPL'). The Company has determined that the acquisition is within the scope of Ind AS 103 'Business Combinations' which requires that identified assets and liabilities be recognized at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair value of recognized assets and liabilities including intangible assets, as goodwill. The Company appointed independent professional valuers to perform valuation of assets for purchase price allocation to the respective assets and liabilities acquired (hereinafter referred to as 'the purchase price allocation' or 'the PPA'). The Management of the Company determined that the fair values of the net identifiable assets acquired was ₹ 23,316.88 lakhs as part of the PPA. The Company has identified, ATRACO's and MDIPL's customers and their relationships as intangible assets of ₹ 3,845.41 lakhs and the consideration paid in excess of the net assets acquired resulted in recognition of Goodwill of ₹ 54,787.46 lakhs. Significant assumptions and estimates are used as of the date of acquisition in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction. Significant judgements were made by the management of the Company in respect of the future projections and the discount rate used in assessing the carrying value of the net assets acquired and for allocating, purchase price. Accordingly, this is considered to be a key audit matter.</p>	<p>Our audit procedures in respect of this area included:</p> <ol style="list-style-type: none"> <li>1. Evaluated the competence, capabilities and objectivity of management's expert engaged for the PPA, obtained an understanding of the scope and work of the expert and evaluated the appropriateness of the expert's work as audit evidence.</li> <li>2. Traced the value of the consideration transferred with reference to the Share Purchase Agreement.</li> <li>3. Involved our valuation experts ("auditor's expert") to: <ol style="list-style-type: none"> <li>(i) Assess the reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date.</li> <li>(ii) Review the Management's assessment/method including the key assumptions related to the projections, the discount rate used in the assessment of the carrying values as at the year end.</li> </ol> </li> <li>4. Verified the mathematical accuracy of management's calculations of Goodwill and other intangible asset.</li> <li>5. Assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements in compliance with the requirements of Ind AS 103: "Business Combinations".</li> </ol>

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal

financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors/Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

## OTHER MATTERS

- a. We did not audit the financial statements of eight subsidiaries and four step down subsidiaries, whose financial statements reflect total assets of ₹ 146,797.95 lakhs as at March 31, 2024, total revenues of ₹ 29,924.33 lakhs and net cash flows amounting to ₹ 3,443.58 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and other in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.



Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by another auditor.

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ Nil as at March 31, 2024, total revenue of ₹ Nil and net cash flows amounting to ₹ Nil for the period from April 14, 2023 (date of incorporation) to March 31, 2024, respectively, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and accounting to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on work done and the reports of the other auditors and the financial information certified by the Management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph on reporting under rule 11(g).

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph on reporting under Section 143(3)(b) and paragraph on reporting under Rule 11(g).
- g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 36 to the consolidated financial statements.
  - ii. The Group have long-term contracts including derivative contracts as on March 31, 2024 for which there were no material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
  - iv. 1. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements

have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 54 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our or other auditors' notice that has caused us or

the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, we report that the final dividend paid by the Holding Company, its subsidiaries during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.

On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, The Holding Company, its subsidiaries incorporated in India has not declared any dividend during the year.

- vi. Based on our examination and based on the other auditor's reports of its subsidiary companies, the Holding Company and five subsidiaries have 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.

Based on our examination, the and based on the other auditor's reports of its subsidiary companies, the Holding Company and five subsidiaries have used a payroll software which is operated by a third-party software service provider for maintaining its books of account for the year ended March 31, 2024. In the absence of independent auditor's report of the service organization, we are unable to comment whether the software has a feature of recording audit trail (edit log) facility nor are we able to comment on whether the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software. We are further unable to comments to whether there were any instances of the audit trail feature been tampered with.

Based on our examination, the Holding Company has used an inventory 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, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024 in respect of the software to log any direct data changes.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this accounting software during the year ended March 31, 2024.

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 feature was enabled and operating.

In respect of one subsidiary, the accounting software used by the subsidiary for maintaining its books of account for the year ended March 31, 2024 has a feature of recording audit trail (edit log) facility, and the same has been enabled and operated throughout the year for all relevant transactions recorded in the accounting software. The other auditor is unable to comment as to whether there were any instances of the audit trail feature been tampered with as reported by the other auditor.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of six subsidiaries, as the provisions of the aforesaid section is not applicable to private companies.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, below are the details of remarks made in the Companies (Auditor's Report) Order 2020 (CARO) Reports.

Sr. No.	Name of the Company	Corporate Identification Number	Type of Company (Holding/ Subsidiary)	Paragraph number and comments in the respective CARO report reproduced below
1	Gokaldas Exports Limited	L18101KA2004PLC033475	Holding	Refer note 1 below
2	Gokaldasexports Acharpura Private Limited	U17299KA2021PTC151158	Subsidiary	Refer note 2 below
3	Sri Susuamyuta Knits Private Limited	U17299KA2022PTC156633	Subsidiary	Refer note 3 below
4	All Colour Garments Private Limited	U17111KA2004PTC034055	Subsidiary	Refer note 4 below
5	Vignesh Apparels Private Limited	U18101KA2004PTC033759	Subsidiary	Refer note 5 below

Note 1: Clause i(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company except for below mentioned immovable property aggregating to ₹ 37.01 lakhs as at March 31, 2024, for which title deed is not in the name of the Company.

Sr. No.	Description of Property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of Company (also indicate if in dispute)
1	Land (Location: Andhra Pradesh- Pileru)	37.01	Andhra Pradesh Industrial Infrastructure Corporation Limited	No	Possession held since March 5, 2019	Due to pending fulfilment of the condition precedent for title deed registration

The title deeds of immovable properties aggregating to ₹ 1,614.41 lakhs as at March 31, 2024, are pledged with the banks and are not available with the Company. The same has been independently confirmed by the bank to us and verified by us.

Note 2: Clause xvii-The Company has incurred cash losses in the current financial year of ₹ 799.65 lacs and in the immediately preceding financial year of ₹ 6.29 lakhs.

Note 3: Clause xvii-The Company has incurred cash losses in the current financial year of ₹ 0.5 lacs and in the immediately preceding financial year of ₹ 0.5 lakhs.

Note 4: Clause xvii- The Company has incurred cash losses in the financial year and in the immediately preceding financial year.

Note 5 : Clause xvii- The Company has incurred cash losses of ₹ 0.71 lakhs in the current financial year and of ₹ 0.38 lakhs in the immediately preceding financial year.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Pankaj S Bhauwala**

Partner

Membership No. 233552

UDIN: 24233552BKBKKE2027

**Place:** Bengaluru

**Date:** May 26, 2024

# Annexure A

To the independent auditor's report on even date on the Consolidated Financial Statements of Gokaldas Exports Limited

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

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

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

disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Pankaj S Bhauwala**

Partner

Membership No. 233552

UDIN: 24233552BKBKKE2027

**Place:** Bengaluru

**Date:** May 26, 2024



# Annexure B

To the independent auditor's report of even date on the Consolidated Financial Statements of **Gokaldas Exports Limited**

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Gokaldas Exports Limited on the consolidated Financial Statements for the year ended March 31, 2024]

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company's and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

### MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Management and the Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection

of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

## OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to six subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Pankaj S Bhauwala**

Partner

Membership No. 233552

UDIN: 24233552BKBKKE2027

**Place:** Bengaluru

**Date:** May 26, 2024

# Consolidated Balance Sheet

As at March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	37,616.32	16,611.71
Right-of-use assets	3(b)	17,275.66	11,252.12
Capital work-in-progress	3(a)	12,798.60	10,786.62
Other intangible assets	4	122.90	111.95
Goodwill and intangible assets	5	58,578.80	-
Financial assets			
Investments	6(a)	315.03	0.29
Other financial assets	7(a)	3,737.73	2,821.95
Deferred tax assets	8(a)	4,083.09	3,064.73
Non-current tax assets (net)	8(b)	122.39	408.85
Other non-current assets	9(a)	801.40	1,164.55
<b>Total non-current assets</b>		<b>1,35,451.92</b>	<b>46,222.77</b>
<b>Current assets</b>			
Inventories	10	60,360.23	29,299.22
Financial assets			
Investments	6(b)	15,592.69	34,399.06
Trade receivables	11	35,252.49	13,582.68
Cash and cash equivalents	12(a)	5,424.79	1,472.21
Other bank balances (other than cash and cash equivalents)	12(b)	7,309.14	926.48
Other financial assets	7(b)	1,076.28	114.03
Other current assets	9(b)	13,644.35	8,185.08
<b>Total current assets</b>		<b>1,38,659.97</b>	<b>87,978.76</b>
<b>Total assets</b>		<b>2,74,111.89</b>	<b>1,34,201.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	13	3,169.15	3,028.90
Other equity	14	1,25,964.85	85,596.22
<b>Total equity</b>		<b>1,29,134.00</b>	<b>88,625.12</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15(a)	28,098.10	964.31
Lease liabilities	16(a)	14,048.41	8,676.98
Provision for employee benefits	17(a)	1,500.70	1,346.89
<b>Total non-current liabilities</b>		<b>43,647.21</b>	<b>10,988.18</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15(b)	33,857.82	2,580.76
Trade payables	18		
Total outstanding dues of micro and small enterprises		792.18	241.02
Total outstanding dues of creditors other than micro and small enterprises		17,613.32	8,160.12
Lease liabilities	16(b)	4,481.63	3,219.09
Other current financial liabilities	19	36,424.85	14,769.18
Other current liabilities	20	2,563.61	1,220.25
Provision for employee benefits	17(b)	5,597.27	4,397.81
<b>Total current liabilities</b>		<b>1,01,330.68</b>	<b>34,588.23</b>
<b>Total equity and liabilities</b>		<b>2,74,111.89</b>	<b>1,34,201.53</b>

Summary of significant accounting policies.

2.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

**Place:** Bengaluru  
**Date:** May 26, 2024

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**  
CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

**Sathyamurthy A**  
Chief Financial Officer

**Place:** Bengaluru  
**Date:** May 26, 2024

**Sivaramkrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024

# Consolidated Statement of Profit and Loss

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>I Income</b>			
Revenue from operations	21	2,37,888.47	2,22,219.58
Other income	22	3,010.24	2,503.35
<b>Total income</b>		<b>2,40,898.71</b>	<b>2,24,722.93</b>
<b>II Expenses</b>			
Cost of raw materials and components consumed	23	1,24,286.25	1,05,234.38
Purchases of stock-in-trade	24	100.44	119.58
Changes in inventories of finished goods and work-in-progress	25	(10,874.42)	12,363.32
Employee benefits expense	26	77,759.44	61,931.65
Finance costs	27	3,634.01	2,571.81
Depreciation and amortization expense	28	8,877.44	7,175.03
Job work charges		822.29	1,186.44
(Gain)/loss on account of foreign exchange fluctuations (net)		(140.63)	(668.42)
Other expenses	29	20,534.47	14,975.21
<b>Total expenses</b>		<b>2,24,999.29</b>	<b>2,04,889.00</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>15,899.42</b>	<b>19,833.93</b>
<b>IV Exceptional items</b>	30	-	605.03
<b>V Profit/(Loss) after exceptional items and before tax (III+IV)</b>		<b>15,899.42</b>	<b>20,438.96</b>
<b>VI Tax expenses</b>	32		
Current tax		4,438.45	4,830.57
Adjustment of tax relating to earlier years		(27.21)	(160.11)
Deferred tax (credit)/charge		(1,609.02)	(1,528.14)
		<b>2,802.22</b>	<b>3,142.32</b>
<b>VII Profit/(Loss) after tax for the period (V-VI)</b>		<b>13,097.20</b>	<b>17,296.64</b>
<b>VIII Other comprehensive income/(loss) (net of tax)</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plan		41.41	207.91
Items that will be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements of foreign subsidiaries		(650.60)	-
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)		1,746.22	(2,430.35)
<b>Total other comprehensive income for the year</b>		<b>1,137.03</b>	<b>(2,222.44)</b>
<b>IX Total comprehensive income for the period attributable to equity holders (VII+VIII)</b>		<b>14,234.23</b>	<b>15,074.20</b>
<b>X Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2023- ₹ 5)]</b>			
Basic earnings per share (refer note 33)		21.55	28.60
Diluted earnings per share (refer note 33)		20.51	27.20

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**  
CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

**Sathyamurthy A**  
Chief Financial Officer

**Sivaramakrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024

**Place:** Bengaluru  
**Date:** May 26, 2024

**Place:** Bengaluru  
**Date:** May 26, 2024

# Consolidated Cash Flow Statement

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>Cash flow from operating activities</b>			
<b>Profit before exceptional items and tax</b>		<b>15,899.42</b>	<b>19,833.93</b>
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		8,877.44	7,175.03
Net loss/(gain) on disposal of property, plant and equipment		(41.83)	(19.26)
Unrealised foreign exchange (gain)/loss, (net)		(684.07)	51.97
Gain on sale of investments in mutual fund units		(2,610.15)	(1,589.53)
Income from government grants		(942.56)	(173.83)
Share based payment expenses		2,418.76	2,298.00
Interest income		(354.69)	(338.44)
Finance costs		3,634.01	2,571.81
Provision for doubtful debts		358.95	27.70
Excess provision of earlier years written back		-	(190.52)
<b>Operating profit/(loss) before working capital changes</b>		<b>26,555.28</b>	<b>29,646.86</b>
Changes in operating assets and liabilities:			
(Increase)/decrease in other financial assets		(457.80)	(119.80)
(Increase)/decrease in other assets		(5,217.05)	4,340.99
(Increase)/decrease in inventories		(31,061.01)	14,062.78
(Increase)/decrease in trade receivables		(21,484.25)	(4,646.66)
Increase/(decrease) in provisions for employee benefits		1,394.68	1,560.54
Increase/(decrease) in trade payables		9,537.17	(3,383.19)
Increase/(decrease) in other financial liabilities		6,289.06	(700.18)
Increase/(decrease) in other liabilities		862.53	(32.46)
		<b>(13,581.39)</b>	<b>40,728.88</b>
Direct taxes refunded/(paid) (net of refund/payments)		(4,124.78)	(3,846.58)
<b>Net cash flows from/(used in) operating activities (A)</b>		<b>(17,706.17)</b>	<b>36,882.30</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment (including goodwill, intangible assets and capital work-in-progress)		(68,906.37)	(13,542.44)
Proceeds from sale of property, plant and equipment		109.30	898.49
Investments in bank deposits		(15,292.68)	(5,528.27)
Proceeds from redemption of bank deposits		8,910.02	6,098.63
Proceeds from sale of investment in mutual funds		44,166.52	19,135.84
Investment in mutual funds		(22,750.00)	(36,500.00)
Investment - Others		(314.74)	-
Interest income		336.44	302.63
<b>Net cash flows from/(used in) investing activities (B)</b>		<b>(53,741.51)</b>	<b>(29,135.12)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares/exercise of share options		24,753.68	431.49
Proceeds of borrowings		1,32,825.85	41,478.81
Repayment of borrowings		(74,415.00)	(44,261.00)
Payment of lease liabilities		(4,990.66)	(4,208.62)
Dividend paid		(606.12)	-
Finance costs		(2,244.37)	(983.89)
<b>Net cash flows from/(used in) financing activities (C)</b>		<b>75,323.38</b>	<b>(7,543.21)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>3,875.70</b>	<b>203.97</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents		76.88	-
Cash and cash equivalents at the beginning of the year	12(a)	1,472.21	1,268.24
<b>Cash and cash equivalents at the end of the year</b>		<b>5,424.79</b>	<b>1,472.21</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>			
Components of cash and cash equivalents			
Balances with banks			
In current accounts		5,407.87	1,464.13
Cash on hand		16.92	8.08
<b>Total cash and cash equivalents</b>	12(a)	<b>5,424.79</b>	<b>1,472.21</b>

Refer note 2.3 for summary of significant accounting policies.



(All amounts in Indian Rupees in lakhs, except stated otherwise)

**Notes:**

1. Reconciliation of liabilities arising from financing activities:

Particulars	Borrowings	Lease liability	Total
<b>Balance as at March 31, 2022</b>	<b>6,306.94</b>	<b>12,997.36</b>	<b>19,304.30</b>
Cash flows	(2,782.19)	(4,208.62)	(6,990.81)
Non-cash changes	20.32	3,107.33	3,127.65
<b>Balance as at March 31, 2023</b>	<b>3,545.07</b>	<b>11,896.07</b>	<b>15,441.14</b>
Cash flows	58,410.85	(4,990.66)	53,420.19
Non-cash changes	-	11,624.63	11,624.63
<b>Balance as at March 31, 2024</b>	<b>61,955.92</b>	<b>18,530.04</b>	<b>80,485.96</b>

2. The above Statement of Cash Flows has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.

3. Figures in brackets indicate cash outflow.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

**Place:** Bengaluru  
**Date:** May 26, 2024

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**  
CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

**Sathyamurthy A**  
Chief Financial Officer

**Place:** Bengaluru  
**Date:** May 26, 2024

**Sivaramakrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024

# Consolidated 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 ₹ 5 each issued, subscribed and fully paid		
At April 01, 2022	5,89,76,994	2,948.85
Add: Issued during the year	16,01,000	80.05
<b>At March 31, 2023</b>	<b>6,05,77,994</b>	<b>3,028.90</b>
At April 01, 2023	6,05,77,994	3,028.90
Add: Issued during the year	28,04,866	140.25
<b>At March 31, 2024</b>	<b>6,33,82,860</b>	<b>3,169.15</b>

## B. OTHER EQUITY

For the year ended March 31, 2024

	Attributable to equity holders of the Company							Total
	Reserves and Surplus					Items of OCI		
	Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Foreign currency translation reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2023	50,959.81	2,192.09	9,769.12	2,391.00	3.88	21,333.64	(1,053.32)	85,596.22
Profit for the year	-	-	-	-	(543.51)	13,097.20	-	12,553.69
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	1,746.22	1,746.22
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	41.41	-	41.41
Total comprehensive income	50,959.81	2,192.09	9,769.12	2,391.00	(539.63)	34,472.25	692.90	99,937.54
Additions	24,613.43	-	-	-	-	(398.37)	-	24,215.06
Transfer to securities premium on exercise of equity stock options	113.98	-	-	(113.98)	-	-	-	-
Dividend paid	-	-	-	-	-	(606.51)	-	(606.51)
Share based payment expense	-	-	-	2,418.76	-	-	-	2,418.76
At March 31, 2024	75,687.22	2,192.09	9,769.12	4,695.78	(539.63)	33,467.37	692.90	1,25,964.85

For the year ended March 31, 2023

	Attributable to equity holders of the Company							Total
	Reserves and Surplus					Items of OCI		
	Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Foreign currency translation reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2022	49,429.05	2,192.09	9,769.12	1,272.32	-	3,829.09	1,377.03	67,868.70
Profit for the year	-	-	-	-	3.88	17,296.64	-	17,300.52
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	(2,430.35)	(2,430.35)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	207.91	-	207.91

(All amounts in Indian Rupees in lakhs, except stated otherwise)

**For the year ended March 31, 2023** (Contd.)

	Attributable to equity holders of the Company							Total
	Reserves and Surplus					Items of OCI		
	Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Foreign currency translation reserve	Retained earnings	Cash flow hedge reserve	
Total comprehensive income	49,429.05	2,192.09	9,769.12	1,272.32	3.88	21,333.64	(1,053.32)	82,946.78
Additions	351.44	-	-	-	-	-	-	351.44
Transfer to securities premium on exercise of equity stock options	1,179.32	-	-	(1,179.32)	-	-	-	-
Share based payment expense	-	-	-	2,298.00	-	-	-	2,298.00
At March 31, 2023	50,959.81	2,192.09	9,769.12	2,391.00	3.88	21,333.64	(1,053.32)	85,596.22

Refer note 2.3 for summary of significant accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

**Place:** Bengaluru  
**Date:** May 26, 2024

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**  
CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

**Sathyamurthy A**  
Chief Financial Officer

**Place:** Bengaluru  
**Date:** May 26, 2024

**Sivaramakrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 1. CORPORATE INFORMATION

Gokaldas Exports Limited ('GEL' or 'the Company') (having Corporate Identity Number(CIN): L18101KA2004PLC033475) and its subsidiaries ('the Group') are mainly engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Group is from manufacture and sale of garments and related products, both domestic and overseas.

The Company is a public Company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bengaluru.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

### 2.1 Statement of Compliance

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

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

These consolidated financial statements are presented in Indian Rupees ("Rs"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March

31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.
- (d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.3 Summary of significant accounting policies

### a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

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

The Group has identified twelve months as its operating cycle.

### b. Fair value measurement of financial instruments

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



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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 Group.

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

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

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

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

- Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

## c. Foreign currencies

In preparing the consolidated financial statements, transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of transaction. At the end of

each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the Consolidated Statement of Profit and Loss for the year.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

## d. Revenue recognition

### i. Revenue from Contracts with Customers

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

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

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

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

- once physical delivery of the products has occurred to the location as per agreement;
- the Company no longer has physical possession;
- usually will have a present right to payment (as a single payment on delivery); and

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

- retains none of the significant risks and rewards of the goods in question.

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

## *Determining the transaction price*

The Group'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 Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and loss.

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

## **ii. Revenue from export incentives**

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

## **iii. Interest income**

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

## **iv. Dividends**

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

## **v. Others**

Insurance/other claims are recognised on acceptance basis.

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

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

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

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

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

## **f. Government grants**

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the Consolidated Statement of Profit and Loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the Consolidated Balance Sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## g. Taxes on income

### Current income tax

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

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

### Deferred income tax

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

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax

laws) that have been enacted or substantively enacted at the balance sheet date.

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

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

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

## h. Property, plant and equipment (PPE)

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

Freehold land is carried at historical cost and is not depreciated. Capital work-in-progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

Category of assets	Estimated useful life
Buildings	30 years
Plant and machinery	15 years
Electrical equipments	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalised at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less on a straight line basis.

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

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

the consolidated statement of profit and loss when the asset is derecognised.

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

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

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

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

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

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	Definite (2.5 years)	WDV	Acquired
Other intangible assets	Definite (10 years)	SLM	Acquired

## i. Borrowing cost

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

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

## j. Leases

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

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

# Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

## Group as a lessee

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

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

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

The Group's lease asset classes primarily consist of leases for Buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## k. Inventories

### Inventories are valued as follows:

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

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

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

## l. Provisions and contingent liabilities

### i. Provisions

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

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

### ii. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable



# Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees in lakhs, except stated otherwise)

that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Provisions and contingent liabilities are reviewed at each balance sheet.

## m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated

absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

- The date of the plan amendment or curtailment; and
- The date that the Group recognises related restructuring costs.

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

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

## n. Share-based payments

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

### Equity-settled transactions

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

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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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

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

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

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

## **o. Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

## **Effective interest method**

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

## **(a) Financial assets**

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

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

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

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

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### ***Impairment of financial assets***

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the consolidated statement of profit and loss.

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

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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## *De-recognition of financial assets*

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

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

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

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

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

### *Classification as debt or equity*

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

### *Equity Instruments*

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

### *Financial Liabilities*

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

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

## *i. Financial guarantee contracts*

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

## *ii. De-recognition*

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

## *Off-setting of financial instruments*

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

## **p. Derivative financial instruments**

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

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

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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## (b) Cash flow hedge accounting

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

## q. Impairment of non-financial assets

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

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

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

the higher of the cash generating unit's net selling price and the value in use.

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

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

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

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

## r. Corporate Social Responsibility ('CSR') expenditure

The Group charges its CSR expenditure during the year to the consolidated statement of profit and loss.

## s. Cash and cash equivalent

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

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

# Notes to the Consolidated Financial Statements

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

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 2.4 The entities consolidated in the consolidated financial statements are listed below:

### 2.4(A) - Indian Subsidiaries

	Gokaldas Exports Limited		Gokaldas Exports Acharpura Private Limited		Sri Susamyuta Knits Private Limited		Matrix Design & Industries Private Limited		SNS Clothing Private Limited		All Colour Garments Private Limited		Vignesh Apparels Private Limited		Total of Indian subsidiaries		Total of Foreign subsidiaries (Refer 2.4(B))		Total of All subsidiaries	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Country of incorporation	India		India		India		Dubai		India		India		India		India					
Relationship as at the year end	Holding Company		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary		Subsidiary					
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%				
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%				
<b>Net assets i.e. total assets minus total liabilities</b>																				
- As a % of consolidated net assets	103.89%	100.76%	-0.83%	-0.01%	0.00%	0.01%	-2.86%	-	1.07%	1.65%	0.29%	0.42%	0.07%	0.11%	101.63%	102.94%	10.45%	0.09%	112.08%	103.02%
- ₹ in lakhs (A)	1,34,156.77	89,298.97	(1,072.50)	(9.17)	(0.50)	9.99	(3,688.89)	-	1,383.79	1,461.64	368.25	369.16	95.46	96.17	1,31,242.37	91,226.76	13,489.97	78.46	1,44,732.34	91,305.22
<b>Consolidation adjustments/eliminations (B)</b>																		(15,598.34)	(2,680.10)	
<b>Total (A-B)</b>																		1,29,134.00	88,625.12	
<b>Share in profit and loss</b>																				
- As a % of profit and loss	125.34%	103.14%	-8.15%	-0.04%	0.00%	0.00%	1.03%	0.00%	-0.60%	0.33%	-0.01%	0.00%	-0.01%	0.00%	117.60%	103.42%	-11.26%	-0.06%	106.34%	103.36%
- ₹ in lakhs (C)	16,415.90	17,840.03	(1,068.05)	(6.29)	(0.50)	0.50	135.23	-	(79.10)	56.37	(0.92)	(0.40)	(0.71)	(0.38)	15,401.84	17,888.83	(1,474.84)	(10.52)	13,927.00	17,878.31
<b>Consolidation adjustments/eliminations (D)</b>																		(829.80)	(581.67)	
<b>Total (C-D)</b>																		13,097.20	17,296.64	
<b>Share in other Comprehensive income</b>																				
- As a % of profit and loss	164.99%	100.50%	0.42%	0.00%	-0.88%	-0.45%	-7.42%	-	0.11%	-0.05%	0.00%	0.00%	0.00%	0.00%	157.22%	100.00%	-57.22%	0.00%	100.00%	100.00%
- ₹ in lakhs (E)	1,875.97	(2,233.52)	4.73	-	(9.99)	9.99	(84.32)	-	1.24	1.09	-	-	-	-	1,787.63	(2,222.44)	(650.60)	-	1,137.03	(2,222.44)
<b>Consolidation adjustments/eliminations (F)</b>																			-	-
<b>Total (E-F)</b>																			1,137.03	(2,222.44)
<b>Share in total comprehensive income</b>																				
- As a % of total comprehensive income	128.51%	103.53%	-7.47%	-0.04%	-0.07%	0.06%	0.36%	-	-0.55%	0.38%	-0.01%	0.00%	0.00%	0.00%	120.76%	103.93%	-14.93%	-0.07%	105.83%	103.86%
- ₹ in lakhs (G)	18,291.87	15,606.51	(1,063.32)	(6.29)	(10.49)	9.49	50.91	-	(77.86)	57.46	(0.92)	(0.40)	(0.71)	(0.38)	17,189.47	15,666.38	(2,125.44)	(10.52)	15,064.03	15,655.86
<b>Consolidation adjustments/eliminations (H)</b>																		(829.80)	(581.66)	
<b>Total (G-H)</b>																		14,234.23	15,074.20	

The figures have been considered from the respective standalone financial statements and the consolidated figure has been arrived after consolidation adjustments/eliminations.

Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidiaries have been drawn upto the same reporting date as of the Company.



## Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

### 2.4(B) - Foreign Subsidiaries

Particulars	Ashton Mombasa Apparel EPZ Limited	Ashton Apparel Manufacturing Limited	Amibros S.A. (operating under the name of Atraco Industrial Enterprise)	Atraco Logistics LLC	Gokaldas Exports FZCO	Nava Apparels LLC FZ	Gokaldas Exports Corporation	Total Foreign subsidiaries
	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
Country of incorporation	Kenya	Ethiopia	United Arab Emirates	United Arab Emirates	United Arab Emirates	United Arab Emirates	United States of America	
Relationship as at the year end	Stepdown subsidiary	Stepdown subsidiary	Stepdown subsidiary	Stepdown subsidiary	Subsidiary	Subsidiary	Subsidiary	
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	-
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	-
<b>Net assets i.e. total assets minus total liabilities</b>								
- As a % of consolidated net assets	0.69%	-0.08%	10.86%	0.08%	-0.99%	0.09%	-0.11%	-
- ₹ in lakhs (A)	890.40	(103.40)	14,022.08	105.76	(1,277.38)	78.46	(147.49)	13,489.97
<b>Share in profit and loss</b>								
- As a % of profit and loss	-9.59%	-0.58%	11.28%	-0.32%	-10.09%	-0.06%	-1.95%	-11.26%
- ₹ in lakhs (C)	(1,256.64)	(76.48)	1,477.51	(42.00)	(1,321.27)	(10.52)	(255.96)	(1,474.84)
<b>Share in other Comprehensive income</b>								
- As a % of profit and loss	-43.79%	-8.82%	-0.57%	-0.37%	-3.39%	0.00%	-0.28%	-57.22%
- ₹ in lakhs (E)	(497.85)	(100.29)	(6.43)	(4.24)	(38.56)	-	(3.23)	(650.60)
<b>Share in total comprehensive income</b>								
- As a % of total comprehensive income	-12.33%	-1.24%	10.33%	-0.32%	-9.55%	-0.07%	-1.82%	-14.93%
- ₹ in lakhs (G)	(1,754.49)	(176.77)	1,471.08	(46.24)	(1,359.83)	(10.52)	(259.19)	(2,125.44)

The figures have been considered from the respective standalone financial statements and the consolidated figure has been arrived after consolidation adjustments/eliminations.

Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidiaries have been drawn upto the same reporting date as of the Company.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 3(a) PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
<b>Gross carrying value<sup>1</sup></b>												
<b>At April 1, 2022</b>	734.78	1,686.04	2,717.31	17,948.66	792.41	777.36	824.78	745.21	111.07	26,337.62	1,104.36	1,104.36
Additions	987.00	32.04	431.40	2,753.36	27.38	201.82	204.72	201.93	102.40	4,942.05	9,682.26	9,682.26
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	(800.96)	-	(1,201.58)	(152.00)	(6.55)	(93.68)	(118.36)	(8.46)	(2,381.59)	-	-
<b>At March 31, 2023</b>	<b>1,721.78</b>	<b>917.12</b>	<b>3,148.71</b>	<b>19,500.44</b>	<b>667.79</b>	<b>972.63</b>	<b>935.82</b>	<b>828.78</b>	<b>205.01</b>	<b>28,898.08</b>	<b>10,786.62</b>	<b>10,786.62</b>
Additions	1,117.73	7,150.64	1,308.55	17,226.83	427.93	2,164.73	2,615.57	425.97	1,452.62	33,890.57	6,465.83	6,465.83
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(4,453.85)	(4,453.85)
Disposals	-	-	-	(2,004.16)	-	(142.91)	-	(253.02)	(300.32)	(2,700.41)	-	-
<b>At March 31, 2024</b>	<b>2,839.51</b>	<b>8,067.76</b>	<b>4,457.26</b>	<b>34,723.11</b>	<b>1,095.72</b>	<b>2,994.45</b>	<b>3,551.39</b>	<b>1,001.73</b>	<b>1,357.31</b>	<b>60,088.24</b>	<b>12,798.60</b>	<b>12,798.60</b>
<b>Depreciation</b>												
<b>At April 1, 2022</b>	-	808.93	1,458.24	6,762.87	344.70	476.12	332.51	587.85	35.97	10,807.19	-	-
Charge for the year	-	68.85	448.10	2,409.12	106.57	195.71	153.88	169.08	35.26	3,586.57	-	-
Disposals	-	(604.89)	-	(1,133.72)	(144.06)	(5.81)	(92.92)	(117.87)	(8.12)	(2,107.39)	-	-
<b>At March 31, 2023</b>	-	<b>272.89</b>	<b>1,906.34</b>	<b>8,038.27</b>	<b>307.21</b>	<b>666.02</b>	<b>393.47</b>	<b>639.06</b>	<b>63.11</b>	<b>12,286.37</b>	-	-
Charge for the year	-	152.37	648.02	3,267.71	169.64	187.66	268.51	182.70	59.82	4,936.43	-	-
Addition on acquisition	-	3,325.93	41.12	1,390.51	-	1,784.91	31.37	12.24	1,101.12	7,687.20	-	-
Disposals	-	-	-	(1,937.82)	-	(141.76)	-	(253.02)	(105.48)	(2,438.08)	-	-
<b>At March 31, 2024</b>	-	<b>3,751.19</b>	<b>2,595.48</b>	<b>10,758.67</b>	<b>476.85</b>	<b>2,496.83</b>	<b>693.35</b>	<b>580.98</b>	<b>1,118.57</b>	<b>22,471.92</b>	-	-
<b>Net book value</b>												
<b>At March 31, 2024</b>	<b>2,839.51</b>	<b>4,316.57</b>	<b>1,861.78</b>	<b>23,964.44</b>	<b>618.87</b>	<b>497.62</b>	<b>2,858.04</b>	<b>420.75</b>	<b>238.74</b>	<b>37,616.32</b>	<b>12,798.60</b>	<b>12,798.60</b>
<b>At March 31, 2023</b>	<b>1,721.78</b>	<b>644.23</b>	<b>1,242.37</b>	<b>11,462.17</b>	<b>360.58</b>	<b>306.61</b>	<b>542.35</b>	<b>189.72</b>	<b>141.90</b>	<b>16,611.71</b>	<b>10,786.62</b>	<b>10,786.62</b>

<sup>1</sup>The Group has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 15 and 31 for information on property, plant and equipment pledged as security by the Company.

Capital work-in-progress mainly comprises of leasehold improvements under construction.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 3(b) RIGHT-OF-USE ASSETS

	Right-of-use assets		
	Land & Building	Vehicles	Total
<b>Right-of-use assets</b>			
At April 1, 2022	20,609.47	-	20,609.47
Additions (including modifications)	1,421.66	327.53	1,749.19
Disposals	(268.43)	-	(268.43)
<b>At March 31, 2023</b>	<b>21,762.70</b>	<b>327.53</b>	<b>22,090.23</b>
Additions (including modifications)	9,908.15	187.04	10,095.19
Disposals	-	-	-
<b>At March 31, 2024</b>	<b>31,670.85</b>	<b>514.57</b>	<b>32,185.42</b>
<b>Amortisation</b>			
At April 1, 2022	7,623.86	-	7,623.86
Additions (including modifications)	3,332.29	37.51	3,369.80
Disposals	(155.55)	-	(155.55)
<b>At March 31, 2023</b>	<b>10,800.60</b>	<b>37.51</b>	<b>10,838.11</b>
Additions (including modifications)	3,648.14	124.13	3,772.27
Addition on acquisition	299.38	-	299.38
Disposals	-	-	-
<b>At March 31, 2024</b>	<b>14,748.12</b>	<b>161.64</b>	<b>14,909.76</b>
<b>Net Book value</b>			
<b>At March 31, 2024</b>	<b>16,922.73</b>	<b>352.93</b>	<b>17,275.66</b>
<b>At March 31, 2023</b>	<b>10,962.10</b>	<b>290.02</b>	<b>11,252.12</b>

## 4. OTHER INTANGIBLE ASSETS

	Computer Software	Total
<b>Gross carrying value<sup>1</sup></b>		
At April 1, 2022	945.73	945.73
Additions	56.73	56.73
<b>At March 31, 2023</b>	<b>1,002.46</b>	<b>1,002.46</b>
Additions	126.38	126.38
<b>At March 31, 2024</b>	<b>1,128.84</b>	<b>1,128.84</b>
<b>Amortisation and impairment</b>		
At April 1, 2022	671.85	671.85
Amortisation for the year	218.66	218.66
<b>At March 31, 2023</b>	<b>890.51</b>	<b>890.51</b>
Amortisation for the year	115.43	115.43
<b>At March 31, 2024</b>	<b>1,005.94</b>	<b>1,005.94</b>
<b>Net book value</b>		
<b>At March 31, 2024</b>	<b>122.90</b>	<b>122.90</b>
<b>At March 31, 2023</b>	<b>111.95</b>	<b>111.95</b>

<sup>1</sup>The Company has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 5. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Intangible assets	Total
<b>Gross carrying value<sup>1</sup></b>			
At April 1, 2022	-	-	-
Additions	-	-	-
<b>At March 31, 2023</b>	-	-	-
Additions	54,787.46	3,845.41	58,632.87
<b>At March 31, 2024</b>	<b>54,787.46</b>	<b>3,845.41</b>	<b>58,632.87</b>
<b>Amortisation and impairment</b>			
At April 1, 2022	-	-	-
Amortisation for the year	-	-	-
<b>At March 31, 2023</b>	-	-	-
Amortisation for the year	-	54.07	54.07
<b>At March 31, 2024</b>	-	<b>54.07</b>	<b>54.07</b>
<b>Net book value</b>			
<b>At March 31, 2024</b>	<b>54,787.46</b>	<b>3,791.34</b>	<b>58,578.80</b>
<b>At March 31, 2023</b>	-	-	-

## 6(a) FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

Particulars	March 31, 2024	March 31, 2023
<b>Investments carried at amortised cost</b>		
(i) <b>Investment in unquoted Government securities</b>		
Investment in National Savings Certificates and Indira Vikas Patra	0.29	0.29
<b>Total investment in unquoted government securities</b>	<b>0.29</b>	<b>0.29</b>
<b>Investments carried at amortised cost/fair value</b>		
(ii) <b>Unquoted equity shares in a body corporate/others</b>		
Yepme UK Limited (carried at amortised cost)	626.56	626.56
Clean Max Celest Private Limited (carried at fair value)	314.74	-
<b>Less: Provision for diminution in value of investment</b>	<b>(626.56)</b>	<b>(626.56)</b>
<b>Total investment in unquoted equity shares in a body corporates</b>	<b>314.74</b>	<b>-</b>
<b>Total (i+ii)</b>	<b>315.03</b>	<b>0.29</b>

Note1:

Particulars	March 31, 2024	March 31, 2023
Investments classified as held for sale	626.56	626.56
<b>Less: Provision for diminution in value of investment*</b>	<b>(626.56)</b>	<b>(626.56)</b>
	-	-

\*The Company has filed legal proceedings against Yepme UK which is pending before the VI Chief Metropolitan Magistrate (Economic Offences) Court, Bengaluru.

Particulars	March 31, 2024	March 31, 2023
Aggregate amount of quoted investments and market value there of	Not applicable	Not applicable
Aggregate amount of unquoted investments	315.03	0.29
Aggregate amount of impairment in value of investments	626.56	626.56

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 6(b) FINANCIAL ASSETS - CURRENT INVESTMENTS

Particulars	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Units	Units	Amount	Amount
<b>Investments carried at fair value through profit and loss</b>				
Investment in liquid mutual fund units				
Quoted				
HDFC Money market Direct-G	59,921	91,999	3,175.83	4,527.94
ICICI Prud Money market direct-G	7,94,455	12,47,736	2,774.47	4,046.52
Axis Credit risk Direct-G	1,83,812	-	2,411.59	-
Kotak Money market direct-G	53,946	1,16,937	2,223.92	4,476.74
Nippon India Money Market fund	45,061	-	1,721.92	-
Aditya Birla SL Savings Direct-G	3,52,654	-	1,201.81	-
Axis Liquid Fund Direct-G	41,632	1,72,571	1,117.28	4,315.81
Kotak Liquid Fund Direct-G	19,796	1,08,297	965.87	4,925.78
SBI Liquid Direct-G	-	1,32,326	-	4,662.25
HDFC Liquid Direct-G	-	98,111	-	4,339.65
ICICI Pru Liquid Direct-G	-	9,31,726	-	3,104.37
<b>Total Investment in mutual fund units</b>			<b>15,592.69</b>	<b>34,399.06</b>
Aggregate carrying amount and market value of mutual fund investments			15,592.69	34,399.06

## 7. FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	March 31, 2024	March 31, 2023
<b>Carried at amortised cost</b>		
<b>Unsecured, considered good</b>		
<b>(a) Non-current</b>		
Security and other deposits (refer note below)	3,705.02	2,767.62
Loans to employees	32.71	54.33
<b>Total other financial assets - non-current (A)</b>	<b>3,737.73</b>	<b>2,821.95</b>
<b>(b) Current</b>		
<b>Derivative instruments at fair value through OCI</b>		
Cash flow hedges - foreign exchange forward contracts	925.95	9.99
<b>Other financial assets at amortised cost</b>		
Interest accrued on bank deposits	39.58	21.33
Loans to employees	110.75	82.71
<b>Total other financial assets - current (B)</b>	<b>1,076.28</b>	<b>114.03</b>
<b>Total other financial assets (A+B)</b>	<b>4,814.01</b>	<b>2,935.98</b>

**Note:** Security and other deposits are primarily in relation to public utility services and rental agreements.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 8(a) DEFERRED TAX ASSETS

Particulars	March 31, 2024	March 31, 2023
Deferred tax assets		
Impact of difference between tax depreciation and depreciation for financial reporting	352.53	400.00
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years on payment basis	3,730.56	2,664.73
<b>Total Deferred tax assets</b>	<b>4,083.09</b>	<b>3,064.73</b>

Movement in deferred tax is as below:

Particulars	March 31, 2024	March 31, 2023
Opening balance	3,064.73	1,178.98
Recognised in profit and loss	1,609.02	1,528.14
Recognised in OCI	(590.66)	357.61
<b>Closing balance</b>	<b>4,083.09</b>	<b>3,064.73</b>

## 8(b) NON-CURRENT TAX ASSETS (NET)

Particulars	March 31, 2024	March 31, 2023
Advance payment of income tax (including tax paid under protest)	122.39	408.85
<b>Total non-current tax assets (net)</b>	<b>122.39</b>	<b>408.85</b>

## 9(a) OTHER NON-CURRENT ASSETS

Particulars	March 31, 2024	March 31, 2023
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	422.90	1,011.02
Prepaid expenses	378.5	153.53
(A)	<b>801.40</b>	<b>1,164.55</b>
<b>Unsecured, considered doubtful</b>		
Advance to suppliers [note 9(a)(i)]	178.05	178.05
<b>Less:</b> Provision for doubtful advances and receivables [note 9(a)(i)]	(178.05)	(178.05)
(B)	-	-
<b>Total non-current assets</b> (A+B)	<b>801.40</b>	<b>1,164.55</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 9(a)(i) Movement is as below:

	Advance to suppliers	Export incentive receivables	Impairment	Total
<b>Balance as at April 1, 2022</b>	<b>272.63</b>	<b>190.52</b>	<b>(463.15)</b>	<b>-</b>
Less: Amount written off	94.58	-	(94.58)	-
Add: Provision reversal recognised in profit and loss during the year	-	190.52	(190.52)	-
<b>Balance as at April 1, 2023</b>	<b>178.05</b>	<b>-</b>	<b>(178.05)</b>	<b>-</b>
Less: Amount written off	-	-	-	-
Less: Provision reversal recognised in profit and loss during the year	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>178.05</b>	<b>-</b>	<b>(178.05)</b>	<b>-</b>

## 9(b) OTHER CURRENT ASSETS

Particulars	March 31, 2024	March 31, 2023
<b>Unsecured, considered good</b>		
Prepaid expenses	1,719.47	871.45
Balances with statutory/government authorities	6,042.44	1,848.40
Advance to suppliers	2,780.75	2,313.56
Export incentives receivable	2,308.52	3,151.67
Government incentives receivable	793.17	-
<b>Total current assets</b>	<b>13,644.35</b>	<b>8,185.08</b>

## 10. INVENTORIES

Particulars	March 31, 2024	March 31, 2023
Raw materials (including packing materials) and components	25,983.64	12,055.92
Work-in-progress	26,954.57	12,377.82
Finished goods (readymade garments)	6,180.00	4,271.78
Consumables, stores and spares parts	1,242.02	593.70
<b>Total inventories</b>	<b>60,360.23</b>	<b>29,299.22</b>
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	782.42	378.74
Finished goods (readymade garments)	935.38	3,195.37
	<b>1,717.80</b>	<b>3,574.11</b>

- (a) For method of valuation for each class of inventories, refer note 2.3(k)
- (b) The value of inventories above is stated net of writedown of ₹ 3,124.12 Lakhs as at March 31, 2024 (as at March 31, 2023: ₹ 4,109.93 lakhs)
- (c) The carrying value of inventories as at March 31, 2024 and March 31, 2023 is pledged as security against the borrowings.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 11. FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	March 31, 2024	March 31, 2023
<b>Trade receivables</b>		
From related parties	-	-
From others	35,252.49	13,582.68
<b>Total</b>	<b>35,252.49</b>	<b>13,582.68</b>
<b>(A) Breakup of trade receivables</b>		
Secured, considered good		
Unsecured, considered good	35,252.49	13,582.68
Trade receivables which have significant increase in credit risk	656.97	243.75
Trade receivables - credit impaired	-	-
	<b>35,909.46</b>	<b>13,826.43</b>
<b>(B) Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good		
Trade receivables which have significant increase in credit risk	(656.97)	(243.75)
Trade receivables - credit impaired	-	-
	<b>(656.97)</b>	<b>(243.75)</b>
<b>Total Financial assets - trade receivables (A+B)</b>	<b>35,252.49</b>	<b>13,582.68</b>

### Notes:

- The Group follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.
- No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.
- Trade receivables are non-interest bearing.

### Aging of trade receivables:

There are no disputed trade receivables as at and for the years ended March 31, 2024 and March 31, 2023.

Below is the list of undisputed trade receivables outstanding for following periods from the due date.

### March 31, 2024

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Not due	26,145.69	-	-	26,145.69
Less than 6 months	9,092.59	140.19	-	9,232.78
6 months to 1 year	14.21	0.45	-	14.66
1 to 2 years	-	391.44	-	391.44
2 to 3 years	-	87.25	-	87.25
More than 3 years	-	37.64	-	37.64
<b>Total</b>	<b>35,252.49</b>	<b>656.97</b>	<b>-</b>	<b>35,909.46</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## March 31, 2023

Periods	Considered good	which have significant increase in credit risk	Credit impaired	Total
Not due	13,002.29	-	-	13,002.29
Less than 6 months	570.52	-	-	570.52
6 months to 1 year	9.87	91.78	-	101.65
1 to 2 years	-	96.86	-	96.86
2 to 3 years	-	31.20	-	31.20
More than 3 years	-	23.91	-	23.91
<b>Total</b>	<b>13,582.68</b>	<b>243.75</b>	<b>-</b>	<b>13,826.43</b>

## 12(a) FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Particulars	March 31, 2024	March 31, 2023
<b>Current</b>		
<b>Financial assets - Cash and cash equivalents</b>		
Balances with banks		
On current accounts <sup>1,2</sup>	5,407.87	1,464.13
Cash on hand	16.92	8.08
<b>Total Financial assets - Cash and cash equivalents (Current)</b>	<b>5,424.79</b>	<b>1,472.21</b>

## 12(b) BANK BALANCES (OTHER THAN CASH AND CASH EQUIVALENTS)

Particulars	March 31, 2024	March 31, 2023
<b>Non-current</b>		
In fixed deposits accounts		
Held as margin money or security against borrowings and other commitments		
With remaining maturity for more than 12 months	-	-
With original maturity of more than 3 months but less than/equal to 12 months	7,309.14	926.48
	<b>7,309.14</b>	<b>926.48</b>

### Note:

<sup>1</sup>Balances with bank on current accounts does not earn interest.

<sup>2</sup>includes balances in Exchange Earner's Foreign Currency Accounts.

## 13. EQUITY SHARE CAPITAL

	Number of shares	Amount
<b>Authorised share capital</b>		
At April 1, 2022	6,50,00,000	3,250.00
Increase during the year	-	-
<b>At March 31, 2023</b>	<b>6,50,00,000</b>	<b>3,250.00</b>
Increase during the year	2,00,00,000	1,000.00
<b>At March 31, 2024</b>	<b>8,50,00,000</b>	<b>4,250.00</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## (a) Issued equity capital

Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2022	5,89,76,994	2,948.85
Add: received during the year on account of exercise of share options	16,01,000	80.05
At March 31, 2023	6,05,77,994	3,028.90
Add: received during the year on account of issue of shares	27,31,366	136.57
Add: received during the year on account of exercise of share options	73,500	3.68
<b>At March 31, 2024</b>	<b>6,33,82,860</b>	<b>3,169.15</b>

## (b) Terms/rights attached to equity shares

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

- The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity is entitled to one vote per share.
- The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend.
- In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2024	March 31, 2023
<b>Clear Wealth Consultancy Services LLP:</b>		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	64,55,957	64,55,957
% holding in the class	10.19%	10.66%
<b>SBI Mutual Funds (refer note 13(c)(i))</b>		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	59,59,930	44,45,020
% holding in the class	9.40%	7.34%
<b>Nippon Life India Trustee Ltd</b>		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	41,03,779	40,03,779
% holding in the class	6.47%	6.61%
<b>Goldman Sachs Funds - Goldman Sachs India Equity</b>		
Number of shares (Equity shares of ₹ 5 each, fully paid up)	33,12,165	28,27,763
% holding in the class	5.23%	4.67%

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.

### Note 13(c)(i): SBI mutual funds comprises of (for current and previous year):

SBI Magnum Children's Benefit Fund;  
 SBI Magnum Midcap Fund;  
 SBI Resurgent India Opportunities Scheme;  
 SBI Equity Savings Fund;  
 SBI Consumption Opportunities Fund;  
 SBI Conservative Hybrid Fund.



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## (d) Details on shareholding of promoters

Promoter name	March 31, 2024	March 31, 2023
<b>Clear Wealth Consultancy Services LLP</b>		
No of shares	64,55,957	64,55,957
% of total shares	10.19%	10.66%
% change during the year	0.00%	0.00%
<b>Gautham Madhavan</b>		
No of shares	2,49,391	2,49,391
% of total shares	0.39%	0.41%
% change during the year	0.00%	0.00%

## (e) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 41.

## 14. OTHER EQUITY

	March 31, 2024	March 31, 2023
<b>Reserves and Surplus</b>		
<b>(A) Securities premium reserve</b>		
Balance at the beginning of the year	50,959.81	49,429.05
Add: received during the year on account of exercise of share options	24,613.43	351.44
Add: transfer from share-based payments reserve	113.98	1,179.32
<b>Balance at the end of the year</b>	<b>75,687.22</b>	<b>50,959.81</b>
This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.		
<b>(B) General reserve</b>		
<b>Balance at the end of the year</b>	<b>2,192.09</b>	<b>2,192.09</b>
Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.		
<b>(C) Capital reserve on amalgamation</b>		
<b>Balance at the end of the year</b>	<b>9,769.12</b>	<b>9,769.12</b>
Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor Company.		
<b>(D) Share-based payments reserve</b>		
Balance at the beginning of the year	2,391.00	1,272.32
Add: addition during the year (refer note 41)	2,418.76	2,298.00
Less: transfer to securities premium reserve	(113.98)	(1,179.32)
<b>Balance at the end of the year</b>	<b>4,695.78</b>	<b>2,391.00</b>
Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 14. OTHER EQUITY (Contd.)

	March 31, 2024	March 31, 2023
<b>(E) Retained earnings</b>		
Balance at the beginning of the year	21,333.64	3,829.09
Balance as at the acquisition date	(398.37)	-
Profit for the year	13,097.20	17,296.64
Add: Remeasurement of post employment benefits obligations (net of deferred tax)	41.41	207.91
Less: Dividends paid	(606.51)	-
<b>Balance at the end of the year</b>	<b>33,467.37</b>	<b>21,333.64</b>
Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
<b>(F) Foreign currency translation reserve</b>		
Balance at the beginning of the year	3.88	-
Add: gain/(loss) for the year	(543.51)	3.88
<b>Balance at the end of the year</b>	<b>(539.63)</b>	<b>3.88</b>
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.		
<b>(G) Cash flow hedging reserve</b>		
Balance at the beginning of the year	(1,053.32)	1,377.03
Add: Reclassified to the statement of profit and loss	1,746.22	(2,430.35)
<b>Balance at the end of the year</b>	<b>692.90</b>	<b>(1,053.32)</b>
When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss when related forecasted transaction (hedged item) affects the profit or loss.		
<b>Total other equity (A+B+C+D+E+F+G)</b>	<b>1,25,964.85</b>	<b>85,596.22</b>

## 15. FINANCIAL LIABILITIES - BORROWINGS

	March 31, 2024	March 31, 2023
<b>(a) Non-current borrowings</b>		
<b>Term loans from banks (Secured)</b>		
Term loans from bank	28,098.10	964.31
<b>Total non-current borrowings (Secured)</b>	<b>28,098.10</b>	<b>964.31</b>
<b>(b) Current borrowings</b>		
<b>Loans repayable on demand from banks (Secured)</b>		
Packing credit loan	16,878.38	900.00
Working capital demand loan from bank	13,520.00	-
Bank overdraft	329.00	-
Current maturities of long-term borrowings	1,714.79	1,680.76

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 15. FINANCIAL LIABILITIES - BORROWINGS (Contd.)

	March 31, 2024	March 31, 2023
<b>Loans repayable on demand from others (Unsecured)</b>		
Loan from other parties (unsecured)	1,415.65	-
<b>Total current borrowings</b>	<b>33,857.82</b>	<b>2,580.76</b>
<b>Total current borrowings (Secured+Unsecured)</b>	<b>33,857.82</b>	<b>2,580.76</b>
<b>Total Financial liabilities - Borrowings</b>	<b>61,955.92</b>	<b>3,545.07</b>
The above amount includes:		
Secured non-current borrowings	28,098.10	964.31
Unsecured current borrowings	1,415.65	-
Secured current borrowings	32,442.17	2,580.76
	<b>61,955.92</b>	<b>3,545.07</b>

Also refer note 31 on notes relating to borrowings.

## 16. LEASE LIABILITIES

	March 31, 2024	March 31, 2023
<b>(a) Non-current</b>		
Lease liabilities	14,048.41	8,676.98
	<b>14,048.41</b>	<b>8,676.98</b>
<b>(b) Current</b>		
Lease liabilities	4,481.63	3,219.09
	<b>4,481.63</b>	<b>3,219.09</b>
<b>Total Lease liabilities (Current + Non-current)</b>	<b>18,530.04</b>	<b>11,896.07</b>

Refer Note 36(l) for maturity profile and other details.

## 17. PROVISION FOR EMPLOYEE BENEFITS

	March 31, 2024	March 31, 2023
<b>(a) Non-current</b>		
Gratuity (refer note 38)	1,500.70	1,346.89
<b>Total Provision for employee benefits - non-current (A)</b>	<b>1,500.70</b>	<b>1,346.89</b>
<b>(b) Current</b>		
Gratuity (refer note 38)	3,190.70	2,592.59
Compensated absences	2,406.57	1,805.22
<b>Total Provision for employee benefits - current (B)</b>	<b>5,597.27</b>	<b>4,397.81</b>

## 18. FINANCIAL LIABILITIES - TRADE PAYABLES

	March 31, 2024	March 31, 2023
<b>Current</b>		
Total outstanding dues of micro and small enterprises; and	792.18	241.02
Total outstanding dues of creditors other than micro and small enterprises	17,613.32	8,160.12
<b>Total Financial liabilities - Trade payables</b>	<b>18,405.50</b>	<b>8,401.14</b>

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

Terms and conditions of the above financial liabilities:

- Trade payables are non interest bearing.
- For explanations on the Company's credit risk management processes, refer note 42.

### Aging of trade payables:

There are no disputed trade payables as at and for the years ended March 31, 2024 and March 31, 2023.

Below is the list of undisputed trade payables outstanding for following periods from the due date.

#### March 31, 2024

Periods	MSME	Others
Not due	757.70	10,157.88
Less than 1 year	34.48	7,455.44
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>792.18</b>	<b>17,613.32</b>

#### March 31, 2023

Periods	MSME	Others
Not due	28.49	5,385.18
Less than 1 year	212.53	2,774.94
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>241.02</b>	<b>8,160.12</b>

## 19. FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

	March 31, 2024	March 31, 2023
<b>Financial liabilities at fair value through OCI</b>		
Cash flow hedges - foreign exchange forward contracts	-	1,420.92
<b>Other financial liabilities at amortised cost</b>		
Interest accrued and not due on loans	371.09	324.25
Payable towards business combination	16,608.55	-
Employee related payables	10,521.11	7,943.24
Accrued expenses*	7,876.12	4,164.93
Unpaid dividend	0.39	-
Liability for capital assets	1,047.59	915.84
<b>Total financial liabilities - other current financial liabilities</b>	<b>36,424.85</b>	<b>14,769.18</b>

\*Accrued expenses represent amounts accrued for other operational expenses.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 20. OTHER LIABILITIES

	March 31, 2024	March 31, 2023
<b>Current</b>		
Advances received from customers	678.64	197.81
Deferred government grant	195.98	-
Statutory liabilities payable*	1,688.99	1,022.44
<b>Total Other current liabilities</b>	<b>2,563.61</b>	<b>1,220.25</b>

\*Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

## 21. REVENUE FROM OPERATIONS

	YTD March 31, 2024	YTD March 31, 2023
<b>(a) Sale of finished goods</b>		
Exports	1,95,523.19	1,85,190.38
Domestic	23,751.18	21,415.77
	<b>2,19,274.37</b>	<b>2,06,606.15</b>
<b>(b) Other operating revenues</b>		
Export incentives and others*	13,622.76	11,492.43
Sale of accessories, fabrics, scrap and others	4,264.11	3,338.95
Job work income	727.23	782.05
	<b>18,614.10</b>	<b>15,613.43</b>
<b>Total revenue from operations</b>	<b>2,37,888.47</b>	<b>2,22,219.58</b>

\*Others represents government grant, which is in the form of import duty savings, have been received upon import of certain property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2024 and March 31, 2023.

### i. Disaggregation of Revenue from sale of finished goods

The Group has disaggregated revenue into various categories in the following table which is intended to enable users to understand the relationship with revenue segment information provided in note 35.

Primary Geographic Markets (Name of the country)	Sale of finished goods	
	March 31, 2024	March 31, 2023
United States of America	1,69,324.67	1,65,149.21
Canada	8,998.60	8,273.13
Netherlands	5,080.32	4,311.42
United Kingdom	3,257.72	1,459.83
France	1,545.50	1,296.21
China	1,214.29	1,151.89
Belgium	1,137.55	27.45
Panama	636.48	467.32
Japan	549.42	466.36
Australia	547.54	495.54
United Arab Emirates	417.58	182.76
Germany	417.47	149.96



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## i. Disaggregation of Revenue from sale of finished goods (Contd.)

Primary Geographic Markets (Name of the country)	Sale of finished goods	
	March 31, 2024	March 31, 2023
Mexico	353.27	186.35
Spain	287.45	145.36
Hong Kong	264.36	124.69
Denmark	64.39	296.05
Other Overseas Countries	1,426.58	1,006.85
India	23,751.18	21,415.77
<b>Total</b>	<b>2,19,274.37</b>	<b>2,06,606.15</b>

Apart from geographic location of customers; the characteristics of Company's revenue are uniform in terms of product type, contract counterparties, timing of transfer of goods, uncertainty of revenue and cashflows etc. Therefore, disaggregation of revenue as per these categories is not applicable.

## ii. Remaining performance obligations

All of the Company's contracts are for the delivery of goods within the next 12 months for which the practical expedient in paragraph 121(a) of Ind AS 115 applies. As a result, the Company has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

## iii. Estimates and assumptions

There are no significant estimates and assumptions.

## iv. Contract balances

	Contract liabilities	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	197.81	250.02
Less: Amount included in contract liabilities that was recognised as revenue during the period	(197.81)	(250.02)
Add: Cash received in advance of performance and not recognised as revenue during the period	678.64	197.81
<b>Balance at the end of the year</b>	<b>678.64</b>	<b>197.81</b>

## 22. OTHER INCOME

	March 31, 2024	March 31, 2023
<b>Interest income on:</b>		
Bank deposits	168.86	112.92
Security deposits	185.46	169.75
Income tax refunds	0.37	55.77
<b>Other non-operating income:</b>		
Net gain on disposal of property, plant and equipment	41.83	19.26
Gain on sale of investments in mutual fund units	2,104.88	425.98
Fair value gain on investments in mutual fund units	505.27	1,163.55
Provision no longer required written back	-	190.52
Miscellaneous income	3.26	365.60
<b>Total Other income</b>	<b>3,010.24</b>	<b>2,503.35</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 23. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	March 31, 2024	March 31, 2023
Inventory at the beginning of the year	12,055.92	13,674.99
Inventory on the date of business combination	13,411.98	-
Add: Purchases	1,24,801.99	1,03,615.31
	1,50,269.89	1,17,290.30
Less: inventory at the end of the year	(25,983.64)	(12,055.92)
<b>Total cost of raw materials and components consumed</b>	<b>1,24,286.25</b>	<b>1,05,234.38</b>

## 24. PURCHASES OF STOCK-IN-TRADE

	March 31, 2024	March 31, 2023
Purchases of stock-in-trade	100.44	119.58
<b>Total Purchases of stock-in-trade</b>	<b>100.44</b>	<b>119.58</b>

## 25. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	March 31, 2024	March 31, 2023
<b>Inventories at the beginning of the year</b>		
Work-in-progress	12,377.82	17,646.49
Finished goods (Readymade garments)	4,271.78	11,366.43
	16,649.60	29,012.92
<b>Inventories at the date of business combination</b>		
Work-in-progress	2,658.03	-
Finished goods (Readymade garments)	2,952.52	-
	5,610.55	-
<b>Inventories at the end of the year</b>		
Work-in-progress	26,954.57	12,377.82
Finished goods (Readymade garments)	6,180.00	4,271.78
	33,134.57	16,649.60
<b>Total changes in inventories of finished goods and work-in-progress</b>	<b>(10,874.42)</b>	<b>12,363.32</b>

## 26. EMPLOYEE BENEFITS EXPENSE

	March 31, 2024	March 31, 2023
Salaries and wages	64,925.13	50,399.84
Contribution to provident and other funds	6,888.77	5,910.88
Share based payment expenses	2,418.76	2,298.00
Gratuity expense (net)	1,506.00	1,610.44
Staff welfare expense	2,020.78	1,712.49
<b>Total employee benefit expenses</b>	<b>77,759.44</b>	<b>61,931.65</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 27. FINANCE COSTS

	March 31, 2024	March 31, 2023
Interest charge		
on Indian rupee packing credit loan/Indian rupee loan from bank	1,225.82	178.13
on bill discounting and others	71.48	23.80
on lease liabilities	1,342.80	1,497.42
Bank charges and other borrowing costs	993.91	872.46
<b>Total finance costs</b>	<b>3,634.01</b>	<b>2,571.81</b>

## 28. DEPRECIATION AND AMORTIZATION EXPENSE

	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment	4,936.43	3,586.57
Amortisation of other intangible assets	168.74	218.66
Amortisation on right-of-use assets	3,772.27	3,369.80
<b>Total depreciation and amortisation expense</b>	<b>8,877.44</b>	<b>7,175.03</b>

## 29. OTHER EXPENSES

	March 31, 2024	March 31, 2023
Consumption of stores and spares and other manufacturing expenses	2,756.47	2,078.39
Water, electricity and fuel charges	3,794.84	3,090.63
Clearing, forwarding and freight	2,244.43	2,043.47
Rental charges	1,700.52	1,261.22
Legal and professional fees	3,178.60	1,288.55
Travelling and conveyance	838.19	679.47
Rates and taxes	289.59	326.14
Insurance	583.72	450.10
Repairs and maintenance		
Plant and machinery	883.67	903.48
Buildings	228.92	216.94
Others	1,592.62	962.85
Communication costs	260.38	182.58
Payments to auditors [Refer note 29(a)]	67.78	52.55
Sitting fees	49.60	51.20
Corporate social responsibility expenditure [Refer note 29(b)]	235.24	103.55
Provision for doubtful debts	358.95	27.70
Miscellaneous expenses	1,470.95	1,256.39
<b>Total other expenses</b>	<b>20,534.47</b>	<b>14,975.21</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## Note 29(a): Payment to auditors (exclusive of GST)

	March 31, 2024	March 31, 2023
<b>As auditor:</b>		
Audit fees (including fees for audit of consolidated and standalone financial statements and quarterly limited reviews)	55.00	45.00
<b>In other capacity:</b>		
Certificates	8.75	2.00
Reimbursement of expenses	4.03	5.55
<b>Total payment to auditors (exclusive of GST)</b>	<b>67.78</b>	<b>52.55</b>

## Note 29(b): Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds are utilized through the year on the activities specified in Schedule VII of the Companies Act, 2013.

The nature of the corporate social responsibility activities undertaken by the Company for the year ended March 31, 2024 and March 31, 2023 includes education and healthcare.

	March 31, 2024	March 31, 2023
Gross Amount required to be spent as per Section 135 of the Act	235.24	103.55
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	235.24	103.55
Amount approved by the Board to be spent during the year	235.24	103.55

## Details related to amount spent/unspent

	March 31, 2024	March 31, 2023
Contribution to the trust by the Company (A)	235.24	103.55
CSR expenditure directly incurred by the Company (B)	-	-
<b>Total amount incurred by the Company (A+B)</b>	<b>235.24</b>	<b>103.55</b>
Amount of expenditure incurred by the trust	166.05	71.51
Amount remaining unspent by the trust for the year	69.19	32.04
Cumulative amount remaining unspent by the trust at the end of the year	69.19	32.04
Amount deposited in specified fund of schedule VII of the Act within 6 months (₹)	-	-
Nature of activity as part of ongoing CSR project	Healthcare	Healthcare

There are no contributions to Related Parties/no CSR Expenditure incurred with Related Parties.

## 30. EXCEPTIONAL ITEMS

	March 31, 2024	March 31, 2023
Net gain on disposal of Property, plant and equipment	-	605.03
	-	<b>605.03</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 31. NOTES ON BORROWINGS

### (A) Notes on non-current borrowings

#### Term loans from bank (Secured)

	As at March 31, 2024	As at March 31, 2023
Gross amount of term loan taken	33,784.58	6,051.10
Outstanding balance		
Non-current borrowings	28,098.10	964.31
Current maturities of long-term borrowings	1,714.79	1,680.76
<b>Total outstanding balance</b>	<b>29,812.89</b>	<b>2,645.07</b>
Applicable Interest rate	8.85% to 10.00%	8.85% to 9.05%

**Terms of repayment:** Term loans from banks is repayable in 24 to 81 equal monthly/quarterly instalments with a moratorium period of nil to 6 months.

	March 31, 2024	March 31, 2023
Number of instalments due as at Balance sheet date (months)	1 to 81	13 to 60
<b>Maturity profile including current maturities</b>		
Not later than one year	1,714.79	1,680.76
Later than one year but not later than two years	4,355.03	964.31
Later than two years but not later than three years	7,141.41	-
Later than three years but not later than four years	8,070.20	-
Later than four years but not later than five years	7,827.58	-
More than five years	703.88	-
	<b>29,812.89</b>	<b>2,645.07</b>

**Disclosure about the nature of security:** The loan is secured by (i) hypothecation of Plant & Machinery and Equipments and Land & Buildings; (ii) Stand By Letter of Credit (SBLC) from Holding Company.

During the year and as on the balance sheet date, neither any of the promoters nor other shareholders nor directors nor any other persons/third parties (not restricted to related parties/KMP's as defined in note 40) have given any personal guarantee or personal security for any non-current borrowings taken by the Company and is outstanding as at balance sheet date.

### (B) Notes on current borrowings:

Particulars	Credit facility		Utilised amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Packing credit loan /Import credit line from banks	34,554.00	23,000.00	16,878.38	900.00
Bill discounting from banks	12,757.00	9,000.00	-	-
Working capital demand loan from banks	28,214.00	-	13,520.00	-
Loan from others	-	-	1,415.65	-
Bank overdraft	2,500.00	2,500.00	329.00	-

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Indian rupee packing credit/import credit loan from banks carries interest at upto 6 months Marginal cost of funds based lending rate ('MCLR')/ External Bench Mark Lending Rate (EBLR) + 0% to 0.75%, and upto 6 months SOFR/Emirates Interbank Offered Rate (EIBOR) +1.25% to 3.85% (March 31, 2023: at upto 6 months Marginal cost of funds based lending rate ('MCLR') + 0% to 0.75% and upto 6 months SOFR for foreign currency packing credit loan plus applicable spread of 2% p.a) and interest is payable monthly.

Indian rupee packing credit loan is secured by first pari passu charge on current assets of the Company including hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and trade receivables and fixed assets of the Company.

- (i) Working capital facilities outside India are secured by Corporate guarantee from holding Company and hypothecation of Stock and receivables.

Bill discounting from banks carries interest at upto 6 months SOFR and upto 6 months ARR +1.25% to 3.25% p.a. for foreign currency bills discounting and @ upto 6 months MCLR/EBLR plus upto 0.75% for Indian Rupee bills discounting (March 31,2023: interest at upto 6 months SOFR plus applicable spread of upto 2.50% p.a. for foreign currency bills discounting and @ upto 6 months MCLR plus upto 0.75% for Indian Rupee bills discounting) and interest is payable on transaction basis.

Bill discounting from banks is secured by first pari passu charge on current assets of the Company including hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and trade receivables and fixed assets of the Company.

Working Capital loans from banks carries interest ranging from 8.30% to 8.75%.

Loan from others is repayable on demand.

Bank overdraft from banks carries interest linked to at one year MCLR plus applicable spreads ranging from 0.75% to 5.15% p.a. (March 31, 2023: @ 6 month MCLR plus applicable spreads ranging from 0.75% to 2.50% p.a. ). Interest is payable on monthly basis.

Bank overdraft is secured by pari passu hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with

processors meant for export) and trade receivables of the Company and first pari passu charge on current assets of the Company. Bank Overdraft facility outside India are secured by Corporate guarantee from holding Company and hypothecation of Stock and receivables.

The Company has availed the interest subvention during the years ended March 31, 2024 and March 31, 2023 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

## Repayment of current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of current borrowings and interest there on.

## Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties.

## 32. INCOME TAX

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. These companies can claim tax exemptions/ deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Companies are liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic Company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.



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

	March 31, 2024	March 31, 2023
(a) Current tax	4,438.45	4,830.57
(b) Adjustment of tax relating to earlier periods	(27.21)	(160.11)
(c) Deferred tax	(1,609.02)	(1,528.14)
<b>Total taxes</b>	<b>2,802.22</b>	<b>3,142.32</b>

**Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:**

	March 31, 2024	March 31, 2023
Profit/(Loss) after exceptional items and before tax	15,899.42	20,438.96
Applicable normal income tax rate in India	25.168%	25.168%
Computed tax expense	4,001.57	5,144.08
<b>Tax effect of:</b>		
Exempted income	(5,092.27)	(5,293.46)
Expenses disallowed	3,892.92	3,291.70
<b>Total tax expenses</b>	<b>2,802.22</b>	<b>3,142.32</b>

## 33. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share 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/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**The following table reflects the data used in the basic and diluted EPS computations:**

	March 31, 2024	March 31, 2023
Face value of equity shares (₹ per share)	5.00	5.00
Profit/(Loss) attributable to equity holders of the Group	13,097.20	17,296.64
Weighted average number of equity shares used for computing earning per share (basic)	6,07,80,420	6,04,80,887
Weighted average number of equity shares used for computing earning per share (diluted)	6,38,72,438	6,35,91,768
EPS - basic (₹)	21.55	28.60
EPS - diluted (₹)	20.51	27.20

## 34. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non-current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

## Estimates and assumptions

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

### a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

### c. Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary

to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

### d. Impairment of non-current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in 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 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 Group, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

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

### g. Defined benefit obligations

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

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

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

Further details about gratuity obligations are given in note 37.

## h. Provision for obsolete inventory

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. These write downs are recognised as an expense and are included in "Changes in inventories of finished goods and work-in-progress" in the statement of profit and loss.

## i. Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

## j. Non-current assets held for sale

Non-current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. Determination of fair value involves management estimate. Fair value of assets held for sale is determined using valuation technique involving unobservable inputs. Judgement is involved in estimating future cash flow, determining discount rate etc.

## k. Employee share based payments

Company's share based payments to employees primarily consist of Employee Stock Option Plans ('ESOPs') and Restricted Stock Units ('RSUs'). The share-based compensation expense is determined based on the Company's estimate

of fair value at grant date of the ESOPs/RSUs granted. The Company estimates fair value of ESOPs/RSUs using Black-Scholes-Merton ('BSM') option pricing model. The BSM model is based on various assumptions including expected volatility, expected life, interest rate.

## l. Revenue from Export incentives

For measurement of income from the export incentives, significant estimates and judgments are made which include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate notified/to be notified by the government authorities.

## 35. SEGMENT INFORMATION- DISCLOSURE PURSUANT TO IND AS 108 'OPERATING SEGMENT'

### (a) Basis of identifying operating segments

Operating segments are identified as those components of the Group (a) that engage in business activities to earn revenues and incur expenses; (b) whose operating results are regularly reviewed by the Group's Chief Executive Officer to make decisions about resource allocation and performance assessment; and (c) for which discrete financial information is available.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments. Assets, liabilities, revenues and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably.

(b) The Group is engaged in a single business segment of sale of garment and hence no additional disclosures are required.

## (c) Geographic information

The Group mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

Particulars	Segment revenue*		Non-current assets**	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
India	39,869.97	35,622.76	1,13,338.43	39,926.95
Rest of world	1,98,018.50	1,86,596.82	13,855.25	-
<b>Total</b>	<b>2,37,888.47</b>	<b>2,22,219.58</b>	<b>1,27,193.68</b>	<b>39,926.95</b>

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2023: Three) customer amounted to ₹ 133,619.07 lakhs (March 31, 2023: ₹ 154,269.69 lakhs), arising from sales of readymade garments.

\*Total Revenue from operations by geographical area are based on the geographical location of the client.

\*\*Non-current assets excludes non-current financial assets and non-current tax assets.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 36. COMMITMENTS AND CONTINGENCIES

### I. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses judgement in assessing whether a contract (or part of contract) include a lease, the lease term (including anticipated renewals), the applicable discount rate, variable lease payments whether are in-substance fixed. The judgement involves assessment of whether the asset included in the contract is a fully or partly identified asset based on the facts and circumstances, whether the contract include a lease and nonlease component and if so, separation thereof for the purpose of recognition and measurement, determination of lease term basis, inter alia the non-cancellable period of lease and whether the lessee intends to opt for continuing with the use of the asset upon the expiry thereof, and whether the lease payments are fixed or variable or a combination of both. The Group records the lease liability at the present value of the lease payments discounted at the incremental borrowing rate.

The movement in lease liabilities is as follows:

	March 31, 2024	March 31, 2023
Opening balance	11,896.07	12,997.36
Additions	10,281.83	1,721.77
Deletions	-	(108.67)
Finance cost accrued	1,342.80	1,497.42
Payment of lease liabilities	(4,990.66)	(4,211.81)
<b>Closing balance</b>	<b>18,530.04</b>	<b>11,896.07</b>

The break-up of current and non-current lease liabilities is as follows:

	March 31, 2024	March 31, 2023
Current lease liabilities	4,481.63	3,219.09
Non-current lease liabilities	14,048.41	8,676.98
<b>Total</b>	<b>18,530.04</b>	<b>11,896.07</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

	March 31, 2024	March 31, 2023
Less than one year	6,419.99	4,018.89
One to five years	12,946.02	12,031.26
More than five years	4,500.01	1,345.24
<b>Total</b>	<b>23,866.02</b>	<b>17,395.39</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases during the year is ₹ 1,700.52 Lakhs (31 March 2023: ₹ 1,261.22 Lakhs).

### II. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

## Notes to the Consolidated Financial Statements

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The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

	March 31, 2024	March 31, 2023
<b>(a) Bank Guarantees</b>		
Sanctioned	2,770.00	2,770.00
Outstanding	380.84	366.52
<b>(b) Outstanding letters of credit</b>		
Sanctioned	41,722.00	16,822.00
Outstanding	30,123.41	4,171.34
<b>(c) Litigations</b>		
(i) Matters relating to direct taxes under dispute*	1,894.47	-
(ii) Matters relating to other taxes under dispute	122.54	122.54

\*Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

- (i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.
- (ii) The Group is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Group's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the consolidated financial statements.

### III. Capital and other commitments

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	673.24	1,848.98
Commitments relating to forward contract- hedge of highly probable forecast sales	1,61,647.03	1,43,037.06

### IV. Corporate guarantee

The Company has provided corporate guarantee to the banks for the credit limits obtained by the wholly owned subsidiaries namely "Sri Susamyuta Knits Private Limited", "Gokaldasexports Acharpura Private Limited", "Gokaldas Exports FZCO" and "Nava Apparels L.L.C-FZ".

## 37. HEDGING ACTIVITIES

### Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

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(All amounts in Indian Rupees in lakhs, except stated otherwise)

The Group is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount	Average Strike rate
March 31, 2024	USD	1,910.00	84.63
March 31, 2024	INR	1,61,647.03	
March 31, 2023	USD	1,731.16	82.62
March 31, 2023	INR	1,43,037.06	

The Group is holding the following foreign currency forward contracts to hedge the exposure for import of capital goods.

Particulars	Currency	Amount	Average Strike rate
March 31, 2024	EUR	-	-
March 31, 2024	USD	-	
March 31, 2023	EUR	6.08	1.09
March 31, 2023	USD	6.62	

## Details relating to hedging instrument with respect to foreign currency risk arising from sales:

	March 31, 2024	March 31, 2023
Nominal amount of hedging instrument	1,61,647.03	1,43,043.68
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	925.95	9.99
Liabilities	-	1,420.92
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 19
Changes in fair value for calculating hedge ineffectiveness	-	-

## Details relating to hedged item with respect to foreign currency risk arising from sales:

	March 31, 2024	March 31, 2023
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	692.90	1,053.32
For hedges no longer applied	-	-
<b>Total balance</b>	<b>692.90</b>	<b>1,053.32</b>

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The cash flow hedges of the expected future sales during the year ended March 31, 2024 and March 31, 2023 were assessed to be highly effective and a net unrealised gain/loss relating to hedging instrument is included in OCI. The amounts retained in OCI at March 31, 2024 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2025 and March 31, 2026.



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(All amounts in Indian Rupees in lakhs, except stated otherwise)

Details relating to impact of cash flow hedge with respect to foreign currency risk arising from sales in statement of profit and loss for the year ended as on:

Cash flow hedge reserve	March 31, 2024	March 31, 2023
Opening balance	(1,053.32)	1,377.03
<b>Movement in OCI</b>		
Gain/(loss) recognised in OCI during the year	360.43	(543.82)
Amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	1,385.79	(1,886.53)
Amount reclassified to consolidated statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	1,746.22	(2,430.35)
Amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
<b>Closing balance</b>	<b>692.90</b>	<b>(1,053.32)</b>

The Group offsets a financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### 38. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, every employee who has completed four years and 240 days or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the consolidated statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit.

#### (a) Net benefit expenses (recognised in the consolidated statement of profit and loss):

Particulars	March 31, 2024	March 31, 2023
Current service cost	1,238.63	1,415.52
Net interest cost on defined benefit obligations/(assets)	267.37	203.21
<b>Net benefit expenses</b>	<b>1,506.00</b>	<b>1,618.73</b>

#### (b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	25.13	316.56
Actuarial (gain)/loss on obligations arising from changes in experience adjustments	19.83	(526.75)
Actuarial (gain)/loss on obligations arising from changes in experience adjustments - on acquisition	(89.40)	-
<b>Actuarial (gain)/loss arising during the year</b>	<b>(44.44)</b>	<b>(210.19)</b>
Return on plan assets (greater)/less than discount rate	3.03	2.28
<b>Actuarial (gain)/loss recognised in other comprehensive income</b>	<b>(41.41)</b>	<b>(207.91)</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## (c) Net defined benefit asset/(liability):

Particulars	March 31, 2024	March 31, 2023
Defined benefit obligation	5,458.30	3,967.08
Fair value of plan assets	(766.90)	(27.60)
<b>Plan liability/(asset)</b>	<b>4,691.40</b>	<b>3,939.48</b>

## (d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2024	March 31, 2023
Opening defined benefit obligation	3,967.07	3,061.42
Acquisition adjustment	600.97	-
Current service cost	1,238.63	1,415.52
Interest cost on the defined benefit obligation	269.39	205.24
Benefits paid	(663.93)	(504.91)
Actuarial (gain)/loss on obligations arising from changes in demographic assumption	-	-
Actuarial (gain)/loss on obligations arising from changes in financial assumptions	24.74	316.56
Actuarial (gain)/loss on obligations arising from changes in experience adjustments	21.43	(526.75)
<b>Closing defined benefit obligation</b>	<b>5,458.30</b>	<b>3,967.08</b>

## (e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2024	March 31, 2023
Opening fair value of plan assets	27.60	27.60
Acquisition adjustment	735.88	-
Interest income on plan assets	2.02	2.03
Contributions by employer	661.10	505.16
Benefits paid	(661.10)	(504.91)
Return on plan assets (lesser)/greater than discount rate	1.40	(2.28)
<b>Closing fair value of plan assets</b>	<b>766.90</b>	<b>27.60</b>

The Group expects to contribute ₹ 3,190.70 lakhs (March 31, 2023: ₹ 2,592.59 lakhs) towards gratuity fund.

## (f) The following benefit payments (undiscounted) are expected in future years:

Particulars	March 31, 2024
March 31, 2025	906.32
March 31, 2026	706.15
March 31, 2027	492.92
March 31, 2028	473.65
March 31, 2029	376.92
For March 31, 2030 & above	4,306.34

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

**(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

Particulars	March 31, 2024	March 31, 2023
Investments with insurer	100%	100%

**(h) The principal assumptions used in determining gratuity for the Group's plan is as shown below:**

Particulars	March 31, 2024	March 31, 2023
Discount rate (in %)	7.17% to 7.22%	7.31%
Salary escalation (in %)	5% to 8%	5% to 8%
Employee turnover (in %)	5% to 40%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

**Notes:**

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2012-14) ultimate.
5. Refer note 17 for current and non-current classification.

**(i) A quantitative sensitivity analysis for significant assumption is as shown below:**

Particulars	March 31, 2024	March 31, 2023
<b>Discount rate</b>		
Impact of defined benefit obligation due to 1% increase in discount rate	(287.12)	(168.14)
Impact of defined benefit obligation due to 1% decrease in discount rate	315.83	183.39
<b>Salary escalation rate</b>		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	284.18	158.55
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(262.17)	(148.16)
<b>Attrition rate</b>		
Impact of defined benefit obligation due to 1% increase in attrition rate	(38.59)	(39.15)
Impact of defined benefit obligation due to 1% decrease in attrition rate	38.44	40.96

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 39. RELATED PARTY TRANSACTIONS

### a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director) (upto November 28, 2022)
	Mr. Mathew Cyriac, (Chairman and Non-Executive Director) (appointed as Chairman w.e.f November 29, 2022)
	Mr. Sivaramakrishnan Ganapathi, Vice Chairman and Managing Director
	Mr. George Varughese (Independent Director) (w.e.f October 27, 2022)
	Mr. Shivanandan Ashok Dalvie (Independent Director) (w.e.f October 27, 2022)
	Ms. Rama Bijapurkar (Independent Director) (w.e.f October 27, 2022)
	Ms. Pavitra Rajaram (Independent Director) (w.e.f April 26, 2023)
	Mr. Prabhat Kumar Singh (Wholetime Director)
	Mr. Poorana Seenivasan (Executive Director) (w.e.f October 27, 2022)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Mr. Gourish Hegde, (Company Secretary) (w.e.f February 10, 2023)
	Ms. Anuradha Sharma (Independent Director) (upto February 07, 2023)
	Mr. Gautham Madhavan (Non-Executive Director) (upto October 27, 2022)
	Ms. Shrithee MS (Company Secretary) (upto November 11, 2022)

### b. Summary of transactions during the year with the above related parties are as follows:

Particulars	March 31, 2024	March 31, 2023
<b>i) Stock options exercised during the year (face value + Security premium)</b>		
Richard B Saldanha	-	15.24
Sivaramakrishnan Ganapathi	-	307.88
Sathyamurthy A	-	61.79
Poorana Seenivasan	2.50	-
<b>ii) Managerial remuneration to</b>		
<b>a) Key managerial personnel</b>		
Sivaramakrishnan Ganapathi	869.16	962.09
Sathyamurthy A	190.88	169.85
Prabhat Kumar Singh	83.75	65.00
Poorana Seenivasan	220.04	89.03
Gourish Hegde	17.23	2.01
Shrithee MS	-	8.71
	<b>1,381.06</b>	<b>1,296.69</b>
<b>b) Sitting fees paid to directors (independent directors and non-executive directors)</b>		
Richard B. Saldanha	-	10.40
Mathew Cyriac	15.20	14.40
George Varughese	12.80	3.20
Shivanandan Ashok Dalvie	8.80	1.60

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For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

### b. Summary of transactions during the year with the above related parties are as follows:

(Contd.)

Particulars	March 31, 2024	March 31, 2023
Rama Bijapurkar	9.60	2.40
Anuradha Sharma	-	10.40
Gautham Madhavan	3.20	8.80
	<b>49.60</b>	<b>51.20</b>
<b>c) Summary of compensation of key managerial personnel of the Company<sup>1</sup></b>		
Managerial remuneration	1,381.06	1,296.69
Sitting fees	49.60	51.20
Share based payment expenses	1,202.95	1,161.86
	<b>2,633.61</b>	<b>2,509.75</b>

### c. Summary of outstanding balances with the above related parties are as follows:

Particulars	March 31, 2024	March 31, 2023
<b>i) Remuneration payable to Key managerial personnel</b>		
Sivaramakrishnan Ganapathi	576.66	719.37
Sathyamurthy A	65.00	50.00
Prabhat Kumar Singh	15.00	10.00
Poorana Seenivasan	100.00	38.71
	<b>756.66</b>	<b>818.08</b>

<sup>1</sup>As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Group as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

## 40. DISCLOSURES OF DUES/PAYMENTS TO MICRO AND SMALL ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE GROUP

Particulars	March 31, 2024	March 31, 2023
i. The principal amount due thereon remaining unpaid as at the year end Interest amount due and remaining unpaid as at the year end*	792.18	241.02
ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

\*There are no overdue amounts to Micro, Small and Medium Enterprises as on March 31, 2024 and March 31, 2023.

# Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees in lakhs, except stated otherwise)

## 41. SHARE-BASED PAYMENTS

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Company approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries, directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries, directors and provided for the issue of 2,133,040 shares of ₹ 5 each.

Further, the shareholders of the Company by way of special resolution dated April 03, 2022 approved Stock Option Plan (ESOP 2022) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries, directors and provided for the issue of 4,500,000 shares of ₹ 5 each (increased from 3,000,000 to 4,500,000 options vide special resolution passed by the shareholders on February 29, 2024).

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Group recognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is ranging from two to three years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

### Employee stock option expense is as set out below:

Particulars	March 31, 2024	March 31, 2023
Expense arising from equity-settled share based payment transactions	2,418.76	2,298.00
	<b>2,418.76</b>	<b>2,298.00</b>

### Movement during the year for ESOP 2010 Plan:

The activity in the ESOP 2010 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2024		March 31, 2023	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	20,000	72.55	4,85,000	78.30
Granted during the year	2,04,000	315.44	-	-
Exercised during the year	-	-	(4,65,000)	-
Lapsed during the year	-	-	-	-
<b>Closing balance</b>	<b>2,24,000</b>	<b>293.75</b>	<b>20,000</b>	<b>72.55</b>
Exercisable as at year end	20,000		20,000	

The weighted average share price at the date of exercise of the options during the period is not applicable (March 31, 2023: ₹ 376.27).

The weighted average remaining contractual life for the share options outstanding is 8.53 (March 31, 2023: 3.17 years)

The weighted average fair value of options granted during the year was ₹ 267.80 (March 31, 2023: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 72.55 to ₹ 315.44 (March 31, 2023: ₹ 60.95 to ₹ 85.96).



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For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

### Movement during the year for RSU 2018 Plan:

The activity in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2024		March 31, 2023	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	1,33,500	5.00	12,69,500	5.00
Granted during the year	-	-	-	-
Exercised during the year	(73,500)	5.00	(11,36,000)	5.00
Lapsed during the year	-	-	-	-
<b>Closing balance</b>	<b>60,000</b>	<b>5.00</b>	<b>1,33,500</b>	<b>5.00</b>
Exercisable as at year end	60,000		83,500	

The weighted average share price at the date of exercise of the options during the period is ₹ 409.74 (March 31, 2023: ₹ 380.01).

The weighted average remaining contractual life for the share options outstanding is 4.51 years (March 31, 2023: 4.88 years).

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2023: ₹ Nil).

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2023: ₹ 5).

### Movement during the year for ESOP 2022 Plan:

The activity in the ESOP 2022 Plan for equity-settled share based payment transactions is set out below:

Particulars	31-Mar-24		31-Mar-23	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	28,90,500	302.20	-	-
Granted during the year	-	-	30,00,000	302.20
Exercised during the year	-	-	-	-
Lapsed during the year	(65,250)	-	(1,09,500)	-
<b>Closing balance</b>	<b>28,25,250</b>	<b>302.20</b>	<b>28,90,500</b>	<b>302.20</b>
Exercisable as at year end	-		-	

The weighted average remaining contractual life for the share options outstanding is 6 years (March 31, 2023: 7 years)

The weighted average fair value of options granted during the year was not applicable (March 31, 2023: ₹ 236.25)

The range of exercise prices for options outstanding at the end of the year was ₹ 302.20 (March 31, 2023: ₹ 302.20).

The following table list the inputs to the models used for the ESOP 2010 Plan:

Particulars	March 31, 2024	March 31, 2023
Dividend yield (%)	-	-
Expected volatility (%)	53.00%	-
Risk-free interest rate (%)	7.00%	-
Expected life of share options (years)	7.00	-
Weighted average exercise price (₹)	315.44	-
Model used	Black-Scholes Merton (BSM) options pricing model	-

\*No options were granted under ESOP 2010 plan during the year ended March 31, 2023.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The following table list the inputs to the models used for the ESOP 2022 plan:

Particulars	March 31, 2024	March 31, 2023
Dividend yield (%)	-	-
Expected volatility (%)	-	54.43%
Risk-free interest rate (%)	-	6.77%
Expected life of share options (years)	-	7.00
Weighted average exercise price (₹)	-	302.20
Model used	-	Black-Scholes Merton (BSM) options pricing model

\*No options were granted under ESOP 2022 during the year ended March 31, 2024.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

## 42. DISCLOSURES ON FINANCIAL INSTRUMENTS

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in Note 2.2(b) and Note 2.3(o) to the consolidated financial statements.

### (a) Financial assets and liabilities

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

As at March 31, 2024

Particulars	Amortised cost	Fair value through OCI	Total
<b>Financial assets</b>			
Investments	15,907.72	-	15,907.72
Trade receivables	35,252.49	-	35,252.49
Cash and cash equivalents	5,424.79	-	5,424.79
Other financials assets	3,888.06	-	3,888.06
Other bank balances (other than cash and cash equivalents)	7,309.14	-	7,309.14
Foreign exchange forward contracts	-	925.95	925.95
<b>Total assets</b>	<b>67,782.20</b>	<b>925.95</b>	<b>68,708.15</b>
<b>Financial liabilities</b>			
Lease liabilities	18,530.04	-	18,530.04
Borrowings	61,955.92	-	61,955.92
Trade payables	18,405.50	-	18,405.50
Other financial liabilities	36,424.85	-	36,424.85
Foreign exchange forward contracts	-	-	-
<b>Total liabilities</b>	<b>1,35,316.31</b>	<b>-</b>	<b>1,35,316.31</b>

# Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees in lakhs, except stated otherwise)

As at March 31, 2023

Particulars	Amortised cost	Fair value through OCI	Total
<b>Financial assets</b>			
Investments	34,399.35	-	34,399.35
Trade receivables	13,582.68	-	13,582.68
Cash and cash equivalents	1,472.21	-	1,472.21
Other financial assets	2,925.99	-	2,925.99
Other bank balances (other than cash and cash equivalents)	926.48	-	926.48
Foreign exchange forward contracts	-	9.99	9.99
<b>Total assets</b>	<b>53,306.71</b>	<b>9.99</b>	<b>53,316.70</b>
<b>Financial liabilities</b>			
Lease liabilities	11,896.07	-	11,896.07
Borrowings	3,545.07	-	3,545.07
Trade payables	8,401.14	-	8,401.14
Other financial liabilities	13,348.26	-	13,348.26
Foreign exchange forward contracts	-	1,420.92	1,420.92
<b>Total liabilities</b>	<b>37,190.54</b>	<b>1,420.92</b>	<b>38,611.46</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.

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
<b>March 31, 2024</b>				
Financial assets				
Foreign exchange forward contracts	-	925.95	-	925.95
Investment in other companies	-	314.74	-	314.74
Financial liabilities				
Foreign exchange forward contracts	-	-	-	-
<b>March 31, 2023</b>				
Financial assets				
Foreign exchange forward contracts	-	9.99	-	9.99
Investment in other companies	-	-	-	-
Financial liabilities				
Foreign exchange forward contracts	-	1,420.92	-	1,420.92

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

Fair value of loans (security deposits) having a carrying amount of ₹ 3,705.02 lakhs as at March 31, 2024 (March 31, 2023: ₹ 2,767.62 lakhs) was ₹ 3,705.02 Lakhs (March 31, 2023: ₹ 2,767.62 lakhs).

- (ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

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

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

## (c) Financial risk management objectives and policies

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates,

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

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

### Market risk

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

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

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

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2024	50	309.78
March 31, 2023	50	17.73

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

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from investing activities is not material.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 months period for hedges of forecasted sales.

As at March 31, 2024 and March 31, 2023, the Company hedged ₹ 161,647.03 lakhs (USD 1,910.00 lakhs) and ₹ 143,037.06 lakhs (USD 1,731.16 lakhs) respectively of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

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(All amounts in Indian Rupees in lakhs, except stated otherwise)

As at March 31, 2024 and March 31, 2023, the Company hedged Nil and EUR 6.62 lakhs (USD 6.08 lakhs) respectively of its expected foreign currency commitments. Those hedged commitments were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2024 and March 31, 2023:

Particulars	Currency	March 31, 2024	March 31, 2023
<b>Assets</b>			
Trade receivables	USD	223.78	154.88
Trade receivables	EUR	1.66	2.08
Trade receivables	GBP	7.56	-
Advance to suppliers	USD	19.05	24.12
Advance to suppliers	HKD	-	0.37
Capital advances	USD	2.65	3.48
Capital advances	EUR	0.40	4.87
<b>Liabilities</b>			
Trade payables	USD	11.46	3.91
Liability for capital assets	USD	5.23	-
Liability for capital assets	EUR	2.15	6.03
Advances received from customers	USD	7.35	4.02

**Note:** All figures are in lakhs.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
<b>March 31, 2024</b>		
USD	5%	922.71
<b>March 31, 2023</b>		
USD	5%	717.23

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2024 and March 31, 2023. The period end balances are not necessarily representative of the average debt outstanding during the period.

### Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 68,708.15 lakhs and ₹ 53,316.70 lakhs, as at March 31, 2024 and March 31, 2023 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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

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

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

Particulars	0-1 year	> 1 year	Total
<b>March 31, 2024</b>			
Lease liabilities	4,481.63	14,048.41	18,530.04
Borrowings	33,857.82	28,098.10	61,955.92
Trade payables	18,405.50	-	18,405.50
Other financial liabilities	36,424.85	-	36,424.85
	<b>93,169.80</b>	<b>42,146.51</b>	<b>1,35,316.31</b>
<b>March 31, 2023</b>			
Lease liabilities	3,219.09	8,676.98	11,896.07
Borrowings	2,580.76	964.31	3,545.07
Trade payables	8,401.14	-	8,401.14
Other financial liabilities	14,769.18	-	14,769.18
	<b>28,970.17</b>	<b>9,641.29</b>	<b>38,611.46</b>

## Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Group's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ 314.74 lakhs 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 Group's investment in a foreign associate.

## Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

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

## 43. CAPITAL MANAGEMENT

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

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

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



# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

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

Particulars	March 31, 2024	March 31, 2023
Borrowings including current maturities	61,955.92	3,545.07
<b>Total debts</b>	<b>61,955.92</b>	<b>3,545.07</b>
<b>Capital components</b>		
Equity share capital	3,169.15	3,028.90
Other equity	1,25,964.85	85,596.22
<b>Total capital</b>	<b>1,29,134.00</b>	<b>88,625.12</b>
<b>Capital and borrowings</b>	<b>1,91,089.92</b>	<b>92,170.19</b>
<b>Gearing ratio (%)</b>	<b>32.42%</b>	<b>3.85%</b>

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

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

## 44. BUSINESS COMBINATIONS

### (i) Acquisition of business of ATRACO Group

On 28 August 2023, Gokaldas Exports Ltd (the 'Group') entered into a Share Purchase Agreement ("SPA") with the promoters of following companies to acquire 100% equity interest through its wholly owned subsidiary in Dubai, Nava Apparel LLC FZ and Gokaldas Exports FZCO.

- (a) Coral Investments Ltd., Rak, UAE
- (b) Amibros S.A., Panama (operating under the name of Atrato Industrial Enterprise, United Arab Emirates)
- (c) ATRACO Logistics LLC, Dubai

The Company further entered into the asset purchase agreements dated 28 August 2023 including assumed liabilities only (not all liabilities) through newly incorporated wholly owned subsidiary Ashton Mombasa Apparel EPZ, Kenya.

- (a) Ashton Apparel EPZ., Kenya
- (b) Coast Apparel EPZ, Kenya
- (c) Mombasa Apparel EPZ, Kenya

All above entities together referred to as 'ATRACO Group'.

The acquired ATRACO Group business has been included in the Consolidated financial statements with effect from 3 January 2024, being the date on which the Group acquired control over the business.

The Group considers the Business acquired to be a business under Ind AS 103 - Business Combinations and has hence accounted for the same by applying the acquisition method on accounting.

Under the SPA, there are no other forms of variable consideration/contingent consideration arrangements on the date of acquisition.

The transaction costs of ₹ 761.39 lakhs related to the acquisition have been included in the Consolidated Statement of Profit or Loss for the year ended 31 March 2024.

The Group has done the acquisition for the acquisition of existing capability and estimated synergies from the acquisition.

### Consideration transferred:

The total fair value of the consideration transferred is determined as follows.

Particulars	Amount
Cash*	45,798.34
<b>Total fair value of the consideration transferred for purpose of computing goodwill</b>	<b>45,798.34</b>

\*Includes deferred consideration of ₹ 2,123.05 lakhs (net of receivables) which will be paid in the subsequent period.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	Fair value
<b>Fair value of assets acquired:</b>	
Property, plant and equipment	10,568.85
Right-of-use assets	149.91
Customer contracts*	1,783.41
Other non-current assets	33.31
Inventories	14,108.46
Trade receivables	16,165.59
Cash and cash equivalents	333.14
Other financial assets	33.31
<b>Total assets acquired (a)</b>	<b>43,175.98</b>
<b>Liabilities assumed:</b>	
Lease liabilities	158.24
Borrowings	12,526.04
Trade payables	5,355.22
Other financial liabilities	24.99
Other current liabilities	291.50
Provision for employee benefits	241.52
<b>Total liabilities assumed (b)</b>	<b>18,597.51</b>
<b>Net identifiable assets acquired (a-b)</b>	<b>24,578.47</b>

\*Useful life of this assets has been determined as 10 years.

The fair value of trade receivables amounts to ₹ 16,165.59 lakhs which approximately equal to its carrying value and the contractual amount. None of the trade receivables are credit impaired and it is expected that the full contractual amount can be collected.

## Calculation of goodwill:

The excess of the consideration transferred over the fair value of the net assets acquired is allocated to goodwill as computed below.

Particulars	Amount
Total fair value of the consideration transferred for purpose of computing goodwill	45,798.34
Less: Fair value of net identifiable assets acquired	24,578.47
<b>Goodwill on acquisition</b>	<b>21,219.87</b>

Above Goodwill comprises the value of acquired assembled workforce and expected synergies from the acquisition. Goodwill is not deductible for tax purposes.

From the date of acquisition, ATRACO group has contributed ₹ 25,558.94 lakhs of revenue and ₹ 102.39 lakhs to the profit before tax from continuing operations to the Group.

Significant unobservable valuation inputs are provided below for valuations of intangibles:

Assumptions	Corporate relationship
Valuation approach	Multi period Excess Earnings Method (MEEM)
Discount rate	7.22%
Attrition rate	20.00% to 40.00%

Fair value of acquired tangible assets approximately equal their carrying value.

## (ii) Acquisition of business of Matrix Design & Industries Private Limited

On 1 February 2024, the Group entered into a Share Purchase Agreement ("SPA") with the shareholders of Matrix Design & Industries Private Limited ("MDIPL") to acquire 100% equity interest.

The acquired business has been included in the Group's financial statements with effect from 13 March 2024, being the date on which the Group acquired control over the business.

The Group considers the Business acquired to be a business under Ind AS 103 - Business Combinations and has hence accounted for the same by applying the acquisition method on accounting.

Under the SPA, there are no other forms of variable consideration/contingent consideration arrangements.

The transaction costs of ₹ 435.15 lakhs related to the acquisition have been included in the Consolidated Statement of Profit or Loss for the year ended 31 March 2024.

The Group has done the acquisition for the acquisition of existing capability and estimated synergies from the acquisition.

## Consideration transferred:

The total fair value of the consideration transferred is determined as follows.

Particulars	Amount
Cash	7,556.00
Equity Share Capital	24,750.00
<b>Total fair value of the consideration transferred for purpose of computing goodwill</b>	<b>32,306.00</b>

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	Fair value
<b>Fair value of assets acquired:</b>	
Property, plant and equipment	3,638.00
Other intangible assets	23.00
Customer contracts*	2,062.00
Capital work-in-progress	308.00
Other non-current assets	123.00
Inventories	4,924.00
Trade receivables	6,371.00
Cash and cash equivalents	122.00
Other financial assets	1,543.00
Other current assets	3.00
<b>Total assets acquired (a)</b>	<b>19,117.00</b>
<b>Liabilities assumed:</b>	
Lease liabilities	
Borrowings	1,504.00
Trade payables	2,648.00
Other current liabilities	15,158.00
Provision for employee benefits	1,068.59
<b>Total liabilities assumed (b)</b>	<b>20,378.59</b>
<b>Net identifiable assets acquired (a-b)</b>	<b>(1,261.59)</b>

\*Useful life of this assets has been determined as 10 years.

The fair value of trade receivables amounts to ₹ 6,371.00 lakhs which approximately equal to its carrying value and the contractual amount. None of the trade receivables are credit impaired and it is expected that the full contractual amount can be collected.

## Calculation of goodwill:

The excess of the consideration transferred over the fair value of the net assets acquired is allocated to goodwill as computed below.

Particulars	Fair value
Total fair value of the consideration transferred for purpose of computing goodwill	32,306.00
Less: Fair value of net identifiable assets acquired	(1,261.59)
<b>Goodwill on acquisition</b>	<b>33,567.59</b>

Above Goodwill comprises the value of acquired assembled workforce and expected synergies from the acquisition. Goodwill is not deductible for tax purposes.

Significant unobservable valuation inputs are provided below for valuations of intangibles:

Assumptions	Corporate relationship
Valuation approach	Multi period Excess Earnings Method (MEEM)
Discount rate	7.22%
Attrition rate	15.00% to 75.00%

Fair value of acquired tangible assets approximately equal their carrying value.

**45.** The Group is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Group during financial year ended March 31, 2024. The Management is of the opinion that the specified domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

**46.** The Group assessed the fair value less cost of sale of the investment in an associate held for sale. Change in the regulatory environment and the market conditions effecting the associate has adversely affected the fair value of the Group's investment. The Group has written down the carrying value of the asset by recognizing an impairment loss of ₹ 626.56 lakhs as an exceptional charge during the year ended March 31, 2019. The Group continues to make efforts to mitigate the loss by selling such investment in the near future, which could result in a partial or full reversal of the impairment loss. Further to related developments during the year on this matter, including claims filed by the Company for the recovery, the Company has reassessed that it is appropriate to reclassify the Investment from 'Associate' to 'Others'.

**47.** The Group had filed petition with the Group Law Board for compounding of offence u/s. 297 of the erstwhile Companies Act, 1956 for the transactions entered with CMS Info Systems Private Limited between July 2009 to October 2011 and as at date, the petition is pending with the Company Law Board.

For periods subsequent to October 2011, the Company had filed an application with Central Government, Ministry of Corporate Affairs, seeking its approval u/s. 297(1) of the erstwhile Companies Act, 1956 for entering into contract with CMS Info Systems Private Limited which is pending approval.

**48.** During the year ended March 31, 2023, pursuant to the approval of the Board of Directors, the Company had concluded the sale of one of its building on leasehold land and other assets. The transaction had resulted in a gain of ₹ 605.03 lakhs, which was disclosed as an exceptional item for that year.

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

**49.** During the year ended March 31, 2024, the Holding Company has acquired 100% shareholding in Matrix Design and Industries Private Limited ("MDIL") for a consideration of ₹ 32,306 lakhs settled through a combination of cash consideration of ₹ 7,557 lakhs and preferential allotment of 27,31,366 equity shares of Gokaldas Exports Limited at a price of 906.14 per share. The acquisition resulted in transfer of control w.e.f. March 13, 2024 and accounted for in accordance with Ind AS 103, Business Combination.

**50.** For the period/days of the respective covid lockdowns imposed by the government during FY 2020-21, the Group had evaluated the various directions, circulars and orders issued by relevant government authorities regarding payment of wages to employees, accordingly had paid certain ex-gratia amount to eligible employees. Management evaluated further directions, orders issued by relevant government authorities and understand that the matter should be settled based on mutual discussion between relevant stakeholders. Pending conclusion of such matter, management believes that the Group continues to be in compliance with the directives and will reassess this periodically.

**51.** During the year ended March 31, 2024, the Company had executed certain agreements with Clean Max Enviro Energy Solutions Private limited and Clean Max Celeste Private Limited (SPV), including a share purchase agreement for investment in a renewable Captive Generating Plant. This involved an investment in a Special Purpose Vehicle (SPV), a private limited Company through an acquisition of 26% stake through an investment of ₹ 315 lakhs (Indian Rupees Three hundred and fifteen lakhs) by way of an equity share capital contribution in the SPV, the arrangement also involves certain power purchase arrangements, basis the evaluation of the terms of the aforementioned agreements, the Company has assessed and classified this as an investment and is recorded at fair value.

**52.** Subsequent to the year ended March 31, 2024, on April 24, 2024, the Company raised money by way of Qualified Institutional Placement ('QIP') and allotted 77,41,935 equity shares of face value ₹ 5/- each to the eligible qualified institutional buyers ('QIB') at a price of ₹ 775/-per share (Including a premium of ₹ 770 per share) aggregating to ₹ 60,000 lakhs on April 23, 2024. This issue was made in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018.

**53.** The Board of Directors of the Company at their meeting held on May 25, 2023 had recommended a final dividend of ₹ 1/- (one rupee only) per equity share (i.e. 20% of face value of ₹ 5 per equity share) for the financial year ended March 31, 2023. The dividend recommended by the Board of Directors was approved by the shareholders at the Annual General Meeting of the Company held on September 20, 2023 and was subsequently paid.

## 54. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

- a. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b. The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks are in agreement with the books of accounts.
- c. The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- d. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- e. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- f. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- g. During the year the Company (Ultimate Beneficiary) provided loans to its wholly owned subsidiaries 'Gokaldas Exports FZCO' and 'Nava Apparels LLC' (Intermediaries). The terms of these transactions have been documented in writing. On January 03, 2024, the Intermediaries directly invested in other entities identified by the Ultimate Beneficiary for the purpose of acquiring the ATRACO group (refer note 44(i)). There has been no violation or non-compliance with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Prevention of Money-Laundering act, 2002 (15 of 2003), or the Companies Act, 2013 in relation to these transactions.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. 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
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

# Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except stated otherwise)

- h. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- i. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- j. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

2020 on November 13, 2020 inviting objections and suggestions, if any, from the stakeholders. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to Employees' Provident Fund, Employees' State Insurance Corporation, Gratuity, Maternity Benefit, Social Security and Cess in respect of Building and Other Construction Workers, Social Security for Unorganised Workers, Gig Workers and Platform Workers.

The Group will assess the impact and will give appropriate accounting treatment in its financial statements in the period in which the Code on Social Security, 2020 (including the related rules framed thereunder) becomes effective.

## 55. UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year March 31, 2024 and March 31, 2023 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**56.** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**57.** The Indian Parliament had approved the Code on Social Security, 2020. The Ministry of Labour and Employment has notified the draft rules under the Code on Social Security,

**58.** The statement of audited consolidated financial statements for the year ended March 31, 2024 have been reviewed by the Audit Committee in their meeting on May 26, 2024 and approved by the Board of Directors in their meeting held on May 26, 2024.

**59.** Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

**60.** Previous year's figures have been regrouped/reclassified, wherever necessary to confirm to the current year's classification.

As per our report of even date

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm registration number: 105047W

**Pankaj S Bhauwala**  
Partner  
Membership No.: 233552

**Place:** Bengaluru  
**Date:** May 26, 2024

For and on behalf of the Board of Directors of  
**Gokaldas Exports Limited**  
CIN: L18101KA2004PLC033475

**Mathew Cyriac**  
Chairman  
DIN: 01903606  
Place: Mumbai

**Sathyamurthy A**  
Chief Financial Officer

**Place:** Bengaluru  
**Date:** May 26, 2024

**Sivaramakrishnan Ganapathi**  
Vice Chairman and Managing Director  
DIN: 07954560  
Place: San Francisco, USA

**Gourish Hegde**  
Company Secretary  
Membership No: A44775

**Place:** Bengaluru  
**Date:** May 26, 2024



# Notice of Annual General Meeting

Notice is hereby given that the Twenty First (21<sup>st</sup>) Annual General Meeting ("AGM") of Gokaldas Exports Limited will be held on Thursday, September 19, 2024 at 4:00 PM. IST, through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") facility to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company which include Audited standalone and consolidated Balance Sheet as at March 31, 2024, the standalone and consolidated Statement of Profit and Loss including the Statement of other Comprehensive Income and Cash Flow of the Company as on that date together with the Auditors' Report thereon and Report of the Board of Directors.
2. To appoint Mr. Mathew Cyriac (holding DIN: 01903606), Non-Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

3. **Reappointment of Mr. Prabhat Kumar Singh (Holding DIN: 08275987) as Whole-Time Director of the Company**

To consider and if deemed fit, to pass the following resolution as **Special resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Prabhat Kumar Singh (DIN: 08275987), as the Whole-Time Director of the Company in Professional capacity for a period of 3 (three) years, with effect from November 12, 2024, on the terms and conditions including remuneration as given below:

- Annual fixed salary of ₹ 75 lakhs per annum and variable pay of ₹ 25 lakhs per annum.
- Annual Increments as may be decided by the Nomination and Remuneration Committee and Board, from time to time.
- Within the overall approved limits, the salary may be restructured from time to time.
- Mr. Prabhat Kumar Singh will be subject to all other service conditions as applicable to any other senior management employee of the Company.
- 75,000 ESOP options granted by the Nomination and Remuneration Committee and as approved by the Shareholders vide postal ballot notice dated March 01, 2022 and any further grants

under existing ESOP Scheme or any other scheme as and when approved by the shareholders of the Company.

- Mr. Prabhat Kumar Singh will be liable to retire by rotation.
- Mr. Prabhat Kumar Singh will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

**RESOLVED FURTHER THAT** the above said remuneration shall be the minimum remuneration in case of absence of profits or inadequacy of profits.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as they may deem fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors and/or any of the key managerial personnel of the Company, be and are hereby severally authorized to do such other acts, deeds and things as may be considered necessary in connection with the above resolution."

4. **Payment of commission to Non-Executive Director(s) and Independent Directors within the overall ceiling limit of 1% of net profits of the Company for a period of five years with effect from April 01, 2024.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, relevant rules made thereunder (the "Act"), Regulation 17(6) and other applicable Regulation(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment or re-enactment thereof, if any and subject to such other approvals as may be required, approval of the members of the Company be and is hereby accorded for the payment of commission to the Non-Executive Director(s) and Independent Directors (other than Managing or Whole-Time or Executive Directors) of the Company for a period of 5 (five) years, a sum of not exceeding the overall maximum limit of 1% (one percent) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, for each of the said financial year commencing from



April 01, 2024 and be distributed between such Directors in such a manner as the Board of Directors/Chairman may determine from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors and/or any of the key managerial personnel of the Company, be and are hereby severally authorized to do such other acts, deeds and things as may be considered necessary in connection with the above resolution."

By Order of the Board of Directors  
For **Gokaldas Exports Limited**

**Date:** August 07, 2024

**Place:** Bengaluru

**Gourish Hegde**  
Company Secretary

**Registered Office:**

No. 25, Second Cross

Third Main, Industrial Suburb

Yeshwantpur, Bengaluru – 560022

Ph: +91 80 68951000

Email: [info@gokaldasexports.com](mailto:info@gokaldasexports.com)

Website: [www.gokaldasexports.com](http://www.gokaldasexports.com)

# Notes

1. In compliance with General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021, 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs ("MCA") and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by Securities and Exchange Board of India (hereinafter collectively referred to as "Circulars"), the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 21<sup>st</sup> Annual General Meeting ("AGM") of the Company is being held through VC/OAVM without the physical presence of Members at a common venue. The deemed venue for the 21<sup>st</sup> AGM will be the Registered Office of the Company – Gokaldas Exports Limited, No. 25, Second Cross Third Main, Industrial Suburb, Yeshwantpur, Bangalore – 560022.
2. A Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and additional information of the Directors seeking re-appointment as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ("Secretarial Standard") are annexed.
3. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Act, representatives of the Institutional/Corporate Members may be appointed for the purpose of voting through remote e-Voting, for participation in the AGM through VC/OAVM Facility and e-Voting during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [nagendradrao@gmail.com](mailto:nagendradrao@gmail.com) with a copy marked to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
4. The attendance of the Members participating in the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
5. In line with the MCA Circulars and SEBI Circular, the notice of the AGM along with the Annual Report are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and Annual Report will also be available on the Company's website [www.gokaldasexports.com](http://www.gokaldasexports.com), websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also on the website of the RTA at <https://evoting.kfintech.com>.
6. Since the AGM is being held through VC/OAVM Facility, the route map of the venue of the Meeting is not annexed hereto.
7. The Members may join the AGM in the VC/OAVM mode thirty minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.
8. The Register of Members of the Company will remain closed from Friday, September 13, 2024 to Thursday, September 19, 2024 (both days inclusive)
9. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.
10. The Company has availed the services of KFin Technologies Limited, (KFintech), as the authorized agency for conducting of the AGM through VC/OAVM and providing e-Voting facility.
11. The e-voting period commences on Monday, September 16, 2024 (9:00 a.m. IST) and ends on Wednesday, September 18, 2024 (5:00 p.m. IST). The e-voting module will be disabled by KFintech thereafter. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. September 12, 2024.
12. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-Voting, shall be able to exercise their right to vote through e-Voting at the AGM. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
13. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

14. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. September 12, 2024 only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.
15. The Board of Directors have appointed Mr. Nagendra D. Rao, Practising Company Secretary (Membership No. FCS 5553, COP 7731), Bengaluru as Scrutinizer for the e-Voting process. The Scrutinizer shall, after the conclusion of AGM, unblock the votes in the presence of at least two witnesses who are not in employment of the Company and shall within a period of 2 (Two) working days from the conclusion of the AGM, prepare a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit it to the Chairman of the meeting.
16. The results of the e-Voting will be declared within 2 (Two) working days from the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.gokaldasexports.com](http://www.gokaldasexports.com) and on the website of KFinTech and shall be communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
17. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. SEBI vide its circular dated January 25, 2022, has mandated that the listed entities shall henceforth issue the securities in dematerialized form only while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, Members who still hold shares in physical form are advised to dematerialize their holdings. Members can contact the RTA for assistance in this regard.
18. SEBI has mandated Members holding shares in physical form to submit PAN, KYC and Nomination details in specified forms. The specified forms are available at the website of the Company at [www.gokaldasexports.com](http://www.gokaldasexports.com). Members may make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website and on the website of Company's RTA.
19. The Members holding shares in physical mode are requested to lodge/notify communication for change of address, transfer deeds, bank details, ECS details, wherever applicable, mandates (if any), with the RTA. Members holding shares in electronic form are requested to furnish details to their respective DP.
20. The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [cs@gokaldasexports.com](mailto:cs@gokaldasexports.com).

## 21. Procedure for Remote e-Voting:

### Procedure for Login for e-Voting and Attending AGM through VC/OAVM for Individual Shareholders holding securities in Demat mode.

In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts to access e-Voting facility.

#### Login method for Individual shareholders holding securities in demat mode is given below:

Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL")	<b>A. User already registered for IDeAS facility:</b>
	<ol style="list-style-type: none"> <li>1. Open <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>2. Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting".</li> <li>4. Click on Bank Name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
	<b>B. User not registered for IDeAS e-Services:</b>
	<ol style="list-style-type: none"> <li>1. To register, open <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>2. Select "Register Online for IDeAS" Portal or click on <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Proceed with completing the required fields.</li> </ol>

**C. By visiting the e-Voting website of NSDL:**

1. Open <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.
4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Bank name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")

**A. Existing user who has opted for Easi/Easiest**

1. Click at <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com)
2. Click on New System Myeasi.
3. Login with user ID and Password.
4. After successful login of Easi/Easiest, Option will be made available to reach e-Voting page.
5. Click on e-Voting service provider name to cast your vote.

**B. User not registered for Easi/Easiest**

1. Option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
2. Proceed with completing the required fields.

**C. By visiting the e-Voting website of CDSL:**

1. Visit at [www.cdslindia.com](http://www.cdslindia.com)
2. Provide Demat Account Number and PAN No.
3. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account.

After successful authentication, user will be provided links for the respective e-Voting service provider where the e-Voting is in progress.

Individual Shareholders (holding securities in Demat mode) login through their depository participants

You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.

Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Bank Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43.

**I) Login method for remote e-Voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- i. Initial password is provided in the body of the e-mail.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-Voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the correct details, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. 'Gokaldas Exports Limited-AGM'.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at [nagendradrao@gmail.com](mailto:nagendradrao@gmail.com) and may also upload the same in the e-Voting module in their login. The scanned image of the above documents should be in the naming format 'BFL\_EVENT No.'
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-Voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

**A. Voting at e-AGM**

- i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-Voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-Voting will still be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-Voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

**B. Instructions for members for attending the e-AGM**

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-Voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.
- iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.

- iv. Members may join the meeting using headphones for better sound clarity.
- v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from September 13, 2024 (9.00 a.m.) up to September 14, 2024 (5.00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.
- vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>, under the "How It Works" tab placed on top of the page.
- viii. Members who need technical assistance before or during the e-AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001.

#### Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/

CIR/2023/37, dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR-1 form along with the supporting documents.

ISR-1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT A/c is being held.

By Order of the Board of Directors  
For **Gokaldas Exports Limited**

**Date:** August 07, 2024

**Place:** Bengaluru

#### Registered Office:

No. 25, Second Cross

Third Main, Industrial Suburb

Yeshwantpur, Bengaluru – 560022

Ph:+91 80 68951000

Email: [info@gokaldasexports.com](mailto:info@gokaldasexports.com)

Website: [www.gokaldasexports.com](http://www.gokaldasexports.com)

**Gourish Hegde**  
Company Secretary



# Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

## ITEM NO. 3:

The Members of the Company vide Postal Ballot Notice dated September 17, 2021, had re-appointed Mr. Prabhat Kumar Singh (DIN: 08275987) as the Whole Time Director of the Company for three (3) years with effect from November 12, 2021. The said term of 3 years will end on November 11, 2024.

Mr. Prabhat Singh plays a significant role in interfacing with the industry and the various regulatory authorities, including project implementation under the Government schemes, modernization, technology and infrastructure upgradation for textiles and funding support. He has been instrumental in setting up the new apparel manufacturing plant of the Company in Madhya Pradesh and Tamil Nadu. His vast experience includes working with the regulatory bodies for setting up new apparel manufacturing units, formulating recommendations to the Government on import-export policy, arranging joint ventures, and organizing fairs and exhibitions. Considering this, the Nomination and Remuneration Committee (NRC) at its meeting held on August 07, 2024, recommended his re-appointment as the Whole Time Director of the Company for a further period of 3 years.

The Board of Directors, based on the recommendation of NRC has re-appointed Mr. Prabhat Kumar Singh as the Whole-time Director of the Company in a Professional capacity for 3 years commencing from November 12, 2024, until November 11, 2027, subject to the approval of the members of the Company. The Board believes that the re-appointment of Mr. Prabhat Kumar would benefit the Company because of the above-mentioned skill, expertise and experience. Further, since Mr. Prabhat Kumar Singh has attained the age of 72 years, the approval of the shareholders for the said re-appointment is being sought by way of passing a special resolution as per Section 196 (3) of the Companies Act, 2013.

The Board recommends the special resolution as outlined in item no. 3 for the approval of Members.

Except for Mr. Prabhat Kumar Singh, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

## ITEM NO.4:

The Non-executive Director and Independent Directors of the Company bring significant expertise and experience across a wide range of functional areas. With the enhanced corporate governance requirements under the Companies Act, 2013 (the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") coupled with the size, complexity and operations of the Company, the role and responsibilities of the Board, particularly, the Independent Directors, has increased significantly requiring greater time commitments, attention and a higher level of oversight.

Considering the above, the Nomination & Remuneration Committee and the Board of Directors at their meetings held on August 07, 2024 have recommended and has approved, the proposal for payment of commission not exceeding 1% of the net profit of the Company, computed in accordance with the provisions of Section 198 of the Act, to the Non-Executive Director(s) and Independent Directors, for a period of five years commencing from April 01, 2024. The aforesaid remuneration to Non-Executive Directors shall be in addition to the sitting fees payable to them for attending meetings of the Board and Committees thereof.

Regulation 17(6) of the SEBI Listing Regulations authorizes the Board of Directors to recommend all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors and the same would require approval of members in a general meeting. Accordingly, approval of the Shareholders is sought for payment of remuneration by way of commission to the Non-Executive Director(s) and Independent Directors of the Company, for a period of five years commencing from April 01, 2024 as set out in the Resolution at Item No.4 of the notice.

The Board recommends the resolution set out under Item No.4 of the notice for approval by the shareholders.

Except Mr. Mathew Cyriac, Mr. George Varughese, Ms. Rama Bijapurkar and Ms. Pavitra Rajaram, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

By Order of the Board of Directors  
For **Gokaldas Exports Limited**

**Date:** August 07, 2024

**Place:** Bengaluru

### Registered Office:

No. 25, Second Cross  
Third Main, Industrial Suburb  
Yeshwantpur, Bengaluru – 560022  
Ph: +91 80 68951000  
Email: [info@gokaldasexports.com](mailto:info@gokaldasexports.com)  
Website: [www.gokaldasexports.com](http://www.gokaldasexports.com)

**Gourish Hegde**  
Company Secretary

## Additional details and other information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards:

### 1. Mr. Mathew Cyriac

Mr. Mathew Cyriac holds a Bachelor Degree in Engineering and an MBA from the Indian Institute of Management, Bangalore. He was awarded the IIMB Gold Medal for graduating at the top of his MBA class. Mr. Mathew Cyriac is the Chairman and Whole-Time Director of Florintree Advisors Private Limited. He was a Senior Managing Director at The Blackstone Group and has served as Co-Head of Private Equity at Blackstone Advisors India Private Limited till February 2017.

He has rich experience in Investment Banking and served at Bank of America and Tata Motors, some of the leading institutions in India. He also has served as Head Corporate Development Strategy of iGate Global Solutions Limited.

Name	Mr. Mathew Cyriac											
Age	55 years											
DIN	01903606											
Date of first appointment on Board, last drawn remuneration and number of Board meetings attended	<div>a. Mr. Mathew was appointed on the Board on February 21, 2008</div> <div>b. Except sitting fees for attending the Board meetings and committee meetings, he has not received any remuneration during the financial year 2023-24</div> <div>c. He has attended all five (5) Board meetings held during the financial year 2023-24.</div>											
Directorship in other listed entities, Membership of Committees of the Board and listed entities from which he has resigned in the past three years	<div><b>Directorship in other listed entities:</b></div> <div><div>1. Data Patterns (India) Limited</div><div>2. Ideaforge Technology Limited</div></div> <div><b>Membership of Committees of the Board:</b></div> <table><tr><th>Company</th><th>Committee memberships</th><th>Committee chairmanships</th></tr><tr><td>Data Patterns (India) Limited</td><td>Nomination and Remuneration Committee</td><td>Stakeholders Relationship Committee Corporate Social Responsibility Committee</td></tr><tr><td>Ideaforge Technology Limited</td><td>Audit Committee Nomination and Remuneration Committee</td><td>Stakeholders Relationship Committee</td></tr></table> <div><b>Listed entities from which he has resigned in the past three year:</b></div> <div><div>1. Allcargo Logistics Limited</div><div>2. MTAR Technologies Limited</div><div>3. Jyoti Structures Limited</div></div>			Company	Committee memberships	Committee chairmanships	Data Patterns (India) Limited	Nomination and Remuneration Committee	Stakeholders Relationship Committee Corporate Social Responsibility Committee	Ideaforge Technology Limited	Audit Committee Nomination and Remuneration Committee	Stakeholders Relationship Committee
Company	Committee memberships	Committee chairmanships										
Data Patterns (India) Limited	Nomination and Remuneration Committee	Stakeholders Relationship Committee Corporate Social Responsibility Committee										
Ideaforge Technology Limited	Audit Committee Nomination and Remuneration Committee	Stakeholders Relationship Committee										
Shareholding in the Company (including shareholding as a beneficial owner)	NIL											
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL											
Nature of expertise in specific functional areas	As per the profile											
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	As per the profile											
Key terms and conditions of appointment	Mr. Mathew Cyriac’s office as Director shall be subject to retirement by rotation.											
Remuneration proposed to be paid	He is entitled for sitting fees for attending the Board meetings / committee meetings and Commission, if approved, as detailed in 4 <sup>th</sup> item of the notice convening AGM.											

## 2. Mr. Prabhat Kumar Singh

Mr. Prabhat comes with four decades of experience in the apparel and textile sector and has a deep understanding of the apparel market. His vast experience includes working with the regulatory bodies for setting up new apparel manufacturing units, formulating recommendations to the Government on import-export policy, arranging joint ventures, and organizing fairs and exhibitions. Over the years, he also has developed extensive contacts with leading overseas buyers.

He has held several leadership positions in the textile industry as well as industry bodies like the Apparel Export Promotion Council (AEPC). Mr. Prabhat has steered the corporate development function of Gokaldas Exports Limited over the last 5 years and played a significant role in interfacing with the industry, and various regulatory authorities, including project implementation under the Government schemes, modernization, technology and infrastructure upgradation for textiles and funding support.

Mr. Prabhat was instrumental in setting up the new apparel manufacturing plant in Madhya Pradesh (Gokaldas Exports Acharpura Private Limited) and Tamil Nadu (Sri Susamyuta Knits Private Limited). He was extensively involved in driving the project from start to end, essentially constant engagement with the regulatory bodies for obtaining timely approvals helped the company to reach the timely completion. Over the years, his guidance, involvement, and contributions have been praiseworthy.

Prabhat graduated from Banaras Hindu University and completed his MBA from XLRI, Jamshedpur. He also holds a Diploma in International Marketing from Buckinghamshire College (UK).

Name	Mr. Prabhat Kumar Singh
Age	72 years
DIN	08275987
Date of first appointment on Board, last drawn remuneration and number of Board meetings attended	<p>a. Mr. Prabhat was first appointed on the Board on November 12, 2018.</p> <p>b. During the financial year 2023-24, Mr. Prabhat has received a remuneration amounting to ₹ 83.75 Lakhs..</p> <p>c. He has attended all five (5) Board meetings held during the financial year 2023-24.</p>
Directorship in other listed entities, Membership of Committees of the Board and listed entities from which he has resigned in the past three years	<p>Directorship in other listed entities: NIL</p> <p>Listed entities from which he has resigned in the past three year: NIL</p>
Shareholding in the Company (including shareholding as a beneficial owner)	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL
Nature of expertise in specific functional areas	As per the profile
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	As per the profile
Key terms and conditions of appointment	As detailed in 3 <sup>rd</sup> item of the notice convening AGM
Remuneration proposed to be paid	As detailed in 3 <sup>rd</sup> item of the notice convening AGM



**GOKALDAS EXPORTS LIMITED**

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