Preliminary Placement Document
Not for Circulation
Private and Confidential
Serial Number: [●]

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

gokaldas exports ltd.

GOKALDAS EXPORTS LIMITED

Gokaldas Exports Limited (our "**Company**" or the "**Issuer**") was incorporated as 'Gokaldas India Private Limited' on March 1, 2004, under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore ("**RoC**"). The name was changed to 'Gokaldas Exports Private Limited' pursuant to which a fresh certificate of incorporation was issued upon change of name on December 14, 2004, issued by the Registrar of Companies, Karnataka, Bangalore. Our Company became a public limited company, and the name of our Company was changed to 'Gokaldas Exports Limited' pursuant to a fresh certificate of incorporation consequent on change of name dated January 24, 2005, issued by the Registrar of Companies, Karnataka, Bangalore. For further details, see "*General Information*" on page 189.

Registered Office and Corporate Office: No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560 025 Karnataka, India.
CIN: L18101KA2004PLC033475

Telephone: +91 – 80 – 68951000 | **Facsimile**: +91 – 80 – 68951001 | **E-mail address:** info@gokaldasexports.com| **Website**: www.gokaldasexports.com

Our Company is issuing up to [●] equity shares of face value of ₹ 5 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share, aggregating to an amount up to ₹ [●] lakhs (the "**Issue**"). For further details, please see "*Summary of the Issue*" on page 25.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED ("COMPANIES ACT").

The Equity Shares of the Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" together with "**BSE**", the "**Stock Exchanges**"). The closing prices of the Equity Shares on the BSE and NSE on October 1, 2021, were ₹ 203.60 and ₹ 203.80 per Equity Share, respectively. The Company shall make applications for obtaining the listing and trading approvals for the Equity Shares offered through this Preliminary Placement Document on the Stock Exchanges. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of Equity Shares to be issued pursuant to the Issue have been received from each of the BSE and NSE, respectively on October 4, 2021. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Company or the Equity Shares.

THE COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBS IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND THE COMPANIES ACT. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY THE COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QIBS. YOU ARE NOT AUTHORISED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 38, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The information on the Company's website or any website directly or indirectly linked to the Company's website or on the respective websites of the Book Running Lead Manager (as defined hereinafter) or of their respective affiliates does not constitute or form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites. A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. The Company shall also make the requisite filings with the Registrar of Companies, Karnataka at Bangalore ("**RoC**"), each within the stipulated period as required under the Companies Act and PAS Rules. This Preliminary Placement Document has not been reviewed by SEBI, the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Qualified Institutional Buyers as defined in the SEBI ICDR Regulations ("**QIBs**"). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Preliminary Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "Issue Procedure" on page 149. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs, and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each Eligible QIB, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in 'offshore transactions' (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**") in reliance on Regulations S. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 164. See "*Transfer Restrictions*" on page 172 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

BOOK RUNNING LEAD MANAGER

JM FINANCIAL

JM Financial Limited

This Preliminary Placement Document is dated October 4, 2021.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document, and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries**.** and the Equity Shares offered in the Issue that is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company and its Subsidiaries and the Equity Shares are, in every material respect, true, accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to our Company, its Subsidiaries, and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Manager has made reasonable enquiries but have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its affiliates including any of their shareholders, associates, directors, officers, employees, counsel, representatives and/or agents make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager nor any of its affiliates including any of their shareholders, directors, officers, employees, counsel, representatives, agents as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on the Book Running Lead Manager or any of its affiliates including any of their shareholders, associates, directors, officers, employees, counsel, representatives, agents in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of the Group and the merits and risks involved in investing in the Equity Shares. Prospective investors should not construe the contents of this Preliminary Placement Document legal, tax, accounting or investment advice.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company and the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved, or recommended by the securities authority or other regulatory authority of any jurisdiction. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and* "*Transfer Restrictions*" on pages 1, 3, and 164, 172, respectively.

The distribution of this Preliminary Placement Document and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been nor will be taken by our Company or the Book Running Lead Manager which would permit an offering of the Equity Shares being offered in the Issue or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any other offering material in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in reliance on Regulations S. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" beginning on page 164.

The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in "Transfer Restrictions" on page 172.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as business, legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting, investment and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any offeree or subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber or purchaser under applicable laws or regulations.

Each investor, subscriber, offeree or purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and that it is eligible to invest in India and in the Company under applicable Indian law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and Rule 14 of the PAS Rules, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Preliminary Placement Document has been prepared for information purposes to this Issue only and upon the express understanding that it will be used for the purposes set forth herein. The Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof or thereof.

The information available on or through the Company's website, www.gokaldasexports.com, any website directly or indirectly linked to the website of the Company, or the respective websites of the Book Running Lead Manager, or their respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on the information contained in or available through any such websites. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

References to "you" or "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares offered in this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Manager, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or its Subsidiaries, its jointly controlled entity, which is not set forth in this Preliminary Placement Document.

2. You are a "**Qualified Institutional Buyer**", as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations / making necessary filings with appropriate regulatory authorities, including with the RBI, if any, in connection with this Issue or otherwise in relation to accessing the capital markets;

3. That you are eligible to invest in India under applicable law, including the RBI and FEMA Regulations (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise in relation to accessing capital markets in India;

4. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Regulations, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority or statutory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, as required pursuant to applicable laws;

   If you are an Eligible FPI as defined in this Preliminary Placement Document, you confirm that you will participate in this Issue only under and in conformity with Schedule II of FEMA Regulations. Further, you acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) and is not permitted to be 10% or above of the post-Issue paid-up capital of the Company on a fully diluted basis and further the aggregate limit for FPI investments shall not exceed the sectoral cap applicable to the Company;

5. You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, PAN and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

6. You are eligible to invest in and hold the Equity Shares of the Company in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign investments can only be made through the Government approval route, as prescribed in the FEMA Regulations;

7. If you are Allotted Equity Shares pursuant to this Issue, you shall not sell the Equity Shares so acquired for a period of one year from the date of Allotment (as defined hereinafter), except on the floor of the Stock Exchange. For additional restrictions in this regard, see "*Transfer Restrictions*" on page 172;

8. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified, or affirmed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been and

the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of the Company and the Stock Exchanges;

9. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities and complied and shall comply with all necessary formalities to enable you to commit to, and to participate in this Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

10. Neither the Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

11. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. None of the Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

12. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, and the Allotment shall be on a discretionary basis at the discretion of the Company in consultation with the Book Running Lead Manager;

13. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the SEBI Insider Trading Regulations, the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, and the rules made thereunder;

14. You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 164 and you hereby make the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 164 and 172, respectively;

15. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" on page 38;

16. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company and its Subsidiaries and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information as is publicly available and contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

17. Neither the Book Running Lead Manager nor any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including but not limited, to this Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

18. You are a sophisticated and informed investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to the Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by the Company of any of its respective obligations or any breach of any representations and warranties by the Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resell or distribute;

19. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account to make (and you hereby make) the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

20. You are not a 'promoter' of the Company (as defined under Section 2(69) of the Companies Act and the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (as defined hereinafter) does not directly or indirectly represent any Promoter or Promoter Group or persons or entities related thereto;

21. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of the Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

22. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

23. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

24. The Bid made by you would not eventually result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter);

25. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIB in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other QIB ; and

b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

26. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals from the Stock Exchange, and that there can be no assurance that such approvals will be obtained on time or at all. Neither the Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

27. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

28. You are aware that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager;

29. You are aware that the pre-Issue and post-Issue shareholding pattern of the Company, as required by the SEBI Listing Regulations, will be filed by the Company with the Stock Exchanges;

30. You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that the Company shall make necessary filings with the RoC as may be required under the Companies Act;

31. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by the Company;

32. The contents of this Preliminary Placement Document are exclusively the responsibility of the Company and that neither the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Manager or the Company or any other person and neither the Book Running Lead Manager nor the Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Manager or their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

33. Neither the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue,

including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

34. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the Application Form.

35. Any dispute arising in connection with this Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in Mumbai, India, shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Preliminary Placement Document;

36. Either (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents with regard to the Company or this Issue; or (ii) if you have participated in or attended any Company presentations; (a) you understand and acknowledge that the Book Running Lead Manager may not have the knowledge of the statements that the Company or its agents may have made at such Company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Manager have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

37. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the section "*Selling Restrictions*" on page 164.

38. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue. You agree to indemnify and hold the Company and the Book Running Lead Manager and their respective shareholders, directors, officers, employees, counsels, representative, agents or affiliates and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts; and

39. The Company, the Book Running Lead Manager, their respective affiliates, shareholders, directors, officers, employees, agents, counsels, officers, representative and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Manager on their own behalf and on behalf of the Company and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, including in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), as amended, FPIs, including the affiliates of the Book Running Lead Manager, who are registered as category I FPI can issue, subscribe and otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. As per the SEBI circular bearing no. CIR/IMD/FIIC/ 20 /2014, dated November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having common ownership of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI, and offshore derivative instruments investments held in the underlying company. Pursuant to a circular dated November 5, 2019, SEBI has issued certain operational guidelines to facilitate implementation of the SEBI FPI Regulations.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company. The Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Manager and do not constitute any obligations of or claims on the Book Running Lead Manager. Respective affiliates of the Book Running Lead Manager which are eligible FPIs may purchase the Equity Shares in this Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(i) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(ii) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

(iii) take any responsibility for the financial or other soundness of our Company, the promoter of our Company, its management or any scheme or project of the Company.

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares, may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Data

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular “financial year”, “fiscal year”, “fiscal” or “FY” are to the twelve-month period ended on March 31 of that year.

Our Audited Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements prepared in accordance with Ind AS are included in this Preliminary Placement Document in “*Financial Information*” beginning on page 191.

Our Company publishes its financial statements in Indian Rupees (₹). The following financial statements of our Company have been included in this Preliminary Placement Document:

1. Unaudited Condensed Consolidated Interim Financial Statements as at and for the three-month period June 30, 2021, prepared under recognition and measurement principles of Ind AS-34. These financial statements are preliminary financial statements and only a condensed set of consolidated financial statements together with comparative financial information with respect to three-month period ended June 30, 2020 can provide a fair presentation of the state of affairs (financial position) of the Company, profit or loss (financial performance including other comprehensive income), cash flows and the changes in equity.

2. Audited Consolidated Financial Statements for the financial year ended March 31, 2021, March 31, 2020, and March 31, 2019, are prepared under Ind AS.

In this Preliminary Placement Document, certain monetary thresholds have been subjected to rounding off adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

All financial and statistical information in this Preliminary Placement Document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs, unless stated otherwise.

Certain conventions

Unless otherwise specified, all references to “India” in this Preliminary Placement Document are to the Republic of India, together with its territories and possessions and all references to the “US”, the “USA”, the “United States” or the “U.S.” are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

In this Preliminary Placement Document, unless the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors”, “prospective investors” and “potential investor” are to the prospective investors in the Issue, references to “the Company” or “the Issuer” or “our Company” are to Gokaldas Exports Limited and references to or “we”, “us” or “our” are to the Company and its Subsidiaries , unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, all references to “Indian Rupees”, “₹”, “INR”, “`” and “Rs” are to Indian Rupees, the official currency of the Republic of India. All references to “U.S. dollars”, “USD” and “U.S.$” are to United States dollars, the official currency of the United States of America. Further, all reference to “Great Britain Pound”, “GBP” and “£” the official currency of the United Kingdom and all references to “EURO”, “€” and “EUR”, the official currency of the European Union.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Preliminary Placement Document have been presented in lakhs or whole numbers, unless stated otherwise. Except otherwise specified, our Company has presented certain numerical information in this Preliminary Placement Document in “million” units. One million represents 1,000,000.

Non-GAAP Financial Measures

In evaluating our business, we consider and use non-GAAP financial measures such as EBITDA, Interest Coverage Ratio and EBITDA margin to review and assess our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. EBITDA, Interest Coverage Ratio and EBITDA margin for our Company may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included EBITDA, Interest Coverage Ratio and EBITDA margin because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. EBITDA and EBITDA margin should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS. We believe that the inclusion of supplementary adjustments applied in the presentation of our EBITDA, Interest Coverage Ratio and EBITDA margin are appropriate because it is a more indicative measure of our baseline performance as it excludes certain charges that our Company’s management considers to be outside our core operating results. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in “Financial Information” on page 191.

Financial and other Information

Our Audited Consolidated Financial Statements, prepared in accordance with Ind AS and the Companies Act 2013 together with the audit reports issued by the Company’s auditor MSKA & Associates, Chartered Accountants, for the respective financial years, are included in this Preliminary Placement Document

Our Unaudited Condensed Consolidated Interim Financial Statements for the three-month ended June 30, 2021, prepared in accordance with recognition and measurement principles of Ind AS-34 prescribed under Section 133 of the Companies Act 2013, and subjected to limited review by MSKA & Associates, Chartered Accountants, are included in this Preliminary Placement Document. These financial statements are preliminary financial statements and only a condensed set of consolidated financial statements together with comparative financial information can provide a fair presentation of the state of affairs (financial position) of the Company, profit or loss (financial performance including other comprehensive income), cash flows and the changes in equity.

Unless otherwise indicated or the context requires otherwise, all financial data in this Preliminary Placement Document pertaining to the consolidated financial statements for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and for three months ended June 30, 2021, are derived from the respective Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements, as may be applicable and not derived from the comparative data for such respective financial year. Accordingly, the degree to which the financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

In this Preliminary Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to the business of our Company contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which our Company competes.

Unless stated otherwise, industry data used throughout this Preliminary Placement Document has been obtained or derived from the report titled "*Assessment of the Textile Industry"* dated September 2021 ("**CRISIL Report**"), which is a report commissioned by our Company from CRISIL Limited ("**CRISIL**").

In this context, please note that we have relied on the CRISIL Report. This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Information included in this Preliminary Placement Document from CRISIL Report is subject to the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Gokaldas Exports Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."*

This data is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Company nor the Book Running Lead Manager has independently verified this data, nor do they make any representation regarding the accuracy of such data. Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

Further, the extent to which the industry and market data presented in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 38. Accordingly, investment decisions should not be based on such information.

FORWARD LOOKING STATEMENTS

This Preliminary Placement Document contains certain "forward-looking statements". These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "could", "may", "potential", "will pursue" and similar expressions or variations of such expressions.

All statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans, objectives, strategies, goals and prospects are forward-looking statements.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could prove to be inaccurate. Further, the actual results may differ materially from those suggested by the forward-looking statements.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- export of readymade garments constitutes a significant portion of our business for which we do not have long-term sales contracts;
- any failure in our quality control processes;
- our inability to respond to changing trends owing to changing fast fashions and consumer preferences;
- our dependence on a limited number of customers for a significant portion of our export revenues;
- exposure to risk associated with social unrest, natural disaster or breakdown of services and utilities in the areas in which our facilities are located;
- our inability to meet our obligations, including financial and other covenants under our credit facilities
- our inability to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business;
- exposure of risks associated with strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees;
- our inability to manage our working capital requirements

For further discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*" and the chapters "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 38, 123, 111 and 74, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, the Directors, the Book Running Lead Manager, nor any of their respective affiliates or associates, have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not realise.

If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company incorporated with limited liability under the laws of India. All of our Directors are residents of India. All of our Company's key managerial personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon by the same parties or between parties under whom they or any of them claim to be litigating under the same title, except: (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; and (f) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. The suit must be brought in India within three (3) years from the date of the judgment by a court in the United States in the same manner as any other suit filed to enforce a civil liability in India.

Under Section 14 of the Civil Procedure Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code can be enforced in India (i) by instituting execution proceedings; or (ii) by instituting a suit on such judgment.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that Section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. Under the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

Among others, each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a foreign court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India may be required to obtain prior approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees (₹) on the date of judgment and not on the date of payment.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Indian Rupee and foreign currencies will affect the foreign currency equivalent of the Indian Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees (₹) on the Equity Shares.

The following table sets forth information concerning exchange rates between the Indian Rupee and the U.S. dollar (in ₹ per US$) and the Indian Rupee and the Euro (in ₹ per Euro), for or as of the end of the periods indicated. The exchange rates are based on the reference rates released by RBI / FBIL which are available on their respective websites. No representation is made that any Indian Rupee amounts could have been, or could be, converted into U.S. dollars or Euro at any particular rate, the rates stated below, or at all. No representation is made that the Rupee amounts actually represent such U.S. dollar or Euro amounts or could have been or could be converted into U.S. Dollar or Euro at the rates indicated, at any other rate, or at all.

1. **U.S. Dollar**

(₹ per US$)

	Period End*	**Average****	**High*****	**Low******
Fiscal:				
2021	73.50	74.20	76.81	72.29
2020	75.39	70.88	76.15	68.37
2019	69.17[2]	69.89	74.39	64.93
Month ended:				
August 31, 2021	73.15	74.18	74.43	73.15
July 30,2021	74.39	74.53	74.86	74.28
June 30,2021	74.35	73.56	74.37	72.77
May 31, 2021	72.52	73.27	74.18	72.48
April 30,2021	74.02	74.47	75.17	73.31
March 31, 2021	73.50	72.79	73.50	72.29

(*Source: Financial Benchmarks of India Pvt Ltd (www.fbil.org.in) and Reserve Bank of India (www.rbi.org)*)

* *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
** *Average of the official rate for each Working Day of the relevant period.*
*** *Maximum of the official rate for each working day of the relevant period.*
**** *Minimum of the official rate for each working day of the relevant period.*

Note:
(1) High, low and average are based on the RBI reference rates and rounded off to two decimal places.
(2) Since March 31, 2019 and March 30, 2019, were Sunday and Saturday, respectively, reference rate considered is for March 29, 2019

2. **Euro**

(in ₹ per Euro)

	Period End*	**Average****	**High*****	**Low******
Fiscal:				
2021	86.10	86.67	90.31	81.50
2020	83.05	78.80	84.33	76.31
2019	77.70	81.33	85.90	77.60
Month ended:				
August 31, 2021	86.53	87.35	88.32	86.53
July 30,2021	88.39	88.13	88.53	87.61
June 30,2021	88.50	88.66	89.42	88.08

	Period End*	Average**	High***	Low****
May 31, 2021	88.42	88.92	89.32	88.23
April 30,2021	89.69	89.20	90.51	86.30
March 31, 2021	86.10	86.72	88.59	85.31

(*Source: Financial Benchmarks of India Pvt Ltd (www.fbil.org.in) and Reserve Bank of India (www.rbi.org)*)

* *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
** *Average of the official rate for each Working Day of the relevant period.*
*** *Maximum of the official rate for each working day of the relevant period.*
**** *Minimum of the official rate for each working day of the relevant period.*

Note:

(1) High, low and average are based on the RBI reference rates and rounded off to two decimal places.

(2) *Since March 31, 2019, and March 30, 2019, were Sunday and Saturday, respectively, reference rate considered is for March 29, 2019.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "*Statement of Possible Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" and "*Financial Information*" beginning on pages 180 and 191, respectively, shall have the meaning given to such terms in such sections.

In this Preliminary Placement Document, unless the context otherwise indicates, all references to "Gokaldas", "the Company", "our Company" or "the Issuer" are to Gokaldas Exports Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at No.25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560022, Karnataka, India, and references to "we", "us" or "our" are to the Company and its Subsidiaries and Associates, unless otherwise specified.

Company Related Terms

Term	Description
Articles of Association/AoA/Articles	The articles of association of our Company, as amended from time to time
Audited Consolidated Financial Statements	The audited consolidated financial statements comprise of Balance Sheets as at March 31, 2021, March 31, 2020 and March 31, 2019, and consolidated statement of profit and loss and consolidated cash flow statements for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019, read along with the notes thereto of our Company prepared in accordance, Indian Accounting Standards ("**Ind AS**") and the Companies Act in respect of which report has been issued by the Company's Auditor MSKA & Associates, Chartered Accountants, for the respective financial years
Auditor/Statutory Auditors	The present statutory auditors of our Company, namely MSKA & Associates, for three months period ended June 30, 2021, and for the financial years 2021, 2020 and 2019, as the case may be.
Board of Directors/Board	The board of directors of our Company, including any duly constituted committees thereof
Total Expense	Total expense is sum of cost of materials consumed, changes in inventories of finished goods, and work in progress, employee benefits expense, other expense, depreciation and amortisation expense, and finance costs.
Debt Equity Ratio	Debt equity ratio means debt / equity. In the aforesaid debt includes short term borrowings, long term borrowings, and current maturities of long-term borrowings as per the financial statements and equity includes equity share capital, reserves and surplus and other equities as per the financial statements
Director(s)	The director(s) on the Board of our Company, as may be appointed from time to time
EBITDA	Profit before tax, interest and depreciation and amortization
EBITDA margin	Profit before tax, interest and depreciation and amortization divided by the total income *EBITDA and EBITDA Margin includes other income which majorly includes interest on bank deposits. The interest income earned on fixed deposits held as loan collateral, which if adjusted would bring down interest expense by an equivalent*

Term	Description
	amount.
Equity Shares	Equity shares of our Company of face value ₹ 5 each
ESOS Scheme(s)	The ESOS scheme of our Company namely ESOS Scheme – 2010 and the Restricted Stock Unit scheme issued by the Company, 2018.
Financial Statements	Audited Consolidated Financial Statements, and Unaudited Condensed Consolidated Interim Financial Statements
Group	Our Company and its Subsidiaries
Interest Coverage Ratio	Profit before tax and finance cost divided by the finance cost
Key Management Personnel	The key management personnel of our Company in accordance with the provisions of the Companies Act, 2013, as amended. For details, see "*Board of Directors and Senior Management*" beginning on page 135
Memorandum of Association/Memorandum/MoA	The memorandum of association of our Company, as amended from time to time
Promoter Group	Persons and entities constituting the promoter group of the Company, in accordance with the SEBI ICDR Regulations
Registered Office	No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560022, Karnataka, India
Subsidiary(ies)	Subsidiaries of our Company as per the Companies Act, as on the date of this Preliminary Placement Document are: • All Colour Garments Private Limited, • SNS Clothing Private Limited and • Vignesh Apparels Private Limited • Gokaldasexports Acharpura Private Limited
Unaudited Condensed Consolidated Interim Financial Statements	Unaudited Condensed Consolidated Interim Financial Statements as at and for the three-month period June 30, 2021, prepared under recognition and measurement principals of Ind AS. These financial statements are preliminary financial statements and only a complete set of consolidated financial statements together with comparative financial information for three month period end can provide a fair presentation of the state of affairs (financial position) of the Company, profit or loss (financial performance including other comprehensive income), cash flows and the changes in equity

Business and Issue Related Terms

Term	Description
Allocated/Allocation	Allocation of Equity Shares as determined by the Company, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by Eligible QIBs, in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable law
Allot/Allotment/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to the Issue
Allottees	Successful Bidders to whom Equity Shares are Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder submit a Bid for the Equity Shares in the Issue
Bid(s)	Indication of interest of a Bidder, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares to be issued pursuant to the Issue
Bid/Issue Closing Date	[●], which is the last date up to which the Application Forms will be accepted by our Company (or the Book Running Lead Manager, on behalf of our Company)
Bid/Issue Opening Date	October 4, 2021, the date on which our Company (or the Book Running

Term	Description
	Lead Manager on behalf of our Company) commenced acceptance of the Application Forms
Bidder	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of the serially numbered Preliminary Placement Document and the Application Form sent to it.
Bidding Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date inclusive of both dates during which Bidders could submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager or BRLM	JM Financial Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which has been finalised by our Company in consultation with the Book Running Lead Manager
Designated Date	The date of credit of Equity Shares to the demat accounts of successful Bidders
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable law, other than individuals, corporate bodies and family offices.
Eligible QIBs	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not restricted from participating in the Issue under the applicable laws, including Regulation 179(2) of the SEBI ICDR Regulations. In addition, QIBs, outside the United States in “offshore transactions” in reliance on Regulation S under the Securities Act. However, FVCIs are not permitted to participate in the Issue.
Escrow Agreement	Agreement dated October 4, 2021, entered into amongst our Company, the Escrow Banks and the Book Running Lead Manager for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Banks	HDFC Bank Limited and The Federal Bank Limited
Escrow Bank Accounts	The accounts titled Gokaldas Exports Limited- QIP Escrow opened with the Escrow Banks, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited.
Floor Price	The floor price of ₹ 194.58, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The Company may offer a discount on the Floor Price in accordance with the approval of the Shareholders accorded on September 17, 2021, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue	The issue and Allotment of [●] Equity Shares each at a price of [●] per Equity Share to Eligible QIBs, including a premium of [●] per Equity Share, aggregating to an amount up to [●] lakhs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder
Issue Price	[●] per Equity Share
Issue Size	The aggregate size of the Issue, which is up to [●] lakhs
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Placement Agreement	Placement agreement dated October 4, 2021 entered into between our Company and the Book Running Lead Manager
Placement Document	Placement document to be issued in accordance with Chapter VI of the

Term	Description
	SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder, as amended
Preliminary Placement Document	This preliminary placement document dated October 4, 2021 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013, as amended
Pricing Date	The date of determination of the number of Equity Shares to be placed through the Issue and the Issue Price for the same
QIBs or Qualified Institutional Buyers	Qualified institutional buyer, as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act read with the applicable provisions of the PAS Rules
Relevant Date	October 4, 2021, which is the date of the meeting of the Board of Directors of the Company or a duly authorised committee thereof on which it is decided to open the Issue

Conventional and General Terms/Abbreviations

Term	Description
₹/Rupees/INR/Rs.	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards
AY	Assessment year
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year	Year ending on December 31 of the relevant year
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CIBIL	TransUnion CIBIL Limited
CIN	Corporate identity number
Civil Procedure Code / C. P. C	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
Cr.P.C	Code of Criminal Procedure, 1973
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director identification number

Term	Description
EGM	Extraordinary general meeting
EPS	Earnings per share
ESOSs	Employee stock option scheme
EURO/ € / EUR	The official currency of the European Union (EU)
FBIL	Financial Benchmarks of India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. D/o IPP F. No. 5(1)/2017-FC-1, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended together with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal Year /Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
IND-AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Insolvency and Bankruptcy Code/ IBC	The Insolvency and Bankruptcy Code, 2016
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT Act/Income Tax Act	Income Tax Act, 1961, as amended
IT Rules	Income Tax Rules, 1962, as amended
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs
NA	Not applicable
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs
Non-Resident Indian/NRI	A person resident outside India, as defined in the FEMA (Deposit) Regulations, 2000
Notified Sections	The sections of Companies Act, 2013 that have been notified by the MCA and are currently in effect
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a	Per annum
PAN	Permanent account number allotted under the I.T. Act
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax

Term	Description
PPE	Personal Protective Equipment
Qualified Purchasers	Qualified purchasers as defined under Section 2(a)(51) of the U. S. Investment Company Act.
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Karnataka at Bangalore
RSU	Restricted Stock Unit
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SLR	Statutory liquidity ratio
State Government	The government of a state of the Union of India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U. S. Securities Act	U.S. Securities Act of 1933, as amended
U.K.	United Kingdom
US$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA/U.S./United States	United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

SUMMARY OF BUSINESS

We are a leading readymade garment manufacturer and exporter in India, engaged in the business of design, manufacture and sale of a wide range of readymade garments (outerwear, active wear and fashionwear) for men, women and kids, for all seasons. We cater to the needs of several leading international fashion brands and retailers. We export to more than 50 countries where our customers include prominent international brands. Our operations and facilities enable us to manufacture a wide variety of value-added readymade garments through our integrated operations comprising of garment designing, manufacturing and processing solutions for readymade garments. Our manufacturing facilities are complemented by our integrated ancillary units providing services like laundry, embroidery, printing, quilting and poly-wadding for the garments manufactured by our Company. Our manufacturing facilities are also supported by our large pool of manpower of 26,982 (full time) employees as on August 31, 2021. The principal source of revenue is from export of readymade garments and related products.

We believe our core competency lies in our clear understanding of the specifications of readymade garments, the buying preferences of our customers and our ability to deliver products of a consistent high quality and stringent compliance requirements of our international customers based out of, North America, South America, Europe, Africa, Oceania and Asian countries. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth.

Our Company and our Subsidiaries has 20 operating manufacturing facilities (with a capacity of 30 million pieces of garments in a year) out of which 18 are on leasehold basis, 2 are owned. 19 of our manufacturing facilities are located in Karnataka, and one in Andhra Pradesh. The wide range of infrastructure and machinery at our facilities for sewing, cutting, printing, embroidery and finishing of garments enable us to service our customers by fulfilling multiple bulk orders in a timely manner. Our design, testing, fitment and quality inspection laboratory helps us in delivering products of high quality that comply with the stringent standards set by our customers. Our in-house testing lab is accredited by some of our major customers. Our integrated manufacturing facilities set-up allows us to optimize our operations and service for our customers in a timely manner. Our modern printing and laundry unit set up is equipped with automatic machines and state-of-the-art imported equipment.

We believe that our ability of producing new designs and samples for our clients, and abilities to execute the designs developed by the customers, has helped us in enhancing our product portfolio and improving our adaptability to the latest trends. We have positioned ourselves as a multi-product and multi-market player ensuring that our products include a diverse mix of readymade garments which caters to both, domestic as well as the international markets.

We believe that we bring multiple capabilities to the customers, like trend forecasting, product engineering, fashion designing, optimised manufacturing and innovations. We focus on the manufacture of complex products and designs that insulate it from price-based competition on the one hand, while enhancing its respect on the other. We also invested in world-class design capability, extending its customer engagement from manufacture to consulting and implementation. Our customers, who significantly contribute to our revenues, have had long-term relationships with us. Our long-standing relationship with the major customers has been one of the most important factors contributing to its growth and persistent relevance. Commitment to quality and dedication towards customer service have been the corner stones of the Company’s brand value. Nearly 38% of our total sales (excluding one-off sales such as PPE and others) are derived from customer with whom we have ten or more years of association.

Our strong focus on quality has helped us become the preferred vendor of choice for certain of our large international customers. In recognition of our high quality of manufacturing operations, we have been recognised as preferred and reliable business partner by many global leading brands. We have received recognition from Apparel Export Promotion Council, Ministry of Textiles, Govt. of India, New Delhi.

Our total income was ₹ 1,22,293. 69 lakhs, ₹ 1,38,722.62 lakhs and ₹ 1,19,619.62 lakhs for the Fiscal 2021, 2020, 2019, respectively, on a consolidated basis. For the three-month period ended June 30, 2021, our total income was ₹ 24,298.73 lakhs on a consolidated basis. The following table gives the break-up of our total revenue on a consolidated basis.

(*in ₹ lakhs*)

Particulars	FY 2019		FY 2020		FY 2021		Three-month period ended June 30, 2021	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Revenue from operations (net) (A)	1,17,451.91	98.19%	1,37,094.85	98.83%	1,21,072.73	99.00%	24,096.66	99.17%
Other Income (B)	2,167.71	1.81%	1,627.77	1.17%	1,220.96	1.00%	202.07	0.83%
Total (A+B)	**1,19,619.62**	**100.00%**	**1,38,722.62**	**100.00%**	**1,22,293.69**	**100.00%**	**24,298.73**	**100.00%**

The following table gives the break-up of our total sale of finished goods on a consolidated basis

(*in ₹ lakhs*)

Particulars	FY 2019		FY 2020		FY 2021		Three-month period ended June 30, 2021	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Sale of finished goods								
Exports (A)	90,787.79	83.77%	1,03,212.67	80.52%	94,173.84	82.21%	19,180.83	88.04%
Domestic(B)	17,596.06	16.23%	24,973.08	19.48%	20,372.42	17.79%	2,605.39	11.96%
Total(A+B)	**1,08,383.85**	**100.00%**	**1,28,185.75**	**100.00%**	**1,14,546.26**	**100.00%**	**21,786.22**	**100.00%**

The following table gives EBITDA, EBITDA Margin and PAT on a consolidated basis:

(In ₹ lakhs)

Particulars	FY 2019	FY 2020	FY 2021	Three-month period ended June 30, 2021
EBITDA	8,347.77	10,209.16	11,369.53	1,993.78
EBITDA Margin	6.98%	7.36%	9.30%	8.21%
PAT	2,557.96	3,038.71	2,649.16	-255.22

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" beginning on pages 38, 67, 162, 149 and 176 respectively.

Issuer	Gokaldas Exports Limited
Face Value	₹5 per Equity Share
Floor Price	The floor price calculated on the basis of Regulation 176 of Chapter VI of the SEBI ICDR Regulations is ₹ 194.58 per Equity Share. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations.
Issue Price	[●] per Equity Share
Issue Size	The issue of [●] Equity Shares, aggregating to an amount up to [●] lakhs
Date of Board Resolution	August 24, 2021
Date of Shareholders' Resolution	September 17, 2021
Eligible Investors	Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179 of the SEBI ICDR Regulations or restricted from participating in this Issue under the SEBI ICDR Regulations. See "*Issue Procedure – Qualified Institutional Buyers", "Selling Restrictions" and "Transfer Restrictions*" on pages 153, 164 and 172, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Manager in consultation with the Company, at their sole discretion.
Depositories	NSDL and CDSL
Dividend	See "*Description of Equity Shares*", "*Dividend Policy*" and "*Statement of Possible Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on pages 176, 73 and 180, respectively.
Indian Taxation	See "*Statement of Possible Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on page 180.
Equity Shares issued and outstanding immediately prior to the Issue	43,415,663 Equity Shares of ₹ 5 each
Equity Shares issued and outstanding immediately after the Issue	Immediately after the Issue, [●] Equity Shares will be issued and outstanding.
Listing	Our Company has obtained in-principle approvals each dated October 4, 2021, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue, from NSE and BSE, respectively. Our Company shall make an application to each of the Stock Exchanges after Allotment to obtain listing and trading approvals for the Equity Shares
Transferability Restrictions	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one (1) year from the date of Allotment, except on the Stock Exchanges. For details in relation to other transfer restrictions, see "*Transfer Restrictions*" beginning on page 172
Use of Proceeds	The gross proceeds from the Issue are ₹ [●] lakhs. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue,

	will be for an amount up to ₹ [●] lakhs. See "*Use of Proceeds*" beginning on page 67 for additional information	
Risk Factors	See "*Risk Factors*" beginning on page 38 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares	
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●]	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders of our Company may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held	
Voting Rights	See "*Description of Equity Shares – Voting Rights*" beginning on page 176	
Security Codes for the Equity Shares	ISIN	INE887G01027
	BSE Code	532630
	NSE Code	GOKEX

SUMMARY FINANCIAL INFORMATION

The following summary financial information and other data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements, including the notes thereto and the reports thereon, which appear in "Financial Information" beginning on page 191. The summary financial information set forth below is derived from the Audited Consolidated Financial Statements as of and for the financial years ended March 31, 2021, 2020 and 2019 and the Unaudited Condensed Consolidated Interim Financial Statements for the three-month period ended June 30, 2021, prepared under recognition and measurement principals of Ind AS. The previous year's figures have been regrouped/reclassified, wherever necessary to confirm to the current period/ year's classification.

Consolidated Balance Sheet

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2019
ASSETS			
Non- current assets			
Property, plant and equipment	12,531.40	12,713.18	10,553.92
Capital work-in-progress	-	78.98	144.76
Right-of-use assets	11,016.15	4,308.06	-
Other intangible assets	190.11	220.06	184.69
Financial assets			
Investments	0.29	0.29	0.29
Loans	2,886.52	3,472.76	2,306.59
Other financial assets	14,707.82	13,907.58	13,246.57
Deferred tax assets	680.90	74.19	-
Non-current tax assets (net)	664.62	1,206.28	1,315.78
Other non-current assets	336.21	204.01	428.56
Total non-current assets	**43,014.02**	**36,185.39**	**28,181.16**
Current assets			
Inventories	25,920.02	28,924.05	26,268.72
Financial assets			
Investments	3,680.89	3,551.45	-
Trade receivables	17,983.76	14,353.04	16,170.02
Cash and cash equivalents	1,526.19	1,229.28	1,118.75
Other financial assets	1,464.14	671.65	2,122.01
Other current assets	5,402.89	7,557.00	6,477.05
Total current assets	**55,977.89**	**56,286.47**	**52,156.55**
Assets classified as held for sale	-	-	595.22
Total assets	**98,991.91**	**92,471.86**	**80,932.93**

Gokaldas Exports Limited

Consolidated Balance Sheet

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	**As at**	**As at**	**As at**
	March 31, 2021	**March 31, 2020**	**March 31, 2019**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2,144.78	2,141.28	2,140.78
Other equity	26,861.99	20,520.05	21,897.49
Total equity	**29,006.77**	**22,661.33**	**24,038.27**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	1,884.27	-	-
Lease liabilities	8,555.17	2,946.02	-
Provision for employee benefits	527.00	455.3	412.32
Total non-current liabilities	**10,966.44**	**3,401.32**	**412.32**
Current liabilities			
Financial liabilities			
Borrowings	31,995.26	39,095.07	38,070.07
Trade payables			
Total outstanding dues of micro, small and medium enterprises	51.71	24.39	18.62
Total outstanding dues of creditors other than micro, small and medium enterprises	11,119.99	11,404.59	8,553.82
Lease liabilities	2,773.56	2,120.45	-
Other current financial liabilities	9,047.59	9,711.83	6,031.16
Other current liabilities	906.94	1,008.93	895.89
Provision for employee benefits	2,785.86	3,043.95	2,592.78
Current tax liability (net)	337.79	-	-
Total current liabilities	**59,018.70**	**66,409.21**	**56,162.34**
Liabilities directly associated with assets classified as held for sale		-	320
Total equity and liabilities	**98,991.91**	**92,471.86**	**80,932.93**

Gokaldas Exports Limited
Consolidated Statement of Profit and Loss
(All amounts in ₹ in lakhs, except stated otherwise)

	Particulars	March 31, 2021	March 31, 2020	March 31, 2019
I	**Income**			
	Revenue from operations	1,21,072.73	1,37,094.85	1,17,451.91
	Other income	1,220.96	1,627.77	2,167.71
	Total income	**1,22,293.69**	1,38,722.62	**1,19,619.62**
II	**Expenses**			
	Cost of raw materials and components consumed	56,562.36	69,609.75	59,053.49
	Changes in inventories of finished goods and work-in-progress	3,941.80	-414.71	-6,727.61
	Employee benefits expense	37,156.38	46,742.44	39,495.52
	Finance costs	3,446.23	3,682.47	3,290.94
	Depreciation and amortization expenses	5,261.50	5,481.92	1,922.36
	Job work charges	1,203.70	1,063.87	1,549.87
	(Gain)/loss on account of foreign exchange fluctuations (net)	155.96	(1,292.81)	-
	Other expenses	11,903.96	12,804.92	17,900.58
	Total expenses	**1,19,631.89**	1,37,677.85	**1,16,485.15**
III	**Profit/(Loss) before exceptional items and tax (I-II)**	**2,661.80**	**1,044.77**	**3,134.47**
IV	**Exceptional items**	**-**	-1,993.94	626.56
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**	**2,661.80**	**3,038.71**	**2,507.91**
VI	**Tax expenses**			
	Current tax	685.9	74.19	-
	Adjustment of tax relating to earlier years	7.64	-	-50.05
	Deferred tax (credit)/charge	-680.9	-74.19	-
		12.64	**-**	**-50.05**
VII	**Profit/(Loss) after tax for the period (V-VI)**	**2,649.16**	**3,038.71**	**2,557.96**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plan	165.69	-196.65	-175.31
	Income tax effect	-	-	-
	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)	3,006.78	-3,401.95	1,450.71
	Total other comprehensive income/ (loss) for the year, net of tax	**3,172.47**	**-3,598.60**	**1,275.40**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**	**5,821.63**	**-559.89**	**3,833.36**

Gokaldas Exports Limited
Consolidated cash flow statement
All amounts in ₹ in lakhs, except stated otherwise

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Cash flow from operating activities			
Profit before exceptional items and tax	**2,661.80**	**1,044.77**	**3,134.47**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses	5,261.50	5,481.92	1,922.36
Net loss/(gain) on disposal of property, plant and equipment	-61.39	-43.47	-59.27
Foreign exchange loss/(gain), net unrealised	-189.10	232.37	-74.19
Gain on sale of investments in mutual fund units	-143.76	-168.24	-173.18
Income from government grants	-158.17	-570.37	-300.18
Share based payment expenses	520.31	703.91	285.06
Provision no longer required, written back	-	-5.17	-173.10
Irrecoverable balances written off	84.00	-	565.93
Provision for doubtful deposits and advances	-	-	-30.00
Provision for doubtful debts	813.77	514.01	327.73
Export Incentives Receivables written off	-	-610.84	-
Interest income	-744.66	-973.32	-1,135.29
Finance costs	3,446.23	3,682.47	3,290.94
Operating profit/(loss) before working capital changes	**11,490.53**	**9,288.04**	**7,641.28**
Changes in operating assets and liabilities:			
(Increase)/ decrease in loans	-103.03	-1,136.58	339.35
(Increase)/ decrease in other financial assets	-38.42	0.48	15.05
(Increase)/ decrease in other assets	1,707.71	-1,397.36	121.98
(Increase)/ decrease in inventories	3,004.03	-2,655.33	-8,466.34
(Increase)/ decrease in trade receivables	-4,665.08	1,666.33	5,018.35
Increase/ (decrease) in provisions for employee benefits	-20.70	297.50	384.63
Increase/ (decrease) in trade payables	-32.39	2,847.65	-1,015.68
Increase/ (decrease) in other financial liabilities	325.59	820.60	662.21
Increase/ (decrease) in other liabilities	-57.50	93.62	20.01
	11,610.74	**9,824.95**	**4,720.84**
Direct taxes refunded/ (paid) (net of refund/payments)	260.10	35.31	393.15
Net cash flows from/ (used in) operating activities (A)	**11,870.84**	**9,860.26**	**5,113.99**

Gokaldas Exports Limited
Consolidated cash flow statement
All amounts in ₹ in lakhs, except stated otherwise

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	-3,622.12	-3,775.39	-2,442.06
Proceeds from sale of property, plant and equipment	214.25	2,994.88	209.71
Investments in bank deposits	-14,703.28	-13,684.42	-13,220.78
Redemption of bank deposits	13,911.01	13,022.50	14,093.84
Investment in mutual funds	-1,599.92	-8,800.00	-6,700.00
Proceeds from sale of investment in mutual funds	1,614.24	5,416.79	6,873.18
Interest income received	963.63	966.25	1,190.44
Net cash flows from/ (used in) investing activities (B)	**-3,222.19**	**-3,859.39**	**4.33**
Cash flow from financing activities			
Proceeds from issue of shares/exercise of share options	3.50	3.22	6,829.47
Proceeds of short-term borrowings	1,68,326.26	1,98,223.23	1,73,724.71
Repayment of short-term borrowings	-1,71,088.69	-1,95,973.11	-1,82,795.97
Payment of lease liabilities	-3,008.25	-3,860.41	-
Finance costs paid	-2,856.05	-2,860.35	-3,450.04
Net cash flows from/ (used in) financing activities (C)	**-8,623.23**	**-4,467.42**	**-5,691.83**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	25.42	1,533.45	-573.51
Cash and cash equivalents at the beginning of the year	-946.04	-2,479.49	-1,905.98
Cash and cash equivalents at the end of the year	**-920.62**	**-946.04**	**-2,479.49**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	1,526.19	1,229.28	1,118.75
Bank overdraft	-2,446.81	-2,175.32	-3,598.24
Balances per statement of cash flows	**-920.62**	**-946.04**	**-2,479.49**

Gokaldas Exports Limited

Consolidated Balance Sheet

All amounts in ₹ in lakhs, except stated otherwise

Particulars	**As at**	**As at**
	June 30, 2021	**March 31, 2021**
ASSETS		
Non- current assets		
Property, plant and equipment	12,814.24	**12,531.40**
Capital work-in-progress	0.20	**-**
Right-of-use assets	11,104.19	**11,016.15**
Other intangible assets	187.39	**190.11**
Financial assets		
Investments	0.29	**0.29**
Other financial assets	17,813.82	17,594.34
Deferred tax assets	680.90	680.90
Non-current tax assets (net)	769.34	664.62
Other non-current assets	635.81	336.21
Total non-current assets	**44,006.18**	**43,014.02**
Current assets		
Inventories	33,234.45	25,920.02
Financial assets		
Investments	3,710.40	3,680.89
Trade receivables	7,301.24	17,983.76
Cash and cash equivalents	427.04	1,526.19
Other financial assets	1,113.60	1,464.14
Other current assets	6,378.00	5,402.89
Total current assets	**52,164.73**	**55,977.89**
Assets classified as held for sale	-	-
Total assets	**96,170.91**	**98,991.91**

Gokaldas Exports Limited

Consolidated Balance Sheet

All amounts in ₹ in lakhs, except stated otherwise

Particulars	**As at**	**As at**
	June 30, 2021	**March 31, 2021**
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	2,144.78	2,144.78
Other equity	26,055.66	26,861.99
Total equity	**28,200.44**	**29,006.77**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	3,031.72	1,884.27
Lease liabilities	8,636.45	8,555.17
Provision for employee benefits	527.12	527.00
Total non-current liabilities	**12,195.29**	**10,966.44**
Current liabilities		
Financial liabilities		
Borrowings	29,396.42	34,637.43
Trade payables		
Total outstanding dues of micro, small and medium enterprises	87.87	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises	12,443.89	11,119.99
Lease liabilities	2,916.64	2,773.56
Other current financial liabilities	7,139.26	6405.42
Other current liabilities	769.43	906.94
Provision for employee benefits	3,021.67	2,785.86
Current tax liability (net)	-	337.79
Total current liabilities	**55,775.18**	**59,018.70**
Liabilities directly associated with assets classified as held for sale	-	-
Total equity and liabilities	**96,170.91**	**98,991.91**

Gokaldas Exports Limited

Consolidated Statement of Profit and Loss

All amounts in ₹ in lakhs, except stated otherwise

	Particulars	June 30, 2021	June 30, 2020
I	**Income**		
	Revenue from operations	24,096.66	23,391.08
	Other income	202.07	338.55
	Total income	**24,298.73**	**23,729.63**
II	**Expenses**		
	Cost of raw materials and components consumed	13,539.88	11,186.40
	Purchases of stock-in-trade	171.90	-
	Changes in inventories of finished goods and work-in-progress	-2,320.23	-113.04
	Employee benefits expense	8,571.00	7,402.46
	Finance costs	1,006.54	979.43
	Depreciation and amortization expenses	1,242.46	1,296.62
	Job work charges	146.20	402.32
	(Gain)/loss on account of foreign exchange fluctuations (net)	-635.87	688.35
	Other expenses	2,832.07	2,313.06
	Total expenses	**24,553.95**	**24,155.60**
III	**Profit/(Loss) before exceptional items and tax (I-II)**	**-255.22**	**-425.97**
IV	**Exceptional items**	**-**	**-**
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**	**-255.22**	**-425.97**
VI	**Tax expenses**		
	Current tax	-	-
	Adjustment of tax relating to earlier years	-	-
	Deferred tax (credit)/charge	-	-
VII	**Profit/(Loss) after tax for the period (V-VI)**	**-255.22**	**-425.97**
VIII	**Other comprehensive income/ (loss) (net of tax)**		
	Items that will not be reclassified to profit or loss in subsequent periods:		
	Re-measurement gains/ (losses) on defined benefit plan	75.75	75.75
	Income tax effect	-	-
	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)	-650.18	1,015.34
	Total other comprehensive income/ (loss) for the year, net of tax	**-574.43**	**1,091.09**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**	**-829.65**	**665.12**

Gokaldas Exports Limited

Consolidated cash flow statement

All amounts in ₹ in lakhs, except stated otherwise

Particulars	June 30, 2021	June 30, 2020
Cash flow from operating activities		
Profit before exceptional items and tax	**-255.22**	**-425.97**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,242.46	1,296.62
Net loss/(gain) on disposal of property, plant and equipment	-	-4.96
Foreign exchange loss/(gain), net unrealised	70.95	-11.90
Gain on sale of investments in mutual fund units	-29.51	-42.27
Income from government grants	-115.72	-
Share based payment expenses	18.19	179.49
Provision for doubtful debts	203.47	350.75
Interest income	-134.13	-252.78
Finance costs	1,006.54	979.43
Operating profit/(loss) before working capital changes	**2,007.03**	**2,068.41**
Changes in operating assets and liabilities:		
(Increase)/ decrease in other financial assets	-469.31	-43.06
(Increase)/ decrease in other assets	-964.47	410.35
(Increase)/ decrease in inventories	-7,314.43	667.29
(Increase)/ decrease in trade receivables	10,380.71	2,256.13
Increase/ (decrease) in provisions for employee benefits	311.68	226.29
Increase/ (decrease) in trade payables	1,360.06	-447.49
Increase/ (decrease) in other financial liabilities	91.20	-526.31
Increase/ (decrease) in other liabilities	-137.51	-329.15
	5,264.96	**4,282.46**
Direct taxes refunded/ (paid) (net of refund/payments)	-442.51	312.26
Net cash flows from/ (used in) operating activities (A)	**4,822.45**	**4,594.72**
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	-538.76	-2,530.59
Proceeds from sale of property, plant and equipment	-	8.91
Investments in bank deposits	-3,650.32	-3,588.72
Redemption of bank deposits	3,492.61	3,550.88
Interest income received	210.93	335.59
Net cash flows from/ (used in) investing activities (B)	**-485.54**	**-2,223.93**
Cash flow from financing activities		
Proceeds from issue of shares/exercise of share options	5.13	-
Proceeds of short-term borrowings	44,373.14	34,120.69
Repayment of short-term borrowings	-47,261.83	-34,754.33
Payment of lease liabilities	-752.69	-788.53
Particulars	**June 30, 2021**	**June 30, 2020**

Finance costs paid	-622.33	-324.24
Net cash flows from/ (used in) financing activities (C)	**-4,258.58**	**-1,746.41**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	78.33	624.38
Cash and cash equivalents at the beginning of the year	-920.62	-946.04
Cash and cash equivalents at the end of the year	**-842.29**	**-321.66**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	427.04	2,461.86
Bank overdraft	-1,269.33	-2,783.52
Balances per statement of cash flows	**-842.29**	**-321.66**

RELATED PARTY TRANSACTION

For details in relation to the related party transactions entered into by our Company during Fiscals 2021, 2020 and 2019, as per the requirements under Ind AS 24 'Related party disclosures', as applicable and notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported see "*Financial Information – Related Party Transaction*" on pages 203, 261, 324 and 380.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, or the industry and segments in which we operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations, cash flows or prospects. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Summary Financial Information" on pages 123, 74, 111 and 27, respectively, contained in this Preliminary Placement Document. If anyone or combination of the risks described below or other risks that are currently not known or are currently deemed immaterial actually occur, any of our business, financial condition, results of operations, cash flows or prospects could be adversely affected, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Preliminary Placement Document also contains forward-looking statements that involve risks assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see "Forward-Looking Statements" on page 13.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future. Unless otherwise stated, the financial information of our Company and our Subsidiaries, collectively the "Group", used in this section has been derived from our Audited Consolidated Financial Statements for fiscals 2019, 2020 and 2021 and our Unaudited Condensed Consolidated Interim Financial Statements for the three months ended June 30, 2021, prepared in accordance with Indian Accounting Standards. Data included in this section in relation to certain operating metrics, financial information not otherwise included in the Unaudited Condensed Consolidated Interim Financial Statements and the Audited Consolidated Financial Statements and certain business information and data have been reviewed and verified by SSB & Associates, Chartered Accountants.

Certain information in this section is derived from the CRISIL Report. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor the BRLM, nor any other person connected with the Issue has verified the third-party and industry related information in the CRISIL Report. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. They may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. Thus, neither our Company nor the Book Running Lead Manager can assure you of the correctness, accuracy and completeness of such data. Prospective investors are advised not to unduly rely on the CRISIL Report when making their investment decision. For further details, see "Industry Overview" and "Our Business" on pages 111 and 123, respectively.

A. Risk Factors Relating to Our Business

1. Export of garments constitutes a significant portion of our business for which we do not have long-term sales contracts. With the absence of a long-term sales contract, there is no guarantee of continued business from the customers each year.

Our export business for readymade garments constitutes a significant portion of our business. Our business of export of garments (including duty drawback and other export incentives) constitutes 85.33%, 80.86%, 79.22%, and 81.39% of our total revenues for the three months ended June 30, 2021, Fiscals 2021, 2020 and 2019, respectively on a consolidated basis.

Typically, we do not enter into long-term sales contracts with any of our export customers for readymade garments. We execute sales orders based on the purchase orders received from customers and manufacture our products to meet the requirements of our customers, as specified by them, in the purchase orders. Our customers generally place their orders at the start of each season. However, since we do not enter into long-term sales contracts with them, there is no binding requirement for them to provide any orders.

With the absence of a long-term sales contract, there is no guarantee of continued business from such customers each year. In the event, our customers do not place orders, or our exports of garments go down for any reason whatsoever, it may have a significant impact on our business and financial results.

2. ***Any failure in our quality control processes may adversely affect our business, results of operations and financial condition.***

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from the design or manufacture of the product or raw materials used in the product. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by job workers on the basis of our internal quality standards. However, we cannot assure you that our job workers will always adhere to such standards and that our quality control processes will not fail, or the quality tests and inspections conducted by will be accurate at all times. In the event the quality of our products is not in accordance with our standards, or our products are defective, our customers may return our products or we may be required to recall or exchange such products at an additional cost. Such incidents may impact our reputation, which in turn may adversely affect our business, results of operations and financial condition.

3. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations

Even though we have product liability insurance, we may face the risk of legal proceedings and product liability claims being brought against us by various entities including customers and online retailers, for defective products sold. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products. We cannot assure you that we will not experience any material product liability in the future or that, we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims.

4. With changing fast fashions and consumer preferences, if we are unable to respond to such changing trends, that may adversely affect our continued business.

The changing dynamics of the fashion industry have forced apparel retailers to desire low cost and flexible design, quality, and speed to market, to be in a profitable position. Sales to each of our customers for garments are dependent on our ability to manufacture garments of acceptable quality that meet the customer's specifications and stringent quality requirements and to deliver such products on a timely basis. As a key supplier of apparel to reputed brands, we may not be able to adapt to such changing needs and respond to our customers in timely manner. Further, our failure to maintain an acceptable quality level may lead to rejection of order, and consequential loss thereon. Customers can terminate their relationship with us due to a change in their policies, vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business. The loss of, or significant reduction in business from, our customers for our readymade garments could have a material adverse effect on our business, results of operations and financial condition.

The market for readymade garments is highly competitive and dynamic, with several players present supplying readymade garments. Historically, the business has been highly fragmented and dominated by unorganized players. We directly compete with local brands, non-branded products and other established branded products. If we are unable to anticipate consumer preferences or industry changes, or if we are unable to modify our products and their prices on a timely basis, we may lose customers to our competitors or may be forced to reduce our sales realization on products by having to offer them at a discount, thereby reducing our margins. For instance, manufacturing for a season begins well in advance of the season and we may not be able to incorporate the prevalent trends or accommodate any sudden emergence of a new trend that may be germane to that season in the collection being released. If our Company is unable to continue being creative or if we are unable to keep up to the changing trends in the `textile industry, it may adversely affect our business, results of operations and prospects**.** Further, if our competitors can cater to these markets, or if we are not able to anticipate the demand, or misjudge the quantity, inter alia, this could lead to lower sales, higher inventories and higher discounts, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

5. ***We depend on a limited number of customers for a significant portion of our export revenues. The loss of one or more of our significant customers or significant reduction in production and sales of, or demand for our products from our significant customers may adversely affect our business, financial condition, the result of operations and cash flows***

A significant proportion of our revenues have historically been derived from a limited number of customers. Over the last three Financial Years and for the three-months period ended June 30, 2021, more than 86.11% of our revenue from exports was contributed by our top ten customers. The loss of orders from any of these significant customers will result in a considerable reduction in our revenue.

Our customers are predominantly based in foreign countries where business depends significantly upon, and increases our exposure to adverse developments relating to, the general economic and other conditions in this geographical region. 88.04%, 82.21%, 80.52% and 83.77% of our total sales has been derived from exports for the three-months period ended June 30, 2021, Fiscals 2021, 2020 and 2019, respectively on a consolidated basis. Any external risks including the regional economic downturn, imposition of countervailing duty or changes in the regulatory or trading environment in the USA and Europe may materially and adversely affect our business and financial results.

Many of our customers operate across countries and we supply our products in various geographical regions in which they operate. As a result, loss of one or more of our significant customers operating in a particular region may result in loss or non-renewal of orders from that customer across other geographical regions in which it operates and consequently affects our business, financial condition, the result of operations and cash flows.

6. ***We derive a significant portion of our revenue in Euro and U.S. Dollar and hence are exposed to the risks associated with fluctuations in foreign exchange rates and we are dependent on imported raw material, which exposes us to international currency risks.***

A substantial portion, i.e., 78.94 %, 77.01%, 74.40%, and 75.90% of our total revenue for the three-month period ended June 30, 2021, Fiscal 2021, 2020 and 2019, respectively, was earned from customers outside India and denominated in foreign currency in our business of exports of readymade garments. While a large portion of our expenses are paid in Indian Rupees, our revenues are mostly in foreign currencies, predominantly in Euro and U.S. Dollar. In our export of finished goods, the percentage of our foreign currency revenues in U.S. Dollar and Euro earned in the last three Fiscals and for the three -month period ended June 30, 2021, is set forth below:

Currency	Three-month period ended June 30, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
USD	98.47%	98.64%	98.92%	99.54%
EUR	1.53%	1.36%	1.08%	0.46%

In the Fiscal 2021, we experienced a net loss on foreign exchange fluctuations of ₹ 155.96 lakhs and in the Fiscal 2020, we experienced a net gain on foreign exchange fluctuations of ₹ 1292.81 lakhs on a consolidated basis. However, we cannot assure you that we will experience such gains or loss on our foreign currency transactions in the future. Since a significant portion of our revenue is derived in US Dollar and Euro, a reduction in the value of the US Dollar and Euro could have a material impact on our revenue and financial condition. Our Company has a defined foreign exchange policy, and we might, sometimes, take forward positions in anticipation of orders. However, these orders may not materialize, and we might be required to account for any loss caused by these contracts.

Furthermore, we are also exposed to the risk of the strengthening of the Indian Rupee. Once we receive an order from a customer and the price has been fixed, any appreciation of the Indian Rupee during the manufacturing process may have an adverse impact on our competitiveness to complete the customer order at the agreed price. Adverse moves in exchange rates that we have not adequately hedged will have a material adverse effect on our operations, profitability and financial condition. We manage in part our foreign exchange risk by entering into forward contracts. However, currency hedging arrangements that we have entered into may not mitigate all, or substantially all, of the losses we may suffer as a consequence of any such fluctuations

We are dependent on the international markets for most of our raw material. Imported raw materials constituted 29.15 %, 23.72% and 27.60% of our total raw material purchases in the Fiscal2021, 2020 and 2019. This dependency on imports makes us vulnerable to foreign currency risk and domestic and international factors affecting the countries from which we import the raw materials. Further we may be unable to seek compensation from our suppliers for defective raw materials. In the event we are not able to manage our foreign currency exposure, it may in turn affect our business and financial position.

7. ***All of our facilities are geographically located in southern India. Any social unrest, natural disaster or breakdown of services and utilities in the areas we operate, may affect our business adversely***

We are a Bangalore-based company, and all of our factories and offices are based in southern India. Our Company and our Subsidiaries have 20 operating manufacturing facilities. 19 of our manufacturing facilities are located in Karnataka, and 1 is in Andhra Pradesh. As a result, if there is any localised social unrest, natural disaster or breakdown of services and utilities in southern India particularly in Karnataka and in Andhra Pradesh it may affect our business adversely. In addition, the continuous addition of industries in and around Karnataka and in Andhra Pradesh without commensurate growth of its infrastructural facilities is putting pressure on the existing infrastructure of Karnataka and in Andhra Pradesh which may affect our business adversely going forward. Further, the spiralling cost of living in Karnataka and Andhra Pradesh may push our manpower cost in the upward direction, which may reduce our margin and cost competitiveness.

We are continuously exploring possibilities of setting up manufacturing units outside the state of Karnataka, but any new venture will be subject to various approvals and policies of the State Governments which may change from time to time.

Our Company is also in the process of setting up a new greenfield manufacturing unit in Bhopal, Madhya Pradesh (MP) under its wholly owned subsidiary viz Gokaldasexports Acharpura Private Limited.

Therefore, while we are trying to diversify our presence beyond south of India for mitigate any geographical risks, any social unrest, natural disaster or breakdown of services and utilities in this region may have a material impact on our business, operations and financial condition.

8. ***Our inability to meet our obligations, including financial and other covenants under our credit facilities could adversely affect our business and financial results***

As of June 30, 2021, our aggregate outstanding indebtedness was ₹ 32,428.14 lakhs comprising of long-term borrowings, short-term borrowings, and current maturities of long-term borrowings on consolidated basis. Our credit facilities contain certain restrictive and financial covenants that may require the prior written approval of lenders and limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial results. Upon the occurrence of certain events or otherwise, certain lenders to our Company have the right to *inter alia,* impose penal/default interest, enforce the security and accelerate the facility and declare all amounts payable by our Company in respect of the facility to be due and payable immediately or otherwise payable on demand. For instance, in the past we were not in compliance with certain financial and other covenants of credit facilities availed by us from lenders. While, as on date of this preliminary placement document, we are in compliance with covenants of credit facilities availed by us, there can be no assurance that we will continue to be in compliance with all covenants in our loan agreements and any such breach of conditions and covenants in our loan agreement may result in an event of default in terms of loan agreements which may have an adverse impact on our financial condition, business or operations.

9. ***We have experienced negative cash flow from operating, investing and financing activities in prior periods and cannot assure you that we will not experience negative cash flows in future periods. Any negative***

cash flows in operating activities in the future could have a material adverse effect on our financial condition, cash flows and results of operations

We have in the past experienced negative cash flows from operating, investing and financing activities. The details of our cash flows from operating activities, investing activities and financing activities for the three months ended June 30, 2021, and the Fiscal 2021, 2020 and 2019 is set forth below on a consolidated basis.

(In ₹ lakhs)

Sr. No	Particulars	*(For the period ended)* June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1	Net cash flows (used in)/ from operating activities (A)	4,822.45	1,1870.84	9,860.26	5,113.99
2	Net cash flows (used in)/from investing activities (B)	(485.54)	(3,222.19)	(3,859.39)	4.33
3	Net cash flows (used in)/ from financing activities (C)	(4,258.58)	(8,623.23)	(4,467.42)	(5,691.83)
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**78.33**	**25.42**	**1,533.45**	**(573.51)**

We may in the future, also incur negative cash flow in operating activities or significant negative cash flows in investing and financing activities which could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be adversely affected.

10. ***We are dependent on external suppliers for fabric, which constitutes the largest component of our material, and our Company may not be able to obtain sufficient quantities or required quality of raw materials at the desired prices, in timely manner and could have a material adverse effect on our business, financial condition and results of operations.***

Our business and operations are dependent on the timely availability of the desired quality of raw materials like cotton, specialized yarn, yarn and fabric at a reasonable cost. Our primary raw material is cotton fabric. We are dependent on external suppliers for most of our raw materials including fabric, which constitutes the largest component of our raw material. Fabric procurement constitutes a significant part of our total lead time in our manufacturing process. Any delays or non-conformance to quality requirements by our suppliers can impact our ability to meet our customer's requirements and thus impact our business in the long term. Further, non-availability of required raw material, textile or any other item of production in appropriate quantity and right quality at the right time or non-provision of appropriate credit period by the supplier to our Company may lead to cancellation of orders from our customers, which in turn can significantly affect our business. Domestic cotton prices in India fluctuate based on the demand and supply in the market and there can be no assurance that the price levels of cotton will remain where they currently are or not significantly increase. Any fluctuation in cotton prices that increases raw material and production costs which we are unable to pass on to our customers would have a material adverse effect on our business, financial condition and results of operations.

Further, the supply and quality of cotton is subject to adequate rainfall and other weather conditions. Any material shortage or interruption in the domestic supply or decrease in the quality of cotton due to shortage of rainfall or other factors like the widespread floods, or an unprecedented event like COVID-19 in the year 2020 causing immeasurable economic consequences could affect our ability to timely deliver manufactured garments to our customers which may adversely affect our operations and business.

11. ***Our basic raw materials are cotton products, which are inflammable. Any unforeseen accidents may result in loss of property or life in the facilities and/or disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.***

Cotton products and fabric is the basic raw material for apparel manufacturing. Such materials are highly inflammable, which may be due to failure of electrical equipment, sparks from foreign matter in cotton stock or any reason whatsoever.

While we undertake routine safety measures, any fire or unforeseen accidents due to any reason beyond our control, may result in loss of property, loss of human life and/or disruption in the manufacturing processes.

We may incur high costs and time to repair our properties, replenish stocks, which may in turn result in us being unable to meet with our business commitments and we may be held liable for the loss of life.

12. Our business may be impacted on account of unprecedented global pandemic like COVID-19 affecting delay in timely delivery of the finished goods agreed with our customers.

In late calendar 2019, the disease caused by the "**novel coronavirus**", commonly known as COVID-19 was first reported in Wuhan, China. Since then, the virus has progressively spread globally to many countries. The World Health Organization declared the COVID-19 outbreak as a health emergency of international concern on January 30, 2020, and thereafter categorised the outbreak as a pandemic on March 11, 2020.

In order to contain the spread of the COVID-19 pandemic, the GoI along with state governments declared a lockdown in India including severe travel and transport restrictions and a directive to all citizens to shelter in place, unless essential.

The COVID-19 pandemic and associated responses have adversely affected, among other things, workforces, consumer sentiment, liquidity, economies, trade and financial markets around the world, including in India. The lockdown required private, commercial and industrial establishments to remain closed. As a result, our business operations were temporarily disrupted with effect from March 23, 2020, to May 3, 2020. Pursuant to the directives from the central/local authorities impacted our ability to maintain continued operations resulting in some loss of productivity and cash flows. Further, since we do not maintain business interruption insurance (other than any interruptions caused due to fire), we will not be covered for any claims or damages arising out of such disruptions.

Heightened cybersecurity, information security and operational risks may result from these remote working arrangements. While we have already implemented a business continuity plan and we shall be implementing other such plans for minimising production delays, we cannot assure you that such plans and safeguards will be effective during the ongoing COVID -19 pandemic. During the COVID-19 pandemic, there has been an increased propagation of malware that could expose our employees and system to increased cybersecurity threats through phishing and other means. As the number of our employees working from unprotected home networks increases, there are a variety of threats that their devices are exposed to on their local home networks. Since many of our employees do not use a mobile computing device to carry out their jobs, we have provided them with hired mobile computing devices or allowed them to use their personal computing devices to access our network resources, exposing our network and systems to an increased risk of security breaches. Corporate devices also face increased risks of compromise due to a higher population of malware that is more prevalent on residential networks. We could be adversely affected if key personnel or a significant number of employees were to become unavailable due to the effects and restrictions imposed as a result of the COVID-19 pandemic. If any of our employees were suspected of contracting COVID-19 or any other contagious disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the well-being of our employees. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations (including implementation of work from home regime for key executives, to the extent possible), resumption of our operations within permissible limits and cancellation of physical participation in meetings, events and conferences) and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.
Our business growth is dependent on the revenue growth of our customers in their respective geography. Due to COVID-19 pandemic, some of our customers may suffer loss and may end up having their inability to pay to the creditors, they may eventually file for bankruptcy, not pay our dues. This could in turn affect our business and financial results.

Further, the RBI had issued guidelines on March 27, 2020, and April 17, 2020, in an effort to contain the impact of the COVID-19 pandemic on the financial services sector. Under these guidelines, all loans were eligible for moratoriums on instalments due during a period of three months, *i.e.,* from March 1, 2020, to May 31, 2020. This was subsequently extended by another period of three months, *i.e.*, until August 31, 2020, pursuant to RBI guidelines issued on May 23, 2020 (collectively, "**RBI COVID Guidelines**").

Accordingly, banks and other financial institutions were permitted to provide a moratorium of three months to be extended for another three months for all term loan instalments which were due for payment. Such moratorium period was to be excluded by the lending institutions for calculating the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms prescribed by the RBI, in respect of all accounts classified as standard as on February 29, 2020. In line with the RBI COVID Guidelines, we availed the moratorium on payment of principal amounts and/or interest, as applicable falling due between March 1, 2020, to August 31, 2020.

Further, our Statutory Auditors have included emphasis of matters in their report on the financial statements for the fiscal year ended March 31, 2021, which describes the uncertainty relating to COVID-19 pandemic and its consequential effects on the affairs of the Company. For further details, see "*Financial Statements*" beginning on page 191. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activities in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations and financial condition.

Further, in the event the number of infected cases of COVID-19 in India begins to rise again, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. Further, there is uncertainty regarding the availability and effectiveness of a vaccine against COVID-19 to the general population in India or the scope, duration and efficacy of the GoI's and state governments' assurance to prevent the spread of COVID-19 or the economic disruption caused as a result. We cannot assure you that we will not face any difficulty in our operations due to such restrictions and such prolonged instances of lockdown may adversely affect our business, results of operations, financial condition, cash flows, reputation and prospects.

13. Our factories are primarily leased; the non-renewal of such leases can adversely impact our business in the short term

Out of the 20 factories we operate, 18 are leased/rented by us and our Subsidiaries, and 2 are owned. While the terms of the lease permit renewal, we cannot be sure that all of the lessors of the factories will renew the land leases. Further, there is no assurance that we will not face any disruption of our rights as lessee and such lease agreements will not be terminated prematurely by the lessor. Should existing leases not be renewed or terminated early, we would not only have to incur substantial expenditure in relocating our factories on such leased land, but also lose business for the period that such factories are not operational.

Any failure to obtain any consent or comply with any condition or covenant under our lease agreements could lead to a termination of the lease and could adversely affect our ability to conduct our business. If any of the owners of these premises revokes the arrangements under which we occupy the premises or imposes terms and conditions that are unfavourable to us, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations or have to pay the increased rent, which could have an adverse effect on our business and financial results.

14. We have certain contingent liabilities that have not been provided for, if materialized, may adversely affect our business, financial condition, results of operations and cash flows

As of June 30, 2021, we had the following contingent liabilities in our Unaudited Condensed Consolidated Interim Financial Statements. The contingent liabilities are disclosed as per IND AS 37:

(in ₹ lakhs)

Particulars	**As at June 30, 2021**
Tax / Other demands (under appeal)	410.58
Outstanding Guarantee given by banks	171.68
Outstanding letters of credit	3,966.00

Our Company is also involved in certain litigations with third parties, 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, our Company's management believes that these cases will not have any adverse impact on these financial statements.

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.

If any of these amounts that we have not provided for becoming due, our financial condition, results of operations and cash flows may be adversely affected. For details, see "*Financial Statements*" on page 191.

15. ***Any changes in regulations or applicable government incentives would materially and adversely affect our business and profitability.***

The Government of India has provided several production and exports related incentives to the textile sector, from which we currently benefit including, the Revised Restructured Technology Upgradation Fund Scheme, the EPCG Scheme, the Duty Drawback Scheme and the Rebate of State and Central Tax Levies. In the Fiscal 2021, 2020 and 2019, our operating revenues earned from export incentives were ₹4,712.80 lakhs, ₹6,686.28 lakhs and ₹6,566.56 lakhs on consolidated basis.

These incentives could be modified or removed at any time, which could adversely affect our business and profitability. Furthermore, any failure on the part of our Company to adhere to the requirements of these incentives may result in our Company losing the benefit of some or all of these incentives and/or payment of penalties. Relevant authorities in India may also introduce additional or new regulations applicable to our business which could adversely affect our business and profitability. Failure to adhere to the requirements prescribed for availing such benefits may result to loss of income and profitability of our Company

16. ***We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations.***

Our Company was incorporated as 'Gokaldas India Private Limited', under the provisions of Companies Act, 1956 pursuant to a certificate of incorporation dated March 1, 2004, that was issued following an application to convert, Gokaldas India, a partnership firm into a company. Our Company had existing business operations and borrowings at the time of such conversion and accordingly did not obtain a certificate of commencement of business as registration under Part IX of the Companies Act, 1956 was not commencement of business for our Company but a continuation of the existing business operations of our Company. We require certain statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and operate from the state pollution control board, importer-exporter code, registration and licenses issued under the Factories Act, 1948, as amended for our various manufacturing facilities, commissioning certificates and safety certificates from the state electricity board, registration certificates issued under various labor laws, including contract labor registration certificates and licenses. Our licenses, permits and approvals impose certain terms and conditions that require us to incur a significant cost and *inter alia*, restrict certain activities. There can be no assurance that the approvals, licenses, permits and registrations may not be revoked in the event of any noncompliance with any terms or conditions imposed thereof.

Further, certain approvals for our manufacturing facilities are required to be applied or renewed on an ongoing basis, and accordingly, we have made certain applications but not yet obtained the required approvals concerning our operations from relevant authorities.

In the future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. While we will endeavour to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations.

17. ***We do not hold any copyright or other forms of intellectual property protection concerning the designs of our products which could materially affect our business, financial condition and results of operations***

The designs for our readymade garments for infants and children are primarily provided to us by our customers and some of our large customers for our business of readymade garments may obtain intellectual property protection for the designs we manufacture for them.

It is our policy to take precautions to protect our designs, trade secrets and confidential information against breach of trust by our employees, consultants, customers and suppliers and we have written confidentiality agreements with our employees. However, it is possible that unauthorized disclosure of our trade secrets, designs or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets, designs and confidential information.

Furthermore, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming, continuous supply of raw materials or to deliver our costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which might adversely affect our business, results of operations and financial condition

18. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy requires us to develop and strengthen relationships with existing customers for our business of readymade garments that may drive high volume orders on an ongoing basis. To remain competitive, we seek to increase our business from existing customers and by adding new customers, as well as expanding into new geographical markets. Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our products;
- our ability to increase our customer base;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);
- our ability to compete effectively with existing and future competitors based in India and other markets that we currently or may operate in; and
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Separately, our growth strategy also involves expanding into new geographic markets which will involve additional risk. We intend to pursue new customers globally for our business of readymade garments.

While we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

19. ***We may not derive the anticipated benefits from strategic investments and acquisitions that we may enter into and we may not be successful in pursuing future investments and acquisitions.***

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds for, amongst others for inorganic growth opportunities in respect of our Company's operations and for making, strategic acquisitions, entering into a new business in line with our strategies. The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of acquisitions to be undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, *i.e.,* whether they will be directly done by our Company or through our Subsidiaries.

Our ability to achieve benefits from future strategic and inorganic growth opportunities, if any, will largely depend upon whether we are able to integrate the acquired businesses into the rest of our Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development, operations, processes, employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could significantly increase our expenses, which, without a commensurate increase in total revenue, would lead to a decrease in net revenue. In addition, acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, and we may become liable for the past activities of such businesses. Further, we may be subject to various obligations or restrictions under the relevant transaction agreements to be entered into for inorganic growth opportunities which may, as the case may be, prevent us from disposing or acquiring shares in the subject entities, or force us to sell or acquire shares in the subject entities where we may not otherwise have decided to.

We may be unable to successfully integrate our acquisitions or partnerships with our business which may *inter alia* negatively impact our ability to achieve the expected benefits from these acquisitions and partnerships. In past, our Company invested in share capital of Yepme UK Limited, a company registered in United Kingdom and subsequently withdrawn the investments made, and was not able to monetize the benefits of such investments. For details, see "***Legal Proceedings***" on page 183. We may also not succeed in implementing our strategy of growth through strategic investments and acquisitions in the future as it is subject to many factors which are beyond our control, including our ability to identify, attract and successfully execute suitable acquisition opportunities and partnerships. Any failure to achieve the anticipated benefits of any proposed investments and acquisitions or to consummate new investments and acquisitions in the future could negatively impact our ability to compete in the apparel industry and have a material adverse effect on our business.

20. Our customers may go bankrupt on account of various reasons which may impact our revenue growth and loss of business and profit thereon.

Our business growth is dependent on the revenue growth of our customers in their respective geography. For various reasons, some of our customers may suffer loss and may end up having their inability to pay to the creditors; they may eventually file for a plan for reorganization of their business and creditors in the court. Based on final negotiation and settlement under the reorganization plan by the court-appointed administrative claims manager, our claims may or may not be eligible for preferential payment and we may have to provide for 100% provision on account of expected credit loss towards such receivables. Since such events are beyond the control of our business, this may impact revenue and profitability of our Company. In Fiscal 2019, our customers Sears Holdings Corporation and certain of its affiliates, including K Mart Corporation, filed for bankruptcy under the laws of the United States. We had to provide for certain receivables (realized some amount under legal directions issued). Further, in Fiscal 2021, JC Penney Company Inc., another customer filed for reorganisation of its business and credits in the Court, under the laws of the United States, however in this case all our dues were realised. However, we cannot guarantee that we will be able to recover our dues or losses in such instances in part or in full, which in turn will have an impact on our financial results.

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21. There are certain legal proceedings pending against our Company and our Subsidiaries which if determined against us, may have a material adverse effect on our business, financial results and reputation

There are certain outstanding legal proceedings and claims, including criminal, tax and civil litigation, involving our Company and our Subsidiaries, which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed in the section "*Legal Proceedings*" on page 183 to the extent ascertainable and quantifiable and include amounts claimed jointly and severally by or from our Company and other parties. Further, we may not be aware of any legal proceedings initiated against the Company or may be unable to defend the Company in the legal proceedings in which our Company is impleaded as party before any judicial forum or any statutory/regulatory authority, but have not received or served any notice, summon, communication, plaint, complaint in relation to such legal proceedings. For instance, our Company has been impleaded as a party in a legal proceeding initiated by one of the suppliers of the Company and no legal notice, complaint or other communication has been served on the Company by any judicial forum or authority or opposite party. Our Company is not aware of facts or grounds for which such legal proceeding has been initiated and has only acknowledged the existence of such legal proceeding been initiated against the Company pursuant to voluntary search conducted by the Company through E-Court portal. Any adverse consequences arising of such matters in which Company has been impleaded as a party but is not aware of any such legal proceedings may result in adverse impact on our Company or its business and operations. . Any unfavourable decision in connection with legal proceedings, individually or in the aggregate, could increase our expenses. We have not made any provision for such expense on contingent liability and such expense on contingent liability could materially and adversely affect our reputation, business and financial results. We cannot assure you that any of these matters will be resolved in favor of our Company or that no additional liability will arise out of these proceedings. Further, there is no assurance that similar proceedings will not be initiated against the above-mentioned entities in the future. This could materially and adversely affect our financial results and our reputation.

22. ***We are subject to stringent labour laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition and results of operations.***

Our manufacturing activities are labour-intensive. As of March 31, 2021, and as of August 31, 2021, we had 23,467 and 26,982 full-time employees, respectively, at our Company. We are subject to a number of stringent labour laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers that impose financial obligations on employers. Strikes, lock-outs and other labour action may have an adverse impact on our operations, and we cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, our third-party suppliers may experience strikes or other labour disruptions and shortages that could affect our operations, possibly for a significant period, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, our inability to recruit employees, in particular, employees and retain our current workforce could have a material adverse effect on our business, financial condition and profitability. Further, a global pandemic like Covid-19 has put serious stress on the availability of labour for factory operations and inadequate workforce or delay in availability of labour impacts severely to execution of orders and delays delivery timelines. In the event of third covid wave, this issue might arise again, and we might not be able to arrange an adequate workforce for its manufacturing units. Additionally, in the event of any Government directive, our factories remain shut during such period, we might have to pay higher wages in such situation during the shutdown period which will affect our results of operation.

During emergency or situations that are beyond our control, we enter into contracts with contract manufacturers who, in turn, employ on-site contract labour to perform certain operations. Although we generally do not engage such labour frequently, it is possible under Indian law that we may be held responsible for wage payments to the labour engaged by such contract manufacturers should they default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition, results of operations and cash flows. Any order from a regulatory body or court requiring us to make payments to such contract labour may have an adverse effect on our business, financial condition, results of operations and cash flows.

23. ***Our dependency on continuous supply of power is high. Frequent disruption in power cut or significant increase in power tariffs may have an adverse effect on our timely delivery of products or the profitability of our Company.***

For the day-to-day operation in sewing units, laundry and printing units, we depend on continuous flow of electricity in the production units. Frequent disruption in power may affect the production environment and delay completion of orders in time which may cause a delay in shipment of goods. Further, significant increase in power tariffs will also increase in operating costs, which may impact our profitability and results of operations.

24. ***We may be unable to manage our working capital requirements, which could materially impact our performance and results of operations***

There can be no assurance that our budgeting of working capital requirements for a particular year will be accurate. Our working capital requirements will increase as we intend to enhance our existing capacities and increase the level of backward integration at our manufacturing facilities. For reasons such as a global economic crisis, deterioration in financial health of the customers e.g., economic disruption caused by the Covid-19 pandemic etc. may result in a complete or partial loss or delay in realization of receivables from the customers. While we may have adequate trade credit insurance for such exigencies, that may not be adequate to cover the bad debt or such loss.

Further, if the purchase of raw materials by us does not accurately predict sourcing levels, customer trends or our expectations about customer needs, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. There may be situations where we may be under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements which may have an adverse effect on our operations and lead to loss of reputation, levy of liquidated damages and adverse impact on our cash flows. This could also have a material adverse effect on our business and financial condition.

25. ***Compliance with, and changes in, safety, health and environmental laws and related laws and regulations impose additional costs and may adversely affect our results of operations and our financial condition***

We are subject to a broad range of safety, health and environmental laws and related laws and regulations in the jurisdictions in which we operate such as Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, Hazardous Waste Management Rules 2016, Bio Medical Wastage Authorization Rule, 2016, and e-waste management and we may also be required by our clients to meet certain additional criteria with respect to safety, environment, health and labor. Such safety, health and environmental laws and regulations impose controls inter alia on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations and products. While we endeavour to comply in all material respects with all applicable safety, health and environmental laws and regulations, the discharge of our or such third parties' raw materials that are chemical or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the Government of India or other governments where we operate or to third parties. The scope and extent of any new environmental, health and safety regulations, including their effect on our operations and cash flows, cannot be predicted with certainty. The cost and management time required to comply with these requirements could be significant. The measures we implement to comply with these new laws and regulations may not be deemed sufficient by Government authorities and our compliance cost may significantly exceed our estimates. Penalties imposed by regulatory authorities on us or on third parties upon whom we depend on may also disrupt our business and operations. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties or close down the production facilities for non-compliance. We cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future.

Further, we are subject to various regulations and textile policies, primarily in India. Our business, operations and growth prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which would have a material adverse effect on our business, financial condition and results of operations.

26. ***We are unable to trace certain corporate records in relation to our Company***

We are unable to trace certain corporate records in relation to our Company including copies of prescribed forms filed with the RoC, by our Company relating to certain allotments of Equity Shares made by our Company. These documents pertain to the period between 2004 and 2005 concerning the Registrar of Companies filings, we have not been able to obtain copies of these documents from the Registrar of Companies. Even though there has been a passage of time, consequential penalties could be subsequently levied.

No show cause notice in respect to the above has been received by our Company except as stated in this

Offer Document, no penalty or fine has been imposed by any regulatory authority in respect to the same. However, the regulator could impose penalty in respect of the same in the future.

27. The products manufactured by our Company are vulnerable to counterfeiting or imitation by third parties that may affect the reputation of our Company

The products manufactured and sold by us are manufactured for the relevant season based on prevailing trends. We maintain a close check and control over each stage of the production process and conduct quality checks at every stage. However, our brand of products is vulnerable to counterfeiting and imitation by third party vendors who may manufacture and sell products in the mass market at relatively cheaper prices. Any sale of counterfeit or imitation products which does not match the quality standards of our products will adversely impact our reputation. It will also materially affect our business, prospects, results of operations and financial conditions.

28. Our operations are dependent upon third party transportation facilities and logistics, which are subject to uncertainties and risks

We primarily depend on sea-borne freight to deliver our products from our manufacturing facilities to our export customers. Such logistics providers are arranged on spot basis and in certain cases may not be insured for the full value of the load that they are carrying. We also rely on third parties to provide air, trucking and other transportation facilities for the transfer of raw materials to our manufacturing facilities and the supply of finished products to our domestic customers. These transportation facilities may not be adequate to support our existing and future operations. Further, disruptions of transportation and logistics services due to weather-related problems, strikes, state-wide lockdown induced by COVID-19, lockouts, inadequacies in the road infrastructure and airport and seaport facilities, or other events could impair our ability to supply our products to our customers on time. For example – during quarter ending June 2021 and Fiscal 2021, consequent to spread of coronavirus pandemic, there was nation-wide lockdown followed by state-wide lockdown/ restrictions in the operation which has impacted non-availability of transports in time that has caused delayed deliveries. Any such disruptions could materially and adversely affect our business, reputation, financial condition and results of operations. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities would significantly impact our costs and results of our operations.

Further, transportation activity continues to be an unorganized sector and considering the frequent fluctuations in transport rates in the market, long-term contracts with transportation agencies are not entered into for transporting raw materials and finished goods. Although the risk of loss in transit is covered through a transit insurance policy taken by our Company, loss arising out of wilful default of transporters in terms of not providing the vehicle on time and loss of material in transit cannot be fully avoided. Such risks are mitigated to a great extent by preferring claims on the defaulting transporters as per the practice followed by the transport industry.

29. ***If we are unable to raise additional capital, our business, results of operations and financial condition could be adversely affected.***

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to raise further capital or borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavourable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital on time and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

30. ***We are dependent on a number of key management personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, financial results and prospects***

Our future success is highly dependent on our senior management to maintain our strategic direction and manage our current operations and meet future business challenges that may also arise in the course of our business. The loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the expertise, experience and services of Sivaramakrishnan Ganapathi, our Managing Director and other members of our senior management team that are executing our growth strategy, have been integral to our business. For further details in relation to the experience of our senior management team, see *Board of Directors* and senior management on page 135. If one or more of these key management personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, which could have a material adverse effect on our business, financial results and prospects. We may take a long period to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we are unable to hire and train replacement personnel on time or increase our levels of employee compensation to remain competitive, our business, financial results and prospects may be materially and adversely affected.

31. ***We have entered into and may in the future enter into related party transactions***

We have in the course of our business entered into, and will continue to enter into, several transactions with related parties including our Subsidiaries. For details, see "*Board of Directors and Senior Management – Related Party Transactions*" on page 135. We cannot assure you that we will receive similar terms in our related party transactions in the future. We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the Companies Act, 2013, as amended, has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

32. ***Our insurance coverage may be inadequate to satisfy future claims against us***

We maintain insurance that we consider to be typical in our industry in India and in amounts that are commercially appropriate for a variety of risks, including fire and special perils, marine cargo insurance policy, money insurance policy, commercial general liability insurance policy, product liability insurance boiler and pressure plant policy, machinery breakdown insurance and fidelity insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our business operations, particularly if the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business and financial results.

33. ***Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate***

We have availed the services of an independent third-party research agency, CRISIL Limited, to prepare an industry report titled *"Assessment of the Textile Industry"* dated September 2021, for purposes of inclusion of such information in this Preliminary Placement Document. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. The data from this industry report has not been independently verified. Although we believe that the data may be reliable, the accuracy, completeness and underlying assumptions are not guaranteed, and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the BRLM or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document.

34. Our Promoter, Directors and key management personnel may have interests in our Company other than normal remuneration or benefits and reimbursement of expenses incurred

Our Promoter, Directors and key management personnel may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares or other securities, held by them and their relatives (if any) and their dividend or bonus entitlement, and benefits arising from their directorship in our Company and are also interested to the extent of sitting fee payable to them for attending each of our Board and committee meetings (to the extent relevant).

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Directors and our Key Management Personnel may take or block actions concerning our business, which may conflict with the best interests of our Company or that of minority shareholders

For details of the related party transactions during the last three Financial Years, see "*Related Party Transactions*" on page 37.

Further, our key management personnel may be interested to the extent of any transaction entered into by our Company with any other company or firm in whom they are directors or partners.

35. Owing to unprecedented events, we may engage contract manufacturers for fulfilment of orders placed by our customers. If our contract manufacturers' operations are interrupted for any significant period of time, our business and results of operations would be materially and adversely affected

Our products are predominantly produced in the 20 operating manufacturing facilities located in or near the region of southern India. In addition, we may also engage contract manufacturers for fulfilment of orders placed by our customers due to pandemic or extraordinary situation of similar nature. The contract manufacturers' production facilities may be susceptible to operating risks, such as damage or interruption from human error, fire, flood, power loss, work stoppages, terrorist attacks, acts of war, theft, earthquake and other force majeure events. Any interruption in our contract manufacturing operations for any significant period could adversely affect the timely delivery of our products and our business and results of operations. In addition, refurbishments, installation of new plants and machinery, accidents or sustained bad weather at our contract manufacturers' facilities could result in production losses and delays in delivery of our products, which may adversely affect our operations and profitability. Production may also fall below historic or estimated levels as a result of unplanned disruptions. There can be no assurance that in the event of any disruption in work on account of our contract manufacturers, we will be able to find alternate manufacturers on reasonable terms or at all which could adversely affect our operations and reputation.

36. Absence of an offshore presence may affect our product marketability, engagement with customers in regard to fashion trends in timely manner which may affect our growth

We are primarily an export-oriented readymade garment manufacturer. We sell to international brands and retailers based outside India, mainly to major consuming markets of the USA and the EU. However, we do not have any offshore offices. Consequently, we may not be able to properly market our products, capitalize on opportunities offered by the international markets or co-ordinate with the intermediaries of such markets to effectively forecast market demands, fashion trends on time. We cannot assure you that in the near future we will be able to set up our offices overseas to manage our international operations and that the lack of same will not adversely affect our business.

37. ***We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations***

We are dependent on information technology systems in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks. Further, the commercial success of our business is highly dependent on the developmental and innovative breakthroughs of our design division. In the event, any breach of our systems or software leads to the leaking of our designs or any inventive design techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies, and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

38. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business, financial condition and results of operations

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Additionally, as an Indian Company with Equity Shares listed on the Stock Exchanges, we are subject to additional regulatory requirements, in terms of compliance with the SEBI Listing Regulations

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. For example, the Government of India implemented a comprehensive national goods and services tax regime with effect from July 1, 2017, that combines multiple taxes and levies by the federal and state governments into a unified tax structure. In addition, the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties.

B. EXTERNAL RISK FACTORS

Risks Relating to India

39. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

40. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. The growth rate of India's GVA at basic prices (at constant prices) according to the RBI, was 5.9% %, 4.1% and -6.5% in the years ended March 31, 2019, 2020 and 2021, respectively but contracted sharply in the year ended March 31, 2021, largely due to the COVID-19 pandemic and associated lockdowns. The second wave of COVID-19 infections impacted India in April, May and June 2021. This second wave in India has seen new peaks in daily cases, daily deaths, active cases and positivity rates. The domestic policy response includes localized micro-containment measures, state-specific movement restrictions, mobilization of health supplies and ramping up of health infrastructure. The overall impact on India's economy for year ended March 31, 2022, remains uncertain but is likely to be negative. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

41. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of a slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

42. ***Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

The Audited Consolidated Financial Statements for fiscals 2019, 2021 and 2021 and the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended June 30, 2021, included in this Preliminary Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

43. ***If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future Governments will implement regarding tax incentives or excise duty benefits. Moreover, any Government policies restricting the allotment of land in areas where we intend to establish facilities could adversely affect our plans to expand our manufacturing facilities. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

44. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

45. ***Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to GoI regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances, the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Further, all investments by entities incorporated in a country which shares a land border with India, or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require the prior approval of the Government of India. These restrictions may adversely impact the ability of the Company and its investee companies to raise capital in a timely manner.

Any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm’s length basis, and a higher (or lower, as applicable) price per share may not be permitted. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government’s approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

46. ***A slowdown in our exports due to industry developments, tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.***

A significant portion of our revenue is derived from exports. Our performance, growth and market price of our Equity Shares are dependent on the economies in which we operate. Therefore, any developments in the global apparel industry, could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the jurisdictions including the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our business, financial condition and results of operations.

47. ***It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.***

We are incorporated under the laws of India and substantially all our directors and executive officers reside in India. A substantial majority of our assets, and the assets of our directors and officers, are also located in India. As a result, you may be unable to:

- effect service of process outside of India upon us and such other persons or entities; or
- enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

48. ***A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

49. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.***

The access to the debt capital markets depends significantly on the credit ratings of the Company and India’s sovereign debt rating. Credit ratings may also be important to us when competing in certain markets and when seeking to engage in longer-term transactions. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings or place us on ‘credit watch’ with negative implications at any time or may downgrade India’s sovereign debt rating. India’s sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or decline in India’s foreign exchange reserves, which are outside our control. Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise financing, and the interest rates and other commercial terms at which such financing may be available. As a result, we may not be able to raise funds on acceptable terms, or to raise sufficient funds. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

50. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

51. ***Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.***

Our articles of association and Indian law govern our corporate affairs. Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

52. ***Investors might have difficulty in enforcing judgements against our management***

Our Company is incorporated under the laws of India. All of our Directors are residents of India and a substantial portion of our assets, and the assets of the Directors are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, (iii) enforce, in an Indian court, court judgments obtained outside of India, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the USA has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

C. Risks Relating to the Equity Shares and this Issue

53. ***Any future issuance of the Equity Shares or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

54. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in, do not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their ownership position will be diluted and their proportional interest in us would be reduced.

55. ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Lead Managers and the Designated Stock Exchange. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

56. We have not obtained valuation report from the registered valuer for determination of the Issue Price of the Equity Shares

The Issue Price shall be determined by us in consultation with the Book Running Lead Manager, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. In terms of Section 62 (1)(c) of Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, the price of shares to be issued by a listed company are not required to be determined by the valuation report of a registered valuer and Issue shall be made in accordance with the provisions of the Companies Act, 2013 and regulations made by the Securities and Exchange Board of India. Further, we are not required to obtain any valuation report for Issue in terms of Articles of Association of our Company. While we consider that valuation report is not applicable for Issue and have not obtained any valuation report from a registered valuer for determination of the Issue Price of Equity Shares to be allotted pursuant to the Issue, we cannot assure you that we will not receive any notice, clarification, or communication from any statutory or regulatory authorities in relation to procurement of valuation report for the Issue. In the event we are required to obtain any valuation report upon receipt of any such communication from any statutory or regulatory authority, we cannot assure of its impact on Issue Price of Equity Shares and there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

57. ***The trading price of our Equity Shares may be subject to volatility, and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price shall be determined by us in consultation with the Book Running Lead Manager, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market after the Issue.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, the ongoing COVID-19 pandemic, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

58. ***Investors may be subject to Indian taxes arising out of capital gains or stamp duty on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Further, the Finance Act, 2020 ("Finance Act"), passed by the Parliament of India, stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect the Company's business, financial condition and results of operations.

59. ***There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and Allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. Investors can start trading the Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to be traded. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

60. Listed companies in India are highly regulated and we are subject to continuous reporting requirements.

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions.

We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

61. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI or the FIPB will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

62. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

63. Applicants to the Issue are not allowed to withdraw their bids after the Bid/Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date. The allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to ten days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our Company's business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of allotment of Equity Shares in this Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw or revise downwards their Bids in the event of any such occurrence without the prior approval of the SEBI. Our Company may complete the allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

64. ***Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

We have not paid any dividend over the last 10 years; we cannot assure you that dividends will be paid in the future. The declaration, payment and amount of any future dividends is subject to the discretion of our Board, and will depend on a number of factors including, our earnings, availability of profits, capital requirements and overall financial condition, as well as the provisions of relevant laws in India from time to time.

65. ***Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

Our Company may be required to finance its future growth and business requirements through additional securities offerings. Any future issuance of our Equity Shares or convertible securities or securities linked to the Equity Shares by us, including through the exercise of outstanding stock options, could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

66. ***An investor will not be able to sell any of our Equity Shares purchased in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares.***

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

67. Investors will not have the option of getting the Allotment of Equity Shares in physical form

In accordance with SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Equity Shares. Further, the Equity Shares will not be transferred by our Company in case the Eligible Shareholder does not have a demat account.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 43,415,663 Equity Shares have been issued, subscribed and are fully paid up and all such Equity Shares are currently listed and traded on the Stock Exchanges.

As of October 1, 2021 the closing price of the Equity Shares on the BSE and the NSE was 203.60 and 203.80 per Equity Share, respectively. Since the Equity Shares are available for trading on the BSE and NSE, the market price and other information for each of the BSE and the NSE has been given separately.

1. The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscals ended 2021, 2020 and 2019.

BSE											
Fiscal Year	**High(1) (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (in ₹ lakhs)**	**Low(2) (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (in ₹ lakhs)**	**Average price for the year(3) (₹)**	**Total Number of Equity Shares traded in the Fiscals**	**Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)**
Fiscal 2021	99.40	December 17, 2020	1,33,107	127.11	27.60	April 28, 2020	22,203	6.48	61.26	75,28,973	4,904.84
Fiscal 2020	118.80	May 29, 2019	1,46,835	169.00	30.20	March 25, 2020	3,840	1.21	78.91	33,54,791	2,784.62
Fiscal 2019	108.70	April 26, 2018	1,65,448	174.66	65.55	October 8, 2018	11,090	7.49	82.09	44,80,337	3,840.97

(Source: www.bseindia.com)

Notes:
1. *High of intraday high. In case of two days with the same closing price, the date with the higher volume has been chosen.*
2. *Low of intraday low. In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *Average price for the year represents the average of daily closing prices.*

NSE											
Fiscal Year / Period	**High(1) (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (in ₹ lakhs)**	**Low(2) (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (in ₹ lakhs)**	**Average price for the year(3) (₹)**	**Total Number of Equity Shares traded in the Fiscals**	**Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)**
Fiscal 2021	99.50	December 17, 2020	13,58,545	1,297.32	27.80	April 28, 2020	1,91,169	55.80	61.25	68,015,485	45,153.72
Fiscal 2020	119.05	May 29, 2019	48,003	35.99	28.70	March 25, 2020	48,245	15.29	78.90	22,865,553	18,801.56

NSE												
Fiscal Year / Period	**High(1) (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (in ₹ lakhs)**	**Low(2) (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (in ₹ lakhs)**	**Average price for the year(3) (₹)**	**Total Number of Equity Shares traded in the Fiscals**	**Total Turnover of Equity Shares traded in the Fiscals (₹ in lakhs)**
Fiscal 2019	109.00	April 26, 2018	9,28,138	980.23	65.35	October 8, 2018	63,849	43.18	82.12	24,220,551	21,499.49

(Source: www.nseindia*.com)*

Notes:
1. *High of intraday high. In case of two days with the same closing price, the date with the higher volume has been chosen.*
2. *Low of intraday low. In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *Average price for the year represents the average of daily closing prices.*

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month / Period	**High(1) (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (in lakhs)**	**Low(2) (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (in lakhs)**	**Average price for the month(3) (₹)**	**Total Number of Equity Shares traded in the month**	**Total Volume of Equity Shares traded in the month (₹ in lakhs)**
September 2021	214.75	September 13, 2021	19,366	40.52	180.85	September 1, 2021	10,213	18.76	196.84	18,680	116.17
August 2021	236.00	August 9, 2021	58,286	130.60	181.60	August 27, 2021	13,275	24.46	205.94	1,063,410	2,230.08
July 2021	226.00	July 15, 2021	1,50,228	222.9	138.95	July 2, 2021	95,965	140.95	188.17	1,59,36,953	29,636.78
June 2021	153.85	June 23, 2021	1,58,281	235.6	123.00	June 2, 2021	1.38.388	186.95	140.76	1,20,19,654	17,152.69
May 2021	141.70	May 27, 2021	1,55,774	215.4	88.45	May 4, 2021	15,046	13.83	115.27	2,75,51,268	32,069.93
April 2021	97.95	April 30, 2021	1,02,635	95.6	73.05	April 19, 2021	20,034	15.34	81.14	53,70,402	4,631.83

(Source: www.bseindia.com)

1. *High of intraday high. In case of two days with the same closing price, the date with the higher volume has been chosen.*
2. *Low of intraday low. In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *Average price for the month represents the average of daily closing prices.*

NSE											
Month / Period	**High[(1)] (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (in ₹ lakhs)**	**Low[(2)] (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (in ₹ lakhs)**	**Average price for the month[(3)] (₹)**	**Total Number of Equity Shares traded in the month**	**Total Volume of Equity Shares traded in the month (₹ in lakhs)**
September 2021	214.90	September 13, 2021	341,318	716.01	180.55	September 1, 2021	1,39,230	256.16	196.80	44,62,087	8903.30
August 2021	233.70	August 9, 2021	5,19,469	1,166.42	181.60	August 24, 2021	4,79,984	9,21.36	206.38	70,23,227	14,745.33
July 2021	226.00	July 15, 2021	11,84,521	2,535.00	138.80	July 2, 2021	11,91,771	1,793.53	188.13	1,59,36,953	29,636.78
June 2021	153.95	June 23, 2021	11,20,752	1,677.37	122.20	June 2, 2021	8,79,102	1,172.02	140.83	1,20,19,654	17,152.69
May 2021	141.90	May 27, 2021	12,87,769	1,770.92	88.40	May 4, 2021	3,22,738	296.00	115.24	2,75,51,268	32,069.93
April 2021	97.60	April 30, 2021	18,98,821	1,769.54	75.15	April 19, 2021	1,09,919	86.10	81.19	53,70,402	4,631.83

(Source: www.nseindia.com)

Notes:

1. *High of intraday high. In case of two days with the same closing price, the date with the higher volume has been chosen.*
2. *Low of intraday low. In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *Average price for the month represents the average of daily closing prices.*

(*Source: www.bseindia.com and www.nseindia.com)*

3. The following table sets forth the market price on the Stock Exchanges on August 25, 2021, the first working day following the approval of the Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (in ₹ lakhs)**
202.00	202.00	188.25	188.95	18,721	35.95

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (in ₹ lakhs)**
197.80	197.80	188.25	188.95	1,79,148	344.37

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue shall be approximately ₹ [●] lakhs. The net proceeds from the Issue, after deducting fees, commissions, and expenses of the Issue, will be approximately ₹ [●] lakhs (the "**Net Proceeds**").

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds for, repayment or prepayment of all or a portion of our borrowings, financing working capital requirements, inorganic growth opportunities in respect of our Company's operations and for making, strategic acquisitions, entering into a new business in line with our strategies, general corporate purposes as may be permissible under the applicable law and approved by our Board or a duly constituted committee thereof from time to time to meet corporate exigencies, and any other matters as may be deemed appropriate by our Board in its discretion. For details in relation to our financial indebtedness, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 74.

Our Company will determine the borrowings to be repaid/ pre-paid out of the Net Proceeds at the time of the repayment/ prepayment, based on various considerations including interest rates on the relevant facilities, the amount of loans outstanding and the remaining tenor of loans, conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings (including pre-payment penalties), receipt of consents for the pre-payment from the relevant lenders and applicable law governing such borrowings. Further, our Company may have to revise its funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors which may not be within its control.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

The Net Proceeds are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose: (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, are not applicable.

As permissible under applicable laws, our management will have flexibility in deploying the Net Proceeds received by our Company from the Issue. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments will be in accordance with the investment policies as approved by the Board and/ or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. In accordance with the Regulation 32 (7A) of the SEBI Listing Regulations and other applicable laws, our Company shall disclose the utilization of funds raised through this Issue in its annual report every year until such funds are fully utilized and shall file such quarterly or other statements in relation to utilization of funds as may be required under applicable laws.

Neither our Promoters nor the Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalization on a consolidated basis as at June 30, 2021 which is derived from the Unaudited Condensed Consolidated Interim Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Summary Financial Information*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information contained in "*Financial Information*" on pages 27, 38, 74 and 191, respectively.

(*in ₹ lakhs*)

Particulars[(1)]	**Amount Pre-Issue as at June 30, 2021**	**Amount As adjusted for the Issue (Refer Note 2)**
Non-current borrowings **(A)**	3,031.72	**[●]**
Current borrowings **(B)**	29,396.42	**[●]**
Total Borrowings (C = A+B)	**32,428.14**	**[●]**
Equity Share Capital (**D)**	2,144.78	**[●]**
Other equity **(E)**	26,055.66	**[●]**
Total Equity (F = D+E)	**28,200.44**	**[●]**
Ratio		
Non-current borrowings/ Total equity (G = A/F)	0.11	**[●]**
Total Borrowings/ Total Equity (H = C/F)	1.15	**[●]**

1) *These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended)*
2) *'As adjusted for the proposed Issue' column in the above table has been adjusted for the number of equity shares issued pursuant to the Issue and the proceeds from the Issue thereon. It reflects changes in Equity only on account of proceeds from the fresh issue of [●] Equity Shares of face value of Rs 5 each aggregating to Rs [●] lacs in Equity Share Capital, at an Issue Price of Rs [●] per Equity Share, including securities premium of Rs [●] per equity share aggregating to Rs [●] in Other Equity. The adjustments do not include any adjustment for issue related expenses and for any other transactions or movement subsequent to June 30, 2021. All items apart from D, E and F given are balances as at June 30, 2021.*
3) *Balances in column 'Amount Pre-Issue as at June 30, 2021' are as per the Unaudited Interim Condensed Consolidated Financial Statements for the three month period ended June 30, 2021.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹ except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	65,000,000 Equity Shares of ₹ 5 each^	325,000,000.00
B	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**	
	43,415,663 Equity Shares of ₹ 5 each	217,078,315.00
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs (1) (2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (in ₹ lakhs)	20,887.08
	After the Issue(3)(4)	[●]

(1) The Issue has been authorised by our Board pursuant to their resolution passed on August 24, 2021. The shareholders have authorised and approved the Issue pursuant to special resolution dated September 17, 2021, passed in their annual general meeting.

(2) To be determined upon finalisation of the Issue Price.

(3) To be determined upon finalization of the Issue Price. The amount has been calculated on the basis of gross proceeds from the Issue.

(4) The securities premium amount after this Issue will be calculated on the basis of gross proceeds from this Issue. Adjustments will not include Issue related expenses. To be included upon determination of the Issue Price and will be updated in Placement Document.

^ Our Company pursuant to board resolution dated August 24, 2021, and shareholders resolution dated September 17, 2021, has increased its authorised share capital from existing ₹ 275,000,000 divided into 55,000,000 equity shares of ₹ 5 each to ₹ 325,000,000 divided into 65,000,000 Equity Shares of ₹ 5 each.

Equity Share capital history of our Company

The history of the equity share capital our Company since incorporation is provided in the following table:

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share(₹)	Issue price per Equity Share (₹)	Nature of consideration
March 1, 2004	9,50,000	9,50,000	10	10	Cash
March 29, 2004	90,50,000	1,00,00,000	10	10	Cash
December 14, 2004	35,63,000	1,35,63,000	10	N.A	Share Swap
January 31, 2005	5,00,000	1,40,63,000	10	330	Cash
April 20, 2005	31,25,000	1,71,88,000	10	425	Cash
Pursuant to resolution dated October 28, 2006 of the Board, and the resolution of our Shareholders dated December 9, 2006, the face value of the equity shares was reduced from ₹10 each to ₹5 each. Accordingly, the issued, subscribed and the paid-up equity share capital of our Company being 1,71,88,000 equity shares of ₹10 each was subdivided into 3,43,76,000 Equity Shares of ₹5 each					
August 13, 2014	178,333	3,45,54,333	5	32.25	Cash
November 14, 2014	39,999	3,45,94,332	5	32.25	Cash
August 12, 2015	144,995	3,47,39,327	5	32.25	Cash
November 9, 2015	16,666	3,47,55,993	5	32.25	Cash
January 5, 2016	33,333	3,47,89,326	5	32.25	Cash
May 30, 2016	60,000	3,48,49,326	5	32.25	Cash
June 22, 2016	18,333	3,48,67,659	5	32.25	Cash
June 30, 2016	20,000	3,48,87,659	5	32.25	Cash
July 18, 2016	13,334	3,49,00,993	5	32.25	Cash
August 9, 2016	16,668	3,49,17,661	5	32.25	Cash
August 23, 2016	6,667	3,49,24,328	5	32.25	Cash
October 27, 2016	3,334	3,49,27,662	5	32.25	Cash
April 13, 2017	11,667	3,49,39,329	5	32.25	Cash
October 25, 2017	10,000	3,49,49,329	5	32.25	Cash

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share(₹)	Issue price per Equity Share (₹)	Nature of consideration
December 14, 2017	3,500	3,49,52,829	5	32.25	Cash
May 03, 2018	7708000	4,26,60,829	5	90	Cash
June 25, 2018	47334	4,27,08,163	5	32.25	Cash
	55000	4,27,63,263	5	72.55	Cash
September 5, 2018	12500	4,27,75,663	5	32.25	Cash
	40000	4,28,15,663	5	72.55	Cash
July 11, 2019	5000	4,28,20,663	5	32.25	Cash
January 24, 2020	5000	4,28,25,663	5	32.25	Cash
September 11, 2020	70000	4,28,95,663	5	5	Cash
June 30, 2021	92500	4,29,88,163	5	5	Cash
July 19, 2021	10000	4,29,98,163	5	5	Cash
July 30, 2021	20000	4,30,18,163	5	5	Cash
August 18, 2021	3,37,500	4,33,55,663	5	5	Cash
September 17, 2021*	45,000	4,34,00,663	5	5	Cash
September 22, 2021*	15,000	4,34,15,663	5	60.95	Cash

** Our Company has filed forms for increase of authorised share capital with Registrar of Companies for which approval is awaited.*

Except as stated in "***Equity Share capital history of our Company***" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Employee Stock Option Plan

The details of our ESOS Schemes in force as on the date of this Preliminary Placement Document are set forth below:

GEL-ESOS 2010 Scheme

Our Company has formulated ESOS Scheme namely GEL ESOS 2010 Scheme ("**ESOS 2010**") pursuant to a Board resolution passed by the Board on August 2, 2010 and special resolution passed by the Shareholders on September 17, 2010. The purpose of the ESOS 2010 is to attract, retain and reward employees in the service of the Company, and to motivate such employees to contribute to the growth and profitability of the Company.

Details with respect to ESOS 2010 as on date of this Preliminary Placement Document are set forth below:

Sr no	Particulars	Number of Options
1.	Total number of options	1,718,800
2.	Total number of options granted	1,718,800
3.	Options vested	1,188,330
4.	Options exercised	756,663
5.	Options lapsed or forfeited	NIL
6.	Options cancelled	NIL
7.	Total number of options outstanding	962,137

Gokaldas Exports Employee Restricted Stock Unit Plan 2018

Our Company has formulated Gokaldas Exports Employee Restricted Stock Unit Plan 2018 (**"RSU 2018"**) pursuant to the Board resolution dated on February 3, 2018, and special resolution passed by the Shareholders on August 27, 2017. The purpose of the RSU 2018 is to reward employees for their association with the Company, their performance as well as to attract, retain and reward Employees to contribute to the growth and profitability of the Company. The Company intends to use RSU 2018 to attract and retain talent in the organisation. The Company views RSU 2018 as an instrument that would enable the employees to get share in the value they create for the Company in the years to come.

Details with respect to RSU 2018 as on date of this Preliminary Placement Document are set forth below:

Sr no	Particulars	Number of Equity Shares/Options
1.	Total number of options	2,133,040
2.	Total number of options granted	2,133,040
3.	Options vested	1,625,000
4.	Options exercised	575,000
5.	Options lapsed or forfeited	NIL
6.	Options cancelled	NIL
7.	Total number of options outstanding	1,558,040

Proposed Allottees in this Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by the Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them will be included in the Placement Document in the section '*Details of Proposed Allottees*' on page 393.

Pre-Issue and post-Issue shareholding pattern

Sr no	Category	Pre-Issue (As at October 1, 2021)		Post-Issue (for institutional investors) * (As of [●], 2021 for all other categories)	
		No. of Equity Shares Held	% of share holding	No. of Equity Shares held	% of share holding
A.	**Promoters' holding****				
1.	**Indian**				
	Individual	249,391	0.57	[●]	[●]
	Bodies Corporate	13,955,957	32.14	[●]	[●]
	Sub-total	14,205,348	32.72	[●]	[●]
2.	Foreign promoters	Nil	-	[●]	[●]
	Sub-total (A)	14,205,348	32.72	[●]	[●]
B.	**Non - Promoters' holding**				
1.	Institutional Investors	6,373,426	14.68	[●]	[●]
2.	Non-Institutional Investors			[●]	[●]
	Private Corporate Bodies	3,985,684	9.18	[●]	[●]
	Directors and relatives^	Nil	-	[●]	[●]
	Indian public	17,037,178	39.24	[●]	[●]
	Others including Non-resident Indians (NRIs)	1,814,027	4.18	[●]	[●]
	Sub-total (B)	29,210,315	67.28	[●]	[●]
	Grand Total (A+B)	43,415,663	100	[●]	[●]

**Note: The table for the post-Issue shareholding pattern of the Company has been intentionally left blank and shall be filled at the time of filing of the Placement Document.*
*** This includes shareholding of the members of the Promoter Group.*
^ Gautham Madhavan one of our Promoters, is also a Non-Executive Director of our Company and holds 249,391 Equity Shares, which are reflected under the head Promoter's holding

Other Confirmations

There would be no change in control in our Company consequent to the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of allotment, except on the Stock Exchanges.

Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice dated August 24, 2021, to the Shareholders for the approval of this Issue.

DIVIDEND POLICY

In accordance with the provisions of the Companies Act, 2013, as amended, dividend shall be paid out of (a) relevant financial year's profit, after providing for depreciation in accordance with the provisions of the applicable law; or (b) net profit from any previous financial year(s), after providing for depreciation and remaining undistributed; or (c) out of (a) and (b) mentioned above.

Dividend amounts are determined each Fiscal in accordance with our Board's assessment of our Company's financial performance, past dividend trends, liquidity position, capital expenditure requirements, debt obligations, the external market conditions, the future potential of our Company and other factors. The declaration and payment of interim dividends, if any, will be approved by the Board of Directors at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013, as amended. Further, the declaration and payment of final dividends, if any, will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013, as amended.

Our Company has not declared any dividend for the Fiscals 2021, 2020 and 2019 . Further no interim dividend has been declared by our Company during Fiscal 2022 till date of filing of this Preliminary Placement Document. For details, see "*Risk Factors - Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements*" on page 62

Future Dividends

The form, frequency and amount of future dividends on the Equity Shares will depend upon our Company's earnings, cash flow, financial condition and other factors and shall be at the discretion of its Board of Directors and subject to approval of the shareholders of our Company. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Statement of Possible Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on page 180.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements, including the schedules and notes thereto, the audit and review reports thereon, as applicable included elsewhere in this Preliminary Placement Document, which are prepared in accordance with **Indian Accounting Standards ("Ind AS")**. The Unaudited Condensed Consolidated Interim Financial Statements are also prepared under recognition and measurement principals of **Ind AS.** These financial statements are preliminary financial statements and only a complete set of consolidated financial statements together with comparative financial information can provide a fair presentation of the state of affairs (financial position) of the Company, profit or loss (financial performance including other comprehensive income), cash flows and the changes of the Company. Ind AS differs in certain material respects with US GAAP and International Financial Reporting Standards. Accordingly, the degree to which the financial statements in this Preliminary Placement Document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.*

Except as noted or stated below, the financial statement amounts included herein are based on the numbers appearing in the audited financial statements of the fiscal year, and the previous year numbers are included based on the regrouped/reclassified numbers reported in the financial statements of the same financial year e.g., the financial statement amounts included herein for the Fiscal 2020 are based on the previous year regrouped/reclassified numbers reported in audited financial statements of the Fiscal 2021 and not the numbers reported in the audited financial statements of the Fiscal 2020.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Gokaldas Exports Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Gokaldas Exports Limited on a consolidated basis.

Statements in this Preliminary Placement Document that are not historical facts may be forward-looking statements. This discussion contains certain forward-looking statements and reflects our current views with respect to future events and financial performance. Such statements are subject to certain risks, uncertainties and assumptions that could cause our actual financial performance to differ materially from the conditions contemplated in such forward-looking statements. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could affect our financial condition, results of operations and cash flows. You are also advised to read the sections titled, "Forward-Looking Statements" and "Risk Factors" beginning on pages 13 and 38, respectively, which discuss a number of factors or contingencies that could affect our business, financial condition and results of operations. You are cautioned not to place undue reliance on these forward-looking statements.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.

Overview

We are a leading readymade garment manufacturer and exporter in India, engaged in the business of design, manufacture and sale of a wide range of readymade garments (outerwear, active wear and fashionwear) for men, women and kids, for all seasons. We cater to the needs of several leading international fashion brands and retailers. We export to more than 50 countries where our customers include prominent international brands. Our operations and facilities enable us to manufacture a wide variety of value-added readymade garments through our integrated operations comprising of garment designing, manufacturing and processing solutions for readymade garments. Our manufacturing facilities are complemented by our integrated ancillary units providing services like laundry, embroidery, printing, quilting and poly-wadding for the garments manufactured by our Company. Our manufacturing facilities are also supported by our large pool of manpower of 26,982 (full time) employees as on August 31, 2021. The principal source of revenue is from export of readymade garments and related products.

We believe our core competency lies in our clear understanding of the specifications of readymade garments, the buying preferences of our customers and our ability to deliver products of a consistent high quality and stringent compliance requirements of our international customers based out of, North America, South America, Europe, Africa, Oceania and Asian countries. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth.

Our Company and our Subsidiaries has 20 operating manufacturing facilities (with a capacity of 30 million pieces of garments in a year) out of which 18 are on leasehold basis, 2 are owned. 19 of our manufacturing facilities are located in Karnataka, and one in Andhra Pradesh. The wide range of infrastructure and machinery at our facilities for sewing, cutting, printing, embroidery and finishing of garments enable us to service our customers by fulfilling multiple bulk orders in a timely manner. Our design, testing, fitment and quality inspection laboratory helps us in delivering products of high quality that comply with the stringent standards set by our customers. Our in-house testing lab is accredited by some of our major customers. Our integrated manufacturing facilities set-up allows us to optimize our operations and service for our customers in a timely manner. Our modern printing and laundry unit set up is equipped with automatic machines and state-of-the-art imported equipment.

We believe that our ability of producing new designs and samples for our clients, and abilities to execute the designs developed by the customers, has helped us in enhancing our product portfolio and improving our adaptability to the latest trends. We have positioned ourselves as a multi-product and multi-market player ensuring that our products include a diverse mix of readymade garments which caters to both, domestic as well as the international markets.

We believe that we bring multiple capabilities to the customers, like trend forecasting, product engineering, fashion designing, optimised manufacturing and innovations. We focus on the manufacture of complex products and designs that insulate it from price-based competition on the one hand, while enhancing its respect on the other. We also invested in world-class design capability, extending its customer engagement from manufacture to consulting and implementation. Our customers, who significantly contribute to our revenues, have had long-term relationships with us. Our long-standing relationship with the major customers has been one of the most important factors contributing to its growth and persistent relevance. Commitment to quality and dedication towards customer service have been the corner stones of the Company's brand value. Nearly 38% of our total sales (excluding one-off sales such as PPE and others) are derived from customer with whom we have ten or more years of association.

Our strong focus on quality has helped us become the preferred vendor of choice for certain of our large international customers. In recognition of our high quality of manufacturing operations, we have been recognised as preferred and reliable business partner by many global leading brands. We have received recognition from Apparel Export Promotion Council, Ministry of Textiles, Govt. of India, New Delhi.

Our total revenue was ₹ 1,22,293.69 lakhs, ₹ 1,38,722.62 lakhs and ₹ 1,19,619.62 lakhs for the Fiscals 2021, 2020, 2019, respectively, on a consolidated basis. For the three-month period ended June 30, 2021 our total income was ₹ 24,298.73 lakhs on a consolidated basis. The following table gives the break-up of our total revenue on a consolidated basis.

(In ₹ lakhs)

Particulars	**FY 2019**		**FY 2020**		**FY 2021**		**Three-month period ended June 30, 2021**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Revenue from operations (net) (A)	1,17,451.91	98.19%	1,37,094.85	98.83%	1,21,072.73	99.00%	24,096.66	99.17%
Other Income (B)	2,167.71	1.81%	1,627.77	1.17%	1,220.96	1.00%	202.07	0.83%
Total (A+B)	**1,19,619.62**	**100.00%**	**1,38,722.62**	**100.00%**	**1,22,293.69**	**100.00%**	**24,298.73**	**100.00%**

The following table gives the break-up of our total sale of finished goods on a consolidated basis

(In ₹ lakhs)

Particulars	FY 2019		FY 2020		FY 2021		Three-month period ended June 30, 2021	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Sale of finished goods								
Exports (A)	90,787.79	83.77%	1,03,212.67	80.52%	94,173.84	82.21%	19,180.83	88.04%
Domestic(B)	17,596.06	16.23%	24,973.08	19.48%	20,372.42	17.79%	2,605.39	11.96%
Total(A+B)	1,08,383.85	100.00%	1,28,185.75	100.00%	1,14,546.26	100.00%	21,786.22	100.00%

The following table gives EBITDA, EBITDA Margin and PAT on a consolidated basis:

(In ₹ lakhs)

Particulars	FY 2019	FY 2020	FY 2021	Three-month period ended June 30, 2021
EBITDA	8,347.77	10,209.16	11,369.53	1,993.78
EBITDA Margin	6.98%	7.36%	9.30%	8.21%
PAT	2,557.96	3,038.71	2,649.16	-255.22

Our business and results of operations are affected by a number of important factors, including:

Global pandemic like COVID-19 affecting delay in timely delivery of the finished goods agreed with our customers

The COVID-19 pandemic and associated responses have adversely affected, among other things, workforces, consumer sentiment, liquidity, economies, trade and financial markets around the world, including in India. The lockdown required private, commercial and industrial establishments to remain closed. As a result, our business operations were temporarily disrupted with effect from March 23, 2020 to May 3, 2020. Pursuant to the directives from the central/local authorities impacted our ability to maintain continued operations resulting in some loss of productivity and cash flows. Further, since we do not maintain business interruption insurance (other than any interruptions caused due to fire), we will not be covered for any claims or damages arising out of such disruptions.

Heightened cybersecurity, information security and operational risks may result from these remote working arrangements. While we have already implemented a business continuity plan and we shall be implementing other such plans for minimising production delays, we cannot assure you that such plans and safeguards will be effective during the ongoing COVID -19 pandemic. During the COVID-19 pandemic, there has been an increased propagation of malware that could expose our employees and system to increased cybersecurity threats through phishing and other means. As the number of our employees working from unprotected home networks increases, there are a variety of threats that their devices are exposed to on their local home networks. Since many of our employees do not use a mobile computing device to carry out their jobs, we have provided them with hired mobile computing devices or allowed them to use their personal computing devices to access our network resources, exposing our network and systems to an increased risk of security breaches. Corporate devices also face increased risks of compromise due to a higher population of malware that is more prevalent on residential networks. We could be adversely affected if key personnel or a significant number of employees were to become unavailable due to the effects and restrictions imposed as a result of the COVID-19 pandemic. If any of our employees were suspected of contracting COVID-19 or any other contagious disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the well-being of our employees. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations (including implementation of work from home regime for key executives, to the extent possible), resumption of our operations within permissible limits and cancellation of physical participation in meetings, events and conferences) and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

Our business growth is dependent on the revenue growth of our customers in their respective geography. Due to COVID-19 pandemic, some of our customers may suffer loss and may end up having their inability to pay to the creditors, they may eventually file for bankruptcy, not pay our dues. This could in turn affect our business and financial results. For details, see "Risk Factors" on page 38.

Dependence on exports of readymade garments

Our export business for readymade garments constitutes a significant portion of our business. Our business of export of garments (including duty drawback and other export incentives) constitutes 85.33%, 80.86%, 79.22%, and 81.39% of our total income for the three months ended June 30, 2021, Fiscals 2021, 2020 and 2019, respectively on a consolidated basis. Typically, we do not enter into long-term sales contracts with any of our export customers for readymade garments. We execute sales orders based on the purchase orders received from customers and manufacture our products to meet the requirements of our customers, as specified by them in the purchase orders. Our customers generally place their orders at the start of each season, however since we do not enter into long-term sales contracts with them, there is no binding requirement for them to provide any orders. Customers can terminate their relationship with us due to a change in their policies, vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business and results of operations.

Evolving customer needs and market trends

Our business is dependent on understanding and responding to our customers' requirements in a timely manner and is also dependent on our ability to anticipate such changes in order to be ready to respond to such changes. Our design team works closely with customers to understand their requirements to prepare pre-order and pre-production samples. We have made and would be required to make changes in our designs and products to enable to meet such customer needs and specifications and have incurred, and expect to incur, costs to design and manufacture such products. We have, in the past, and will continue in the future, to be required to adapt our products in accordance with evolving customer requirements. If we are unable to adapt in a timely manner, or at all, to customer requirements and latest trends in the garments industry, including as a result of any inability to understand or implement customer specifications effectively or offer customized garments to our customers, it may lead to loss of customers and would also materially and adversely affect our business, prospects, financial results and reputation.

Significant geographic concentration

Our revenues are currently subject to significant geographic concentration. Our customers are predominantly based in the United States of America and Europe and our business depends significantly upon, and increases our exposure to adverse developments relating to, the general economic and other conditions in this geographical region 88.04%, 82.21%, 80.52% and 83.77%of our total sales from exports for the three-months period ended June 30, 2021, Fiscals 2021, 2020 and 2019, respectively on a consolidated basis, were generated by our customers based in the USA and Europe. Any external risks including regional economic downturn or changes in the regulatory or trading environment in the United States of America and Europe may materially and adversely affect our business and financial results.

Additionally, developments in the international textile and garments markets could have an impact on our sales.

From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in international jurisdictions in which we operate or seek to sell our products. There can be no assurance that such jurisdictions will not impose trade restrictions in the future. Any change in the duty structure that affects our ability to export garments to United States of America and Europe, including the imposition of, or increase in the rate of, anti-subsidy or anti-dumping duties, may have an adverse effect on our net revenues and results of operations.

Orders from significant customers

A significant proportion of our revenues have historically been derived from a limited number of customers. Over the last three Financial Years and for the three-months period ended June 30, 2021, more than 86.11% of our revenue from exports was contributed by our top ten customers. The loss of orders from any of these significant customers, if not replaced with a different or new customer, will result in a considerable reduction in our revenue and could have a material adverse effect on our cash flows and results of operations. If we are unable to establish new, and strengthen our existing, relationships with clients and expand the products and services we offer to our clients, this could materially adversely affect our future growth and our ability to increase our profitability.

Exchange rates

85.33%, 80.86%, 79.22%, and 81.39% of our total revenues for the three months ended June 30, 2021, Fiscals 2021, 2020 and 2019, respectively on a consolidated basis together with export incentives respectively were earned from customers outside India in our business of export of readymade garments. While a large portion of our expenses are paid in Indian Rupees, our revenues are mostly in foreign currencies, predominantly in U.S. Dollar and Euro. For further information, see the section "*Risk Factors - We derive a significant portion of our revenue in Euro and U.S. Dollar and hence are exposed to the risks associated with fluctuations in foreign exchange rates and we are dependent on imported raw material, which exposes us to international currency risks*"." on page 40.We expect that a majority of our revenues will continue to be generated in foreign currencies and that a significant portion of our expenses will continue to be denominated in Indian Rupees. Accordingly, our operating results have been and will continue to be impacted by fluctuations in the exchange rate between the Indian Rupee and other foreign currencies. We manage in part our foreign exchange risk by entering into forward contracts. However, currency hedging arrangements that we have entered into may or may not mitigate all, or substantially all, of the losses we may suffer as a consequence of any such fluctuations.

Compliance with stringent labor laws or other industry standards

Our manufacturing activities are labor-intensive and accordingly we employ a large workforce. As on August 31, 2021 we employed 26,982 employees (full time). We are subject to a number of stringent labor laws that protect the interests of workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers and imposes significant financial obligations on employers. Strikes, lock-outs and other labor action may have an adverse impact on our operations. We cannot guarantee that we will not experience any strike, work stoppage or other industrial action in the future. Also, our third-party suppliers may experience strikes or other labor disruptions and shortages that could affect our operations, possibly for a significant period of time, result in increased wages, shortage in manpower and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. Additionally, we may be unable to recruit employees, in particular skilled employees and retain our current workforce.

Change in Government incentives

The Government of India has provided several production and exports related incentives to the textile sector, from which we currently benefit including, the Revised Restructured Technology Upgradation Fund Scheme, the EPCG Scheme, the Duty Drawback Scheme and the Rebate of State and Central Tax Levies. As a result of these incentives, our operations in India have been subject to relatively lower tax liabilities. These incentives could be modified or removed at any time, which could adversely affect our business and profitability. Furthermore, any failure on the part of our Company to adhere to the requirements of these incentives may result in our Company losing the benefit of some or all of these incentives and/or payment of penalties. For details, see "*Risk Factors - Any changes in regulations or applicable government incentives would materially and adversely affect our business and profitability*".

Competition

We face intense competition in our garments export business not only from domestic players but also from cost-efficient manufacturers based in countries such as Vietnam, Bangladesh, and Pakistan. The intense competition that we face may result in increased pricing pressure, reduced profit margin or loss of market share or a failure to increase our market share. There can be no assurance that we will be able to effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

Optimum utilization of capacities

Our revenues and net profit have increased with our capacity expansions over the years, and we may further expand our capacity to meet increased demand and our growth objectives. We intend to enhance the manufacturing capacity of our Company and to achieve the same, our Company is also in the process of setting up a new greenfield manufacturing unit in Bhopal, Madhya Pradesh (MP) under its wholly owned subsidiary viz Gokaldasexports Acharpura Private Limited. . Although our business is labour-intensive, investments in augmenting capacities, new technologies and processes are among the key factors that would contribute to our future growth and profitability.

After the completion of our expansion plans, we expect to benefit from increased economies of scale and improved efficiency, which will have a positive impact on our gross margins. However, these expansions will also increase our interest and depreciation expenses.

Further, Our Company has undertaken expansion of its production capacities based on its estimates of market demand and profitability. In the event of non-materialisation of our estimates and expected orders due to factors including adverse economic scenario, change in demand, change in fashion, etc., our capacities may not be fully utilised thereby adversely impacting our financial performance.

Significant Accounting Policies – Indian Accounting Standards (Ind AS)

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements and Unaudited Condensed Consolidated Interim Financial Statements have been prepared as per the Indian Accounting Standards (Ind AS) are listed below**.** Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 1, 2016. The consolidated financial statements of the Group have been prepared and presented in accordance with Ind AS. Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value. These consolidated financial statements are presented in Indian Rupees (₹), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. 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 of 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.

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 recognized 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 recognized 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:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized 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.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

We believe that the following significant accounting policies warrant particular attention:

Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

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

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

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

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c. Foreign currencies

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

Exchange differences arising on the retranslation or settlement of other monetary items are included in the Consolidated Statement of Profit and Loss for the year.

d. Revenue recognition

i. Revenue from Contracts with Customers:

Effective April 1, 2018, the Group adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Performance obligations and timing of revenue recognition:

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

There is limited judgement needed in identifying the point when control passes:
- once physical delivery of the products has occurred to the location as per agreement,
- the Company no longer has physical possession,
- usually, will have a present right to payment (as a single payment on delivery) and
- retains none of the significant risks and rewards of the goods in question

The Group also derives some revenue from job work contracts. In these cases, revenue is recognized 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. Noncurrent assets held for sale

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

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

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

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

f. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the Consolidated Statement of Profit and Loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the Consolidated Balance Sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

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

g. Taxes on income

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to 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 recognized for all the taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilized.

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

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

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

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

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

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

h. Property, plant and equipment (PPE)

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

Freehold land is carried at historical cost and is not depreciated. Capital work-in-progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

Depreciation is provided using the written down value method ('WDV') as per the useful lives of the assets estimated by the management with residual value at 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 equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalised at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less on a straight line basis.

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal 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

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	Amortised method used	Internally generated or acquired
Computer software	Definite (2.5 years)	Written down value	Acquired

i. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

j. Leases

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

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

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

Group as a lessee

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

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

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

The Group's lease asset classes primarily consist of leases for Buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

k. Inventories

Inventories are valued as follows:

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

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

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

l. Provisions and contingent liabilities

i. Provisions:

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

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

ii. Contingent liabilities:

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

Provisions and contingent liabilities are reviewed at each balance sheet.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

n. Share- based payments

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

Equity-settled transactions:

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

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

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

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

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

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

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Effective interest method

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

(a) Financial assets

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

Financial assets measured at fair value

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

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the consolidated statement of profit and loss.

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

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

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

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized 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.

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.

Components of Revenue and Expense

Components of our revenue and expenses are set forth below:

Total Income

Our total income comprises of the following:

Sale of products: Sale of products comprises of sales of finished goods in India and international markets. Sales of finished goods comprises of sales of garments.

Other Operating Revenue: Other operating revenue comprises of sale of accessories, fabrics etc., export incentives, scrap sales and others (including claims).

Other Income: Our other income primarily comprises of interest income from bank deposits and others, net gain on exchange differences, profit on sale of fixed assets, excess provision of earlier years written back and other non-operating incomes.

Expenses

Our expenses primarily consist of cost of materials consumed, changes in inventories of finished goods and work-in-progress, employee benefits expenses, finance costs, depreciation and amortization charge and other expenses.

Cost of materials consumed: Comprises of cost of raw materials consumed.

Changes in inventories of finished goods and work-in-progress: changes in inventories of finished goods and work-in-progress comprises of net increases or decreases in inventory levels of finished goods and work-in-progress and stock in trade.

Employee benefits expenses: employee benefits expenses comprise salaries and wages, contributions to provident fund and other funds, gratuity expenses and staff welfare expenses.

Finance Costs: Our finance costs primarily comprise of interest paid on term loans, packing credit, bill discounting and others, bank charges and exchange difference to the extent considered as an adjustment to borrowing cost.

Depreciation and amortization expenses: Depreciation and amortization expenses include depreciation on tangible assets and amortization of intangible assets.

Other expenses: Other expenses include power and fuel, bad debts written-off, consumption of consumables, stores and spares, forwarding and freight.

Results of Operations

The following table sets forth the breakdown of our results of operations for the periods indicated on a consolidated basis:

(*In ₹ lakhs*)

Particulars	**Fiscal**					
	2021		**2020**		**2019**	
	(₹ In lakhs)	**(% of Total Income)**	**(₹in lakhs)**	**(% of Total Income)**	**(₹ in lakhs)**	**(% of Total Income)**
(I) Income						
Revenue from operations (1)	1,21,072.73	99.00%	1,37,094.85	98.83%	1,17,451.91	98.19%
Other income (2)	1,220.96	1.00%	1,627.77	1.17%	2,167.71	1.81%
Total Income (3= (1+2))	**1,22,293.69**	**100.00%**	**1,38,722.62**	**100.00%**	**1,19,619.62**	**100.00%**
(II) Expenses						
Cost of materials and components consumed (4)	56,562.36	46.25%	69,609.75	50.18%	59,053.49	49.37%
Changes in inventories of finished goods and work-in-progress (5)	3,941.80	3.22%	-414.71	-0.30%	-6,727.61	-5.62%
Employee benefits expense (6)	37,156.38	30.38%	46,742.44	33.69%	39,495.52	33.02%
Finance costs (7)	3,446.23	2.82%	3,682.47	2.65%	3,290.94	2.75%
Depreciation and amortization expense (8)	5,261.50	4.30%	5,481.92	3.95%	1,922.36	1.61%
Job work charges (9)	1,203.70	0.98%	1,063.87	0.77%	1,549.87	1.30%
(Gain)/loss on account of foreign exchange fluctuations (net) (10)	155.96	0.13%	-1,292.81	-0.93%	1,565.53	1.31%
Other expenses (11)	11,903.96	9.73%	12,804.92	9.23%	16,335.05	13.66%
Total Expenses (12= sum of 4 to 11)	**1,19,631.89**	**97.82%**	**1,37,677.85**	**99.25%**	**1,16,485.15**	**97.38%**
Profit/(loss) before exceptional items and tax (13= 3-12)	**2,661.80**	2.18%	**1,044.77**	0.75%	**3,134.47**	2.62%
Exceptional item (14)	0	**0.00%**	-1,993.94	**-1.44%**	626.56	**0.52%**
Profit/(loss) before tax (15= 13-14)	**2,661.80**	2.18%	**3,038.71**	2.19%	**2,507.91**	2.10%
Tax Expense						
Current Tax (16)	685.90	0.56%	74.19	0.05%	0	0.00%
Adjustment of tax relating to earlier years (17)	7.64	0.01%	0	0.00%	-50.05	-0.04%
Deferred Tax charge/ (credit) (18)	-680.90	-0.56%	-74.19	-0.05%	0	0.00%
Total tax expenses (19= (16+17+18)	**12.64**	**0.01%**	**0**	**0.00%**	**-50.05**	**-0.04%**
Net Profit/(loss) for the year (20= (15-19))	**2,649.16**	**2.17%**	**3,038.71**	**2.19%**	**2,557.96**	**2.14%**

Particulars	**Quarter**			
	June 30, 2021		**June 30, 2020**	
	(₹ in lakhs)	**(% of Total Income)**	**(₹ In lakhs)**	**(% of Total Income)**
(I) Income				
Revenue from operations (1)	24,096.66	99.17%	23,391.08	98.57%
Other income (2)	202.07	0.83%	338.55	1.43%

Particulars	Quarter			
	June 30, 2021		June 30, 2020	
	(₹ in lakhs)	(% of Total Income)	(₹ In lakhs)	(% of Total Income)
Total Income (3= (1+2))	**24,298.73**	**100.00%**	**23,729.63**	**100.00%**
(II) Expenses				
Cost of materials and components consumed (4)	13,539.88	55.72%	11,186.40	47.14%
Purchases of stock-in-trade (5)	171.90	0.71%	0.00	0.00%
Changes in inventories of finished goods and work-in-progress (6)	-2,320.23	-9.55%	-113.04	-0.48%
Employee benefits expense (7)	8,571.00	35.27%	7,402.46	31.20%
Finance costs (8	1,006.54	4.14%	979.43	4.13%
Depreciation and amortization expense (9)	1,242.46	5.11%	1,296.62	5.46%
Job work charges (10)	146.20	0.60%	402.32	1.70%
(Gain)/loss on account of foreign exchange fluctuations (net) (11)	-635.87	-2.62%	688.35	2.90%
Other expenses (12)	2,832.07	11.66%	2,313.06	9.75%
Total Expenses (13= sum of 4 to 12)	**24,553.95**	**101.05%**	**24,155.60**	**101.80%**
Profit/(loss) before tax (14= 3-13)	**-255.22**	-1.05%	**-425.97**	-1.80%
Tax Expense (15)	-	0.00%	-	0.00%
Net Profit/(loss) for the year (16= (14-15))	**-255.22**	**-1.05%**	**-425.97**	**-1.80%**

Our Results of Operations

Fiscal 2021 compared to Fiscal 2020

Total income: Our total revenue decreased by 11.84%, from ₹ 138,722.62 lakhs in Fiscal 2020 to ₹ 122,293.69 lakhs in Fiscal 2021. This was primarily due to 11.69% decrease in revenue from operations from ₹ 137,094.85 lakhs in Fiscal 2020 to ₹ 121,072.73 lakhs in Fiscal 2021.

Revenue from Operations: Our revenue from operations in Fiscal 2021 decreased by 11.69% as compared to Fiscal 2020 which was majorly due to drop in overall sale of finished goods impacted by the economic disruption caused by COVID-19 pandemic. While there was drop in overall sales, we contained the export revenue drop to 8.76% despite the pandemic impacting apparel trade globally. In contrast, India's apparel exports registered a decline of 17.4% in Fiscal 2021 compared to Fiscal 2020. Further, sales of accessories, fabric and scrap etc. have also declined due to COVID-19. Export incentives have also declined by 29.52% from ₹ 6,686.28 lakhs in Fiscal 2020 to ₹4,712.80 lakhs in Fiscal 2021. This was primarily due to decline in export sales by 8.76% and also on account of reduction in export incentive percentage to the extent of 1.48% over the previous year. The reduction in export incentive percentage was due to introduction of Remissions of Duties and Taxes on Exported Products (RoDTEP) with effect from January 1, 2021, in lieu of Rebate of State and Central Taxes and levies (RoSCTL), however the rates of RoDTEP were yet to be notified, hence, the Company could not recognize RoSCTL benefit to the extent of approximately ₹ 425 lakhs in Q4 of Fiscal 2021.

Other Income: Other income decreased by 24.99% from ₹ 1,627.10 lakhs for Fiscal 2020 to ₹ 1,220.96 lakhs in Fiscal 2021. This was primarily due to reduction in the interest on bank deposits to the extent of ₹ 245.27 lakhs over the previous year consequent to reduction in the interest rate on fixed deposits.

Expenses

Total expenses[@]: Total expenses decreased by 13.11%, from ₹ 137,677.85 lakhs in Fiscal 2020 to ₹119,631.89 lakhs in Fiscal 2021.

[@]Total expense is defined as a sum of cost of materials consumed, changes in inventories of finished goods, and work in progress, employee benefits expense, other expense, depreciation and amortisation expense, and finance costs.

Cost of Goods Sold

Cost of goods sold (cost of materials consumed plus (Increase) / decrease in inventories of finished goods and work-in-progress) was ₹ 69,195.04 lakhs or 53.98% of turnover for Fiscal 2020 has come down to ₹ 60,504.16 lakhs, or 52.82% of turnover for Fiscal 2021. Cost of goods sold expressed as a percentage of turnover decreased during Fiscal 2021 primarily due to better utilization of materials and reduction in wastages.

- *Cost of materials consumed*: Our expenses in relation to cost of materials consumed decreased by 18.74%, from ₹69,609.75 lakhs in Fiscal 2020 to ₹56,562.36 lakhs in Fiscal 2021. This decrease was primarily on account of lower volume of production in Fiscal 2021.

- *Changes in inventories of finished goods, work-in-progress and traded goods:* Our adjustment for increase in inventories of finished goods, work-in-progress and stock-in-trade was ₹414.71 lakhs in Fiscal 2020 compared to a decrease of ₹3,941.80 lakhs in Fiscal 2021. This was primarily due to sale of finished products from the opening stock.

Employee benefits expense: Employee benefits expense decreased by 20.51% from ₹46,742.44 lakhs in Fiscal 2020 to ₹ 37,156.38 lakhs in Fiscal 2021. The overall decrease in employee benefits expense was primarily due to decrease in salaries, wages and bonus from ₹ 39,730.11 lakhs in Fiscal 2020 to ₹ 32,277.23 lakhs in Fiscal 2021, decrease in staff welfare and expenses from ₹1,299.66 lakhs in Fiscal 2020 to ₹503.70 lakhs in Fiscal 2021, decrease in gratuity expense from ₹ 734.91 lakhs in Fiscal 2020 to ₹ 722.98 lakhs in Fiscal 2021 and a decrease in contribution to provident and other funds from ₹ 4,273.85 lakhs in Fiscal 2020 to ₹ 3,132.16 lakhs. These decreases were primarily due to a decrease in the number of our employees from count 26,605 as of March 31, 2020, to 23,467 as of March 31, 2021. This was on account of reduction in overall manpower strength in line with the capacity utilization in a COVID-19 pandemic impacted year where the some of the production units were completely shut and were running at lower capacity during the Q1 FY21.
.
Finance costs: Our finance costs decreased by 6.42%, from ₹ 3,682.47 lakhs in Fiscal 2020 to ₹ 3,446.23 lakhs in Fiscal 2021. This decrease was mainly attributable lower utilization of the packing credit loans and other working capital facilities.

Depreciation and Amortization expense: Depreciation and amortization expenses decreased by 4.02% from ₹ 5,481.92 lakhs in Fiscal 2020 to ₹ 5,261.50 lakhs in Fiscal 2021. While there was increase in the depreciation on fixed assets but the primary reason for the decrease was on account of decrease in depreciation in right of use assets.

Job Work Charges: Our job work charges represents some of the processes or some orders during exigencies are executed at third party location which has increased by ₹139.83 lakhs, increased by 13.14% (from ₹1063.87 lakhs in fiscal 2020 to ₹1203.70 lakhs in Fiscal 2021), this happens due to timely execution of orders.

Foreign exchange fluctuations (net): During the current year FY 2021, there was loss on account of foreign currency fluctuation of ₹155.96 lakhs as opposed to a gain of ₹1,292.81 lakhs in FY 2020. This was due to fluctuation in the spot rate of the currency against the forward rate considered by the Company for hedging the exchange fluctuation risks.

Other expenses: Our other expenses decreased by 7.03%, from ₹ 12,804.92 lakhs in Fiscal 2020 to ₹ 11,903.94 lakhs in Fiscal 2021, primarily due to:

- a decrease in travelling and conveyance expenses by 42.33% from ₹ 632.32 lakhs in Fiscal 2020 to ₹ 364.65 lakhs in Fiscal 2021. This was due to lesser travel / conveyance due to lockdown, restriction in movement of people directed by the Government during the COVID-19 period.

- a decrease in consumption of consumables, stores and spares by 34.61% from ₹ 966.71 lakhs in Fiscal 2020 to ₹ 632.14 lakhs in Fiscal 2021. This was due to lesser production in the first half of FY 2021 induced by the COVID-19 pandemic.

- a decrease in legal and professional fees by 23.89% from ₹ 979.37 lakhs in Fiscal 2020 to ₹ 745.41 lakhs in Fiscal 2021. This was due to company had engaged legal counsel to represent the bankruptcy matter for one of the foreign customers that filed chapter 11 in the court of USA. No such expenses were there in FY 2021.

- a decrease in power and fuel by 19.17% from ₹ 2,358.76 lakhs in Fiscal 2020 to ₹ 1,906.57 lakhs in FY 2021. This was due to lesser consumption of power due to drop in production;

- a decrease in printing and stationery by 15.77% from ₹ 403.18 lakhs in Fiscal 2020 to ₹ 339.59 lakhs in FY 2021. This was due to lesser consumption of Printing and stationary due to drop in production;

- a decrease in freight and forwarding expenses by 13.05% from ₹ 1,900.37 lakhs in Fiscal 2020 to ₹1,652.34 lakhs in Fiscal 2021. This was due to lesser shipment and outbound logistic activity compared to FY 2020 due to the COVID-19.

- a decrease in miscellaneous expenses by 30.47% from ₹ 2,154.38 lakhs in Fiscal 2020 to ₹ 1,497.93 lakhs in Fiscal 2021. The year FY 2021 was intensely affected by the COVID-19, factories were under lockdown / restriction in the operation, as a result, expenses were lesser than the FY 2020.

- a decrease in other manufacturing expenses by 18.83% from ₹ 261.86 lakhs in Fiscal 2020 to ₹212.55 lakhs in Fiscal 2021. This was due to lesser production compared to the previous year due to the drop in overall business.

which was partially offset by *inter alia*:

- an increase in rates and taxes by 40.19.% from ₹ 263.51 lakhs in Fiscal 2020 to ₹ 369.41 lakhs in Fiscal 2021. This was primarily on account of renewal of various factory licenses and renewal of lease deeds.

- an increase in rent expense by ₹ 1023.10 lakhs (from ₹ 435.95 lakhs in fiscal 2020 to ₹ 1459.05 lakhs in fiscal 2021). Since lease rents come under the purview of Ind AS 116, the rental costs for some of the lease were taken out of the Ind AS treatment and accounted as an expense as opposed to capitalization of future rental as Right of Use of Assets (ROU) at their present value. However, the total rent expense as a payout remains almost same as the previous year. The small increase was on account of the renewal of lease agreements.

- an increase in insurance by 20.45% from ₹ 427.93 lakhs in Fiscal 2020 to ₹ 515.43 lakhs in Fiscal 2021. The increase was mainly towards revision in property insurance for fire and other peril mandated by the regulatory authorities.
- an increase in provision for doubtful debts by 58.32% from ₹514.01 lakhs in Fiscal 2020 to ₹ 813.77 lakhs in Fiscal 2021. This was primarily due to one-time provision made towards provision for expected credit loss for FY 2021.

Profit before tax: Our net profit before tax was ₹ 2,661.80 lakhs in Fiscal 2021 as compared to profit before tax of ₹ 3,038.71 lakhs in Fiscal 2020. This was primarily due to exceptional items of ₹ 1,993.94 lakhs in the Fiscal 2020 as opposed to nil to Fiscal 2021. The exceptional items were towards profit on sale of land at Hyderabad of ₹ 2604.78 lakhs and reversal of MEIS income pertaining to FY 2018-19 of ₹ 610.84 lakhs as per the Government notification.

Tax Expense: Our adjustment of tax relating to earlier years was ₹ 7.64 lakhs in Fiscal 2021 as compared to Nil adjustments in Fiscal 2020 and our deferred tax credit was ₹ 680.90 lakhs in Fiscal 2021 as compared to deferred tax credit of ₹74.19 lakhs in Fiscal 2020 due to the applicability of MAT.

Profit for the year: Our profit for the year was ₹ 2,649.16 lakhs in Fiscal 2021 as compared to profit of ₹ 3,038.71 lakhs in Fiscal 2020. FY 2020 was inclusive of exceptional income of ₹1993.94 lakhs whereas no such items are available in FY 2021. Excluding the exceptional items, the profit before exceptional income and taxes was increased from ₹1044.77 lakhs in FY 2020 to ₹2661.80 lakhs in FY 2021.

Fiscal 2020 compared to Fiscal 2019

Revenue

Total Income: Our total income increased by 15.97%, from ₹ 119,619.62 lakhs in Fiscal 2019 to ₹ 138,722.62 lakhs in Fiscal 2020. This was primarily due to a 16.24% increase in revenue from operations from ₹ 117,451.91 lakhs in Fiscal 2019 to ₹ 137,094.85 lakhs in Fiscal 2020.

Revenue from Operations: Our revenue from operations in Fiscal 2020 increased by 16.24% as compared to Fiscal 2019. This was mainly due to increase in export business. This was primarily due to an increase in sale of products by 18.27% from ₹ 108,383.85 lakhs for Fiscal 2019 to ₹ 128,185.75 lakhs for Fiscal 2020, a decrease in export incentives by 6.86% from ₹ 6,566.56 lakhs for Fiscal 2019 to ₹ 6,115.91 lakhs for Fiscal 2020, an increase in income from sale of accessories, fabrics, scraps and others by 54.56% from ₹ 1,220.51 lakhs in Fiscal 2019 to ₹ 1,886.39 lakhs for Fiscal 2020. There was decrease in job work income by 73.74% from ₹ 1,280.99 lakhs in Fiscal 2019 to ₹ 336.43 lakhs for Fiscal 2020.

Other Income: Other income (excluding income from foreign exchange fluctuation) was increased by 1.40% from ₹ 2,167.71 lakhs from Fiscal 2019 to ₹ 2,198.14 Lakhs for Fiscal 2020. This was primarily due to income from the Government grants by ₹ 270.19 lakhs.

Expenses

Total expenses[@]: Our total expenses increased by 18.19%, from ₹ 116,485.15 lakhs in Fiscal 2019 to ₹ 137,677.85 lakhs in Fiscal 2020. This was primarily due to an increase in capacity for the increased volume of business as a result there was increase in the employee costs during the FY 2020 compared to the FY 2019.

[@]Total expense is defined as a sum of cost of materials consumed, changes in inventories of finished goods, and work in progress, employee benefits expense, other expense, depreciation and amortisation expense, and finance costs.

Cost of Goods Sold

Cost of goods (cost of materials consumed plus (increase)/decrease in inventories of finished goods, work-in-progress and traded goods) sold was ₹69,195.04 lakhs, or 53.98% of turnover for Fiscal 2020, and ₹52,325.88 lakhs, or 48.28% of turnover for Fiscal 2019. Cost of goods sold expressed as a percentage of turnover increased during Fiscal 2020 primarily due to increase in cost of materials consumed for higher production in Fiscal 2020 compared to Fiscal 2019. Total material consumption (i.e., cost of material and changes in working in progress and finished goods inventory and traded goods together) as a percentage of turnover was 48.28% in FY 2019 which has increased by 5.70% to 53.98% in FY 2020. This was due to the higher utilization of the material for some of the customers whose material to sales ratio was high.

- *Cost of materials consumed*: Our expenses in relation to cost of materials consumed increased by 17.88%, from ₹59,053.49 lakhs in Fiscal 2019 to ₹ 69,609.75 lakhs in Fiscal 2020. This increase was primarily on account of a growth in our business.

- *Changes in inventories of finished goods and work-in-progress:* Our adjustment for increase in inventories of finished goods and work-in-progress lower by ₹ 6,312.90 lakhs compared to a similar adjustment for Fiscal 2019. This was primarily due to opening stock movement from one financial year to another year.

***Employee benefits expense*:** Employee benefits expense increased by 18.35% from ₹ 39,495.52 lakhs in Fiscal 2019 to ₹ 46,742.44 lakhs in Fiscal 2020. The overall increase in employee benefits expense was primarily due to additional capacity in the production units thereby increase in the number of our employees from 25,578 as of March 31, 2019 to 26,605 as of March 31, 2020. This has resulted in increase in salaries, wages and bonus from ₹ 33,867.80 lakhs in Fiscal 2019 to ₹ 39,730.11 lakhs in Fiscal 2020, increase in staff welfare and expenses from

₹ 1,085.50 lakhs in Fiscal 2019 to ₹ 1,299.66 lakhs in Fiscal 2020, increase in gratuity expense from ₹ 654.92 lakhs in Fiscal 2019 to ₹ 734.91 lakhs in Fiscal 2020, an increase in contribution to provident and other funds from ₹ 3,602.24 lakhs in Fiscal 2019 to ₹ 4,273.85 lakhs in Fiscal 2020.

Finance costs**:** Our finance costs increased by 11.90%, from ₹ 3,290.94 lakhs in Fiscal 2019 to ₹ 3,682.47 lakhs in Fiscal 2020. This increase was mainly attributable to interest cost on right of use assets (Ind AS 116 Lease: impact) to the tune of ₹ 693.66 lakhs, barring which the finance cost has reduced compared to FY 2020.

Depreciation and Amortization expense: Depreciation and amortization expenses increased by 185.17% from ₹ 1,922.36 lakhs for Fiscal 2019 to ₹ 5,481.92 lakhs for Fiscal 2020. This was primarily on account of IndAS116 (Lease) where amortization on right-of-use of asset was added which was ₹ 2,981.64 lakhs in Fiscal 2020. Excluding the amortization cost pertaining to right-of-use of asset, depreciation and amortization expenses increased by 30.06% from ₹ 1,922.36 lakhs in Fiscal 2019 to ₹ 2,500.28 lakhs in Fiscal 2020.

Gain on account of foreign exchange fluctuation (net): There has been a gain on foreign exchange fluctuation of ₹ 1,292.81 lakhs in Fiscal 2020 as compared to loss on account of foreign exchange fluctuation (net) of ₹ 1,565.53 lakhs in Fiscal 2019. This variation is due to the variation in movement of currency's spot and forward rate. The company undertakes forward contract for hedging its currency fluctuation risk. The increase or decrease in spot rate as against the forward rate results in loss or gain in the financial statement.

Other expenses (includes job work charges)**:** Our other expenses decreased by 35.34%, from ₹ 17,884.92 lakhs in Fiscal 2019 to ₹ 13,868.79 lakhs in Fiscal 2020, primarily due to:

- a decrease in Rent expenses by 89.45% from ₹ 4,130.84 lakhs in Fiscal 2019 to ₹ 435.95 lakhs in Fiscal 2020. This was due to introduction of IndAS 116(Lease).

- a decrease in job work charges by 31.36% from ₹1,549.87 lakhs in Fiscal 2019 to ₹ 1,063.87 lakhs in Fiscal 2020. This was due to maximum utilization of inhouse production capacity in the current year and lesser dependencies on the external resource.

- a decrease in clearing, forwarding and freight (net of recoveries) by 15.90 % from ₹ 2,259.60 lakhs in Fiscal 2019 to ₹ 1,900.37 lakhs in Fiscal 2020. This reduction in the outbound logistic costs was due to consolidation of orders in dispatch and internal efficiency in delivery management.

- a decrease in power and fuel by 2.26% from ₹ 2,413.32 lakhs in Fiscal 2019 to ₹ 2,358.76 lakhs in Fiscal 2020. This was due to closure of one of the manufacturing facilities.

- a decrease in communication costs by 21.81% from ₹ 190.61 lakhs in Fiscal 2019 to ₹ 149.04 lakhs in Fiscal 2020. This was due to cost savings actions taken by the company.

- a decrease in consumption of consumables by 0.69% from ₹ 973.40 lakhs in Fiscal 2019 to ₹ 966.71 lakhs in Fiscal 2020.

- a decrease in irrecoverable balances written off by 100% from ₹ 565.93 lakhs in Fiscal 2019 to ₹ NIL lakhs in Fiscal 2020.

- an increase in rates and taxes by 52.19% from ₹ 173.15 lakhs in Fiscal 2019 to ₹ 263.51 lakhs in Fiscal 2020. This was due to renewal of lease deeds and renewal of licenses.

- an increase in travelling and conveyance expenses by 34.66% from ₹ 469.56 lakhs in Fiscal 2019 to ₹ 632.32 lakhs in Fiscal 2020. Increase in business related travels and conveyances.

- an increase in provision for doubtful debts by 56.84% from ₹ 327.73 lakhs in Fiscal 2019 to ₹ 514.01 lakhs in Fiscal 2020. Due to increase in provision against aged receivables and one of the foreign customers filed for the bankruptcy for which provision was made for the receivables.

Profit before tax**:** Our net profit before tax increased by 21.17%, from ₹ 2,507.91 lakhs in Fiscal 2019 to ₹ 3,038.71 lakhs in Fiscal 2020. This was primarily due to exceptional expense of ₹ 626.56 lakhs in the Fiscal 2019 as opposed to exceptional gain of ₹ 1,993.94 lakhs in Fiscal 2020.

Tax Expense**:** Our adjustment of tax relating to earlier years was ₹ NIL lakhs in Fiscal 2020 as compared to ₹ 50.05 lakhs in Fiscal 2019, our deferred tax credit was ₹ 74.19 lakhs in Fiscal 2020 as compared to deferred tax credit of ₹ NIL lakhs in Fiscal 2019 and our current tax was ₹ 74.19 lakhs in Fiscal 2020 as compared to current tax of ₹ NIL in Fiscal 2019.

Profit for the year**:** Our profit for the year increased by 18.79% from ₹ 2,557.96 lakhs in Fiscal 2019 to ₹ 3,038.71 lakhs in Fiscal 2020. This was mainly contributed by the increase in exceptional items like profit on sale of land by ₹ 2,604.78 lakhs and reversal of MEIS benefit pertaining to FY 2019 of ₹610.84 lakhs in the FY 2020.

Profit before exceptional items and tax was decreased by ₹2089.70 lakhs due to the Government of India announced retrospective reversal of 4% MEIS benefit through a notification on 14th Jan 2020, as a result the company reversed income of ₹3600.63 lakhs (adjusting one-time RoSCTL income) in the Q4 FY20. Such reversal of income has resulted in the drop in the profit before tax in FY 2020.

Three month's period ended June 30, 2021, compared to three month's period ended June 30, 2020

Total revenue: Our total revenue increased by 2.40%, from ₹ 23,729.63 lakhs in three months ended June 30, 2020, to ₹ 24,298.73 lakhs in three months ended June 30, 2021. This was primarily due to 3.02% increase in revenue from operations from ₹ 23,391.08 lakhs in three months ended June 30, 2020, to ₹ 24,096.66 lakhs in three months ended June 30, 2021. Overall revenue was subdued since we faced a stringent state-wide lockdown announced by the Government on account of a severe second wave of COVID-19 in the state of Karnataka where the company has most of its operations. The Company's manufacturing units were completely shut / severely restricted between April 29, 2021, and July 4, 2021. Following Government directives, the operations remained shut for most of May 2021 and worked at 30% capacity in June, 2021. Effectively, the Company lost about 54% of its total capacity in the three months period ended June 30, 2021, to the lockdown.

Revenue from Operations: Our revenue from operations in three months ended June 30, 2021increased by 3.02% as compared to three months ended June 30, 2020majorly due to growth of 25.67% in our exports sales in three months ended June 30, 2021compared to three months ended June 30, 2020, while our domestic sales declined by 63.65% in same period. This was because in three months ended June 30, 2020, we sold majorly healthcare products (PPEs) against domestic orders which was not the case in three months ended June 30, 2021. Other operating revenues in three months ended June 30, 2021increased by 140.41% compared to three months ended June 30, 2020mainly due to increase in export incentives generated out of higher export of finished goods and other of 105.24% and sales of accessories, fabrics, scraps and others of 335.96% followed by increase in the job work income by 23.23% in three months ended June 30, 2021compared with three months ended June 30, 2020.

Other Income: Other income decreased by -40.31% from ₹ 338.55 lakhs for three months ended June 30, 2020 to ₹ 202.07 lakhs in three months ended June 30, 2021. This was primarily due to reduction in the interest on bank deposits to the extent of ₹ 81.86 lakhs (37.90%) over the three months ended June 30, 2020 consequent to reduction in the interest rate on fixed deposits.

Expenses

Total expenses@: Total expenses increased by 1.65%, from ₹ 24,155.60 lakhs in three months ended June 30, 2020 to ₹ 24,553.95 lakhs in three months ended June 30, 2021.

@Total expense is defined as a sum of cost of materials consumed, changes in inventories of finished goods, and work in progress, employee benefits expense, other expense, depreciation and amortisation expense, and finance costs.

Cost of Goods Sold

Cost of goods sold (cost of materials consumed plus purchases of stock-in-trade plus (Increase) / decrease in inventories of finished goods and work-in-progress) was ₹ 11,073.36 lakhs, or 46.66% of turnover for three months ended June 30, 2020 has increased to ₹ 11219.61 lakhs, or 46.17% of turnover for three months ended June 30, 2021. Cost of goods sold expressed as a percentage of turnover increased during three months ended June 30, 2020 primarily due to changed product mix and higher utilization of materials.

- *Cost of materials consumed*: Our expenses in relation to cost of materials consumed increased by 21.04%, from ₹ 11,186.40 lakhs in three months ended June 30, 2020to ₹ 13,539.88 lakhs in three months ended June 30, 2021. This increase was primarily on account of higher utilization of material in respect of orders in three months ended June 30, 2021.

- *Changes in inventories of finished goods, work-in-progress and traded goods:* Our adjustment for increase in inventories of finished goods, work-in-progress and stock-in-trade was ₹ 113.04 lakhs in three months ended June 30, 2020 compared to increase of ₹ 2,320.23 lakhs in three months ended June 30, 2021. This was `primarily due to movement of opening stocks to the subsequent period.

Employee benefits expense: Employee benefits expense increased by 15.79% from ₹ 7,402.46 lakhs in three months ended June 30, 2020, to ₹ 8,571.00 lakhs in three months ended June 30, 2021. The overall increase in employee benefits expense was primarily due to increase in salaries, wages and bonus from ₹ 6,407.26 lakhs in three months ended June 30, 2020to ₹7,384.13 lakhs in three months ended June 30, 2021, increase in contribution to provident and others fund from ₹ 456.87 lakhs in three months ended June 30, 2020 to ₹ 800.93 lakhs in three months ended June 30, 2021, increase in staff welfare and expenses from ₹ 78.77 lakhs in three months ended June 30, 2020to ₹ 132.94 lakhs in three months ended June 30, 2021, decrease in gratuity expense from ₹ 280.07 lakhs in three months ended June 30, 2020to ₹ 234.81 lakhs in three months ended June 30, 2021and a decrease in share-based payments expenses from ₹ 179.49 lakhs in three months ended June 30, 2020to ₹ 18.19 lakhs in three months ended June 30, 2021. Three months ended June 30, 2021was severely impacted due to the second wave of pandemic where the company lost about 54% of the production capacity due to lockdown / restrictions imposed by the state Government, however, the company stepped up the production within the constraints imposed and worked on creating additional capacities, added people for the increased production and also supported a large manpower on standby to ramp up production at short notice which caused increase in manpower costs.

Finance costs: Our finance costs increased by 2.77%, from ₹ 979.43 lakhs in three months ended June 30, 2020 to ₹ 1,006.54 lakhs in three months ended June 30, 2021. This increase was mainly attributable higher utilization of the packing credit loans and other working capital facilities.

Depreciation and Amortization expense: Depreciation and amortization expenses decreased by 4.18% from ₹ 1,296.62 lakhs in three months ended June 30, 2020 to ₹ 1,242.46 lakhs in three months ended June 30, 2021.

Foreign exchange fluctuations (net): During the current three months ended June 30, 2021, there was gain on account of foreign currency fluctuation of ₹635.87 lakhs as opposed to a loss of ₹ 688.35 lakhs in three months ended June 30, 2020. This was due to fluctuation in the sport rate of the currency against the forward rate considered by the company for hedging the exchange fluctuation risks.

Other expenses: Our other expenses increased by 22.44%, from ₹ 2,313.06 lakhs in three months ended June 30, 2020to ₹ 2,832.07 lakhs in three months ended June 30, 2021, primarily due to:

- an increase in consumption of consumables, stores and spares by 38.87% from ₹ 108.91 lakhs in three months ended June 30, 2020, to ₹ 151.24 lakhs in three months ended June 30, 2021. This was due to increased production in the three months ended June 30, 2021compared to three months ended June 30, 2020.

- an increase in power and fuel by 19.77% from ₹ 359.83 lakhs in three months ended June 30, 2020to ₹ 430.97 lakhs in three months ended June 30, 2021. This was due to higher consumption of power due to increase in production;

- an increase in rent by 150.11% from ₹ 154.91 lakhs in three months ended June 30, 2020 to ₹ 387.45 lakhs in three months ended June 30, 2021. This was due to certain lease contracts were out of the applicability of Ind AS -116 on Leases, as a result, the expenses were booked as opposed to treating the same as right of use of assets and subsequent treatment thereon.

- an increase in insurance by 5.69% from ₹ 127.35 lakhs in three months ended June 30, 2020 to ₹ 134.60 lakhs in three months ended June 30, 2021. The increase was mainly towards revision in property insurance for fire and other peril mandated by the regulatory authorities.

- an increase in legal and professional fees by 41.38% from ₹154.77 lakhs in three months ended June 30, 2020 to ₹ 218.81 lakhs in three months ended June 30, 2021. The increase was on account of the legal consultancy fee paid for the bankruptcy matter towards certain foreign customer.

- an increase in freight and forwarding expenses by 32.97% from ₹ 374.41 lakhs in three months ended June 30, 2020 to ₹ 497.84 lakhs in three months ended June 30, 2021. This was due to higher shipment costs compared to three months ended June 30, 2020due to the higher export sales compared to the previous year.

which was partially offset by:

- a decrease in miscellaneous expenses by 20.41% from ₹ 303.75 lakhs in three months ended June 30, 2020to ₹ 241.77 lakhs in three months ended June 30, 2021 mainly due to drop in security, water charges since majority part of the quarter the production units were not functional due to lockdown/ restrictions.

- decrease in provision for doubtful debts by ₹ 147.28 lakhs (from ₹ 350.75 lakhs in three month ended June 30, 2020 to ₹ 203.47 lakhs in three month ended June 30, 2021) owing to changes in provision on aged receivables as per the company's policy, which were subsequently realized.

Profit before tax: Our net loss before tax was ₹255.22 lakhs in three months ended June 30, 2021as compared to loss before tax of ₹ 425.97 lakhs in three months ended June 30, 2020. The overall loss was due to lower revenue affected owing to the second wave of pandemic.

Profit for the year: Our loss for the three months ended June 30, 2021was ₹ 255.22 lakhs as compared to loss of ₹ 425.97 lakhs in three months ended June 30, 2020. The loss was mainly attributed to the effect of the second wave of pandemic. As per the directive of the Government of Karnataka, the company's manufacturing units were completely shut to severely restricted between 29th April 2021 and 4th July 2021. Following Government directives, the operations remained shut for most of May 2021 and worked at 30% capacity in June 2021.The Company resumed full operations from 5th July, 2021. Hence, overall drop in revenue in both the quarters is as a result of underutilization of total production capacity, revenue and profitability.

Cash Flows

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

(Amount ₹ in lakhs)

Sr. No	Particulars	Three Months ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Net cash flows (used in)/ from operating activities (A)	4,822.45	11870.84	9860.26	5113.99
2	Net cash flows (used in)/from investing activities (B)	(485.54)	(3222.19)	(3859.39)	4.33
3	Net cash flows (used in)/ from financing activities (C)	(4,258.58)	(8623.23)	(4467.42)	(5691.83)
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**78.33**	**25.42**	**1533.45**	**(573.51)**

Operating Activities

Net cash flows from operating activities for Fiscal 2021 consisted of profit before exceptional items and tax of ₹ 2,661.80 lakhs as adjusted upwards primarily for depreciation and amortization expenses of ₹ 5,261.50 lakhs, share based payments of ₹ 520.31 lakhs, provision for doubtful debts of ₹ 813.77 lakhs, irrecoverable balances written off of ₹ 84.00 lakhs, and interest expense of ₹ 3,446.23 lakhs, which were adjusted downwards for profit on sale of assets (net) of ₹ 61.39 lakhs, foreign exchange loss (gain), net realized of ₹ 189.10 lakhs, gain on sale of investments in mutual fund units of ₹143.76 lakhs, income from government grants of ₹ 158.17 lakhs and income from interest on deposits of ₹ 744.66 lakhs. As a result, our operating profit before working capital changes was ₹ 11,490.53 lakhs for Fiscal 2021, which was further adjusted for changes in working capital which were primarily on account of increase in loans of ₹103.03 lakhs, increase in financial assets of ₹38.42 lakhs, decrease in other assets of ₹ 1,707.71 lakhs which was majorly on account of major realization in export incentive receivables, decrease in inventories of ₹ 3,004.03 lakhs, increase in trade receivables of ₹ 4,665.08 lakhs, and in respect of current liabilities, there was decrease in provision for employee benefits of ₹ 20.70 lakhs, decrease in trade payables of ₹32.39 lakhs, increase in the other financial liabilities majorly attributed to employee related payables ₹ 325.59 lakhs, decrease in other liabilities such of statutory liabilities payable and advances from customers etc. of ₹ 57.50 lakhs and direct tax refunded /(paid) net of refund and payments was of ₹ 260.10 lakhs. As a result, net cash flow from operating activities was ₹ 11,870.84 lakhs for Fiscal 2021.

Net cash flows from operating activities for Fiscal 2020 consisted of profit before tax of ₹ 1,044.77 lakhs as adjusted upwards primarily for depreciation and amortization expenses of ₹ 5,481.92 lakhs, foreign exchange loss/(gain), net unrealised of ₹ 232.37 lakhs, share based payment of ₹ 703.91 lakhs, provision for doubtful debts of ₹ 514.01 lakhs and interest expense of ₹ 3,682.47 lakhs, which were adjusted downwards for profit on sale of assets (net) of ₹ 43.47 lakhs, gain on sale of investments in mutual fund units of ₹ 168.24 lakhs, income from government grants of ₹ 570.37 lakhs, write off of export incentives receivables of ₹ 610.84 lakhs, income from interest on deposits of ₹ 973.32 lakhs and excess provision write off of ₹ 5.17 lakhs. As a result, our operating profit before working capital changes was ₹ 9,288.04 lakhs for Fiscal 2020, which was further adjusted for changes in working capital which were primarily on account of increase in loans of ₹1,136.58 lakhs, decrease in financial assets of ₹0.48 lakhs, increase in other assets of ₹ 1,397.36 lakhs, increase in inventories of ₹ 2,655.33 lakhs, decrease in trade receivables of ₹ 1,666.33 lakhs, and in respect of current liabilities, there was increase in provision for employee benefits of ₹ 297.50 lakhs, increase in trade payables of ₹ 2,847.65 lakhs, increase in the other financial liabilities of ₹ 820.60 lakhs, increase in other liabilities such of statutory liabilities payable and advances from customers etc. of ₹ 93.62 lakhs and direct tax refunded /(paid) net of refund and payments was of ₹ 35.31 lakhs. As a result, net cash flow from operating activities was ₹ 9,860.26 lakhs for Fiscal 2020.

Net cash flows from operating activities for Fiscal 2019 consisted of profit before tax of ₹ 3,134.47 lakhs as adjusted upwards primarily for depreciation and amortization expenses of ₹ 1,922.36 lakhs, share based payments of ₹ 285.06 lakhs, irrecoverable balances written off of ₹ 565.93 lakhs, provision for doubtful deposits and advances of ₹ 30.00 lakhs, provision for doubtful debts of ₹ 327.73 lakhs and interest expenses of ₹ 3,290.94 lakhs, which were adjusted downwards for profit on sale of assets (net) of ₹ 59.27 lakhs, foreign exchange loss/(gain), net unrealised of ₹ 74.19 lakhs, gain on sale of investments in mutual fund units of ₹173.18 lakhs, income from government grants of ₹300.18 lakhs, income from interest on deposits of ₹ 1,135.29 lakhs and excess provision write off of ₹ 173.10 lakhs. As a result, our operating profit before working capital changes was ₹ 7,641.28 lakhs for Fiscal 2019, which was further adjusted for changes in working capital which were primarily on account of decrease in loans of ₹ 339.35 lakhs, decrease in financial assets of ₹15.05 lakhs, decrease in other assets of ₹ 121.98 lakhs,increase in inventories of ₹ 8,466.34 lakhs, decrease in trade receivables of ₹ 5,018.35 lakhs, and in respect of current liabilities, there was increase in provision for employee benefits of ₹384.63 lakhs, decrease in trade payables of ₹1,015.68 lakhs, increase in the other financial liabilities of ₹662.21 lakhs, increase in other liabilities of ₹ 20.01 lakhs and direct tax refunded /(paid) net of refund and payments was of ₹393.15 lakhs. As a result, net cash flow from operating activities was ₹ 5,113.99 lakhs for Fiscal 2019.

Investing Activities

The net cash used in investing activities amounted to ₹ 3,222.19 lakhs for Fiscal 2021. Net cash flows from investing activities for Fiscal 2021 primarily consisted of outflows in the form of purchase of fixed assets, including intangible assets and capital work in progress of ₹ 3,622.12 lakhs, investment in bank deposits of ₹ 14,703.28 lakhs, investment in mutual funds of ₹ 1,599.92 lakhs. Inflows from investing activities primarily included proceeds from sale of fixed assets of ₹ 214.25 lakhs, bank deposits redeemed of ₹ 13,911.01 lakhs, proceeds from sale of investment in mutual funds of ₹ 1,614.24 lakhs and interest received of ₹ 963.63 lakhs.

The net cash used in investing activities amounted to ₹ 3,859.39 lakhs for Fiscal 2020. Net cash flows from investing activities for Fiscal 2020 primarily consisted of outflows in the form of purchase of fixed assets, including intangible assets and capital work in progress of ₹ 3,775.39 lakhs, investment in bank deposits of ₹ 13,684.42 lakhs, investment in mutual funds of ₹ 8,800.00 lakhs. Inflows from investing activities primarily included proceeds from sale of fixed assets of ₹ 2,994.88 lakhs, bank deposits redeemed of ₹ 13,022.50 lakhs, proceeds from sale of investment in mutual funds of ₹ 5,416.79 lakhs and interest received of ₹ 966.25 lakhs.

The net cash from investing activities amounted to ₹ 4.33 lakhs for Fiscal 2019. Net cash flows from investing activities for Fiscal 2019 primarily consisted of outflows in the form of purchase of fixed assets, including intangible assets and capital work in progress of ₹ 2,442.06 lakhs, investment in bank deposits of ₹ 13,220.78 lakhs, investment in mutual funds of ₹ 6,700.00 lakhs. Inflows from investing activities primarily included proceeds from sale of fixed assets of ₹ 209.71 lakhs, bank deposits redeemed of ₹ 14,093.84 lakhs, proceeds from sale of investment in mutual funds of ₹ 6,873.18 lakhs and interest received of ₹ 1,190.44 lakhs.

Financing Activities

The net cash used in financing activities amounted to ₹ 8,623.23 lakhs for Fiscal 2021. Net cash flows from financing activities for Fiscal 2021 consisted of outflows in the form of repayment of short-term borrowings of ₹ 1,71,088.69 lakhs, payment of lease liabilities of ₹ 3,008.25 lakhs and interest paid of ₹ 2,856.05 lakhs. Inflows from financing activities primarily included proceeds from issuance of equity shares of ₹ 3.50 lakhs and proceeds from short term borrowings of ₹ 1,68,326.26 lakhs.

The net cash used in financing activities amounted to ₹ 4,467.42 lakhs for Fiscal 2020. Net cash flows from financing activities for Fiscal 2020 consisted of outflows in the form of repayment of short-term borrowings of ₹ 1,95,973.11 lakhs, payment of lease liabilities of ₹3,860.41 lakhs and interest paid of ₹ 2,860.35 lakhs. Inflows from financing activities primarily included proceeds from issuance of equity shares of ₹ 3.22 lakhs and proceeds from short term borrowings of ₹ 1,98,223.23 lakhs.

The net cash used in financing activities amounted to ₹ 5,691.83 lakhs for Fiscal 2019. Net cash flows from financing activities for Fiscal 2019 consisted of outflows in the form of repayment of long-term borrowings of ₹ 1,82,795.97 lakhs and interest paid of ₹ 3,450.04 lakhs. Inflows from financing activities primarily included proceeds from issuance of equity shares of ₹ 6,829.47 lakhs and proceeds from short term borrowings of ₹ 1,73,724.71 lakhs.

Borrowings

Our total borrowings (aggregate of long-term borrowings, and short term borrowings) was ₹ 36,521.70 lakhs, ₹ 39,095.07.52 lakhs and ₹ 38,070.07 lakhs as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively on a consolidated basis. The details of our borrowings for Fiscals 2021, 2020 and 2019 on a consolidated basis are set forth below:

(Amount in ₹ lakhs)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Long term borrowings (A)	3,031.72	1,884.27	-	-
Short term borrowings (includes current maturities of long-term borrowings) (B)	29,396.42	31,995.26	39,095.07	38,070.07
Total (C= A+B)	32,428.14	**36,521.70**	**39,095.07**	**38,070.07**

Capital and Other Commitments

As of March 31, 2021, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹ 937.39 lakhs.

The following table sets forth a summary of the maturity profile of our contractual obligations as of June 30 2021, March 31, 2021, March 31, 2020, and March 31, 2019:

(In ₹ lakhs)

Sr. No	Capital and Other Commitments	As at June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
A.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	986.51	937.39	185.33	272.79
B.	Commitments relating to forward contracts – hedge of highly probable forecast sales	82,280.27	80,141.46	55,944.37	42,357.55

Interest Coverage Ratio

Our interest coverage ratio for three-month ended June 30, 2021 and the years ended March 31, 2021, 2020 and 2019, was 0.75, 1.77, 1.83 and 1.76, respectively.

Capital Expenditure

For the three months ended June 30, 2021, we made additions to property, plant and equipment/tangible and intangible assets of ₹ 883.29 lakhs on a consolidated basis. This addition is primarily in plant and machinery, leasehold improvements and computers for our manufacturing facilities at our factory.

For Fiscal 2021, we made additions to property, plant and equipment/tangible assets of ₹ 2,553.88 lakhs on a consolidated basis. This addition is primarily in plant and machinery, leasehold improvements, and computers for our manufacturing facilities at our factory.

For Fiscal 2020, we made additions to property, plant and equipment/tangible assets of ₹ 4,585.82 lakhs on a consolidated basis. This addition is primarily in land, buildings, leasehold improvements, plant & machinery and computers for our manufacturing facilities at various locations.

For Fiscal 2019, we made additions to property, plant and equipment/tangible assets of ₹3,686.90 lakhs on a consolidated basis. This addition is primarily in building, plant & machinery, office equipment and computers for our manufacturing facilities at various locations.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other consolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, interest rate risk and inflation risk in the normal course of our business.

Commodity risk

We are exposed to the price risk associated with purchasing our raw materials, which form a significant component of our expenses. We do not have long-term pricing guarantees with our raw materials suppliers, who are located across several countries. Therefore, fluctuations in the price and availability of raw materials may affect our business, cash flows and results of operations.

Interest Rate Risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where the interest rate is reset based on changes in interest rates set by RBI. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations.

Credit Risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our operations involve extending credit for periods of time, ranging typically from 25 to 60 days, to our customers, and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we may have high levels of outstanding receivables. As on June 30, 2021, our trade receivables were ₹ 7,301.24 lakhs. If our customers delay or default in making payments in the future, our profits margins and cash flows may be adversely affected.

In order to manage our credit risk, we evaluate the credit profile of our customers on different criteria, including credit review of the business of the counter-party, market standing and duration and history of the business of the counter-party in number of years; market credibility based on information available. We obtain export credit guarantee coverage for our exports to the extent permitted by the Export Credit Guarantee Corporation of India. For domestic customers we closely monitor both the inventory held by them and the realisations, in order to ensure smooth cash flows.

Inflation risk

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in our employee benefit payments or other expenses as a result of increase in inflation in India, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition.

Seasonality of Business

Our business is not seasonal in nature. However, business in spring season is higher than fall winter.

Related Party Transaction

For details in relation to the related party transactions entered by our Company during the last three Financial Years, see "*Related Party Transactions*" on page 37.

Changes in accounting policies during last three years and their effect on the profits and reserves of our Company

There has been no change in accounting policies for the Fiscals 2021, 2020 and 2019. Our Company has adopted Ind-AS from Fiscal commenced on April 1, 2017. For details in relation to changes in accounting policies, please see "*Financial Statements*" on page 191.

Recent Developments

Unaudited Condensed Consolidated Interim Financial Statements for the period ended June 30, 2021 and for all period up to and including the year ended March 31, 2021, have been prepared under recognition and measurement principals of Ind AS as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) issued by Ministry of Corporate Affairs.

Material developments after March 31, 2021 that may affect our future results of operations

Except as disclosed in this Preliminary Placement Document and disclosed in Unaudited Condensed Consolidated Interim Financial Statements, no circumstances have arisen since June 30, 2021, which may affect our future financial conditions and results of operations.

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Preliminary Placement Document and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

Except as disclosed below, there are no reservations, qualifications, or adverse remarks of the Statutory Auditor or previous statutory auditors, as applicable, in their report on audited consolidated financial statements for last five Fiscals preceding the date of this Preliminary Placement Document.

Qualification / Emphasis of Matter/ Other matters	Impact on the financial statements and financial position of the Company	Corrective Steps taken and/or proposed to be taken by the Company
Fiscal Year 2017		
Other Matters		

(1) The accompanying consolidated financial statements include total assets of Rs 3,580.25 lakhs and net assets (after elimination) of Rs 1,674.31 lakhs as at March 31, 2017, and total revenues(including other income) of Rs 8,020.32 lakhs and net revenue (including other income) (after elimination) of ₹ 1,112.99 lakhs and net cash inflows of ₹ 0.47 lakhs for the year ended on that date in respect of four subsidiaries which have been audited by Girish Murthy & Kumar on which S.R. Batliboi & Associates LLP has placed reliance for the purpose of this report. (2) The accompanying consolidated financial statements include total assets of ₹ 4,100.83 lakhs and net assets (after elimination) of ₹ 1,874.16 as at March 31, 2017 , and total revenues(including other income) of ₹ 17,614.38 lakhs and net revenue (including other income) (after elimination) of ₹ 1,067.47 lakhs and net cash outflows of ₹ 59.66 lakhs for the year ended on that date in respect of eight subsidiaries which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.	Nil	This is a statement of facts. This has been reported as per the guidance note on audit of consolidated financial statements. This is a factual statement and has no impact on financials.
Fiscal Year 2018		
Other Matters		
(1) We did not audit the financial statements and other financial information, in respect of 12 subsidiaries, whose Ind AS financial statements include total assets of ₹ 5,353.09 lakh as at March 31, 2018, and total revenues (including other income) of ₹ 8,779.79 lakh for the year ended on that date before adjustments on consolidation. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries, is based solely on the report of such other auditors. Our opinion is not qualified in respect of this matter (2) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended) audited by us along with the predecessor joint auditor which report for the year	Nil	This is a statement of facts. This has been reported as per the guidance note on audit of consolidated financial statements. This is a factual statement and has no impact on financials

ended March 31, 2017 and March 31, 2016 dated May 19, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us Our opinion above on the Consolidated Ind AS financial Statements, and our report on Other Legal and Regulatory Requirements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management.		
Report on Other Legal and Regulatory Requirements		
(1) We draw attention to Note 50 to the consolidated Ind AS financial statements regarding one of the directors of the Holding Company, Mr Jitendra Kumar H Mehta, having been disqualified to be a director of the holding company, however, the director has filed a writ petition with the High Court of Karnataka and has obtained an interim stay. On the basis of the written representations received from the other directors of the holding company as on March 31, 2018 taken on record by the Board of Directors of the holding company and the reports of the other statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.	Nil	-
Fiscal Year 2019		
Emphasis of Matter		
Qualification / Emphasis of Matter/ Other matters	**Impact on the financial statements and financial position of the Company**	**Corrective Steps taken and/or proposed to be taken by the Company**
(1) We draw attention to Note 50 to the consolidated financial statements which states that one of the foreign customers with an aggregate outstanding balance of ₹ 441 lakhs as on March 31, 2019 has filed a plan for reorganisation of its business and creditors in the court. Consequently, based on the recommendation of legal counsel, the Group has filed a claim with the relevant authorities for the amount due from the said customer. Further, the Group has created a provision on account of expected loss amounting to ₹ 133 lakhs on the balance due from the Customer. (2) Subsequent to the reorganisation plan filed by the customer, the Group has made further dispatch of goods amounting to ₹ 845 lakhs to the said Customer based on updated purchase orders. In accordance with the provisions of 'Ind AS 115 Revenue from Contracts with Customers', the Group has postponed recognition of revenue towards the said goods as there is significant uncertainty with respect to collectability.	Had the Company made 100% provision the profit after tax for the year and trade receivables would have been lower by ₹ 308 lakhs Nil	The Company has been pursuing the matter legally. However, on prudent basis, in the subsequent year this amount of ₹ 308 lakhs has been provided under provision for doubtful debts. In the year 2019-20, the Company has recognized the said revenue, recovered an amount of ₹406 lakhs and also made a provision for doubtful debts for ₹ 82 lakhs. In the year ended March 31, 2021, the Company has made the provision for the balance amount of ₹ 357 lakhs.

Our opinion is not modified in respect of this matter.		
Other Matters		
(1) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 2,115 lakhs as at 31st March, 2019, total revenues of ₹ 366 lakhs and net cash flows amounting to ₹ (8.9) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. (2) The consolidated Ind AS financial statements of the Group for the year ended 31st March, 2018, were audited by another auditor whose report dated May 24, 2018 expressed an unmodified opinion on those statements. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.	Nil	This is a statement of facts. This has been reported as per the guidance note on audit of consolidated financial statements. This is a factual statement and has no impact on financials.
Fiscal Year 2020		
Emphasis of Matter		
(1) Note 48 to the audited financial statements which states that certain foreign customers with an aggregate outstanding balance of ₹ 357 Lakhs as on March 31, 2020 had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on recommendation of legal counsel, the holding company has filed a claim with the relevant authorities. Based on the settlement by the Administrative Expense Claims Consent Program negotiated under the reorganization plan, subsequent realisation and expected recovery the Holding Company has created a provision on account of expected loss amounting to ₹ 523 Lakhs towards these claims. (2) Further, subsequent to the year ended March 31, 2020, another foreign customer has filed for a plan for reorganization of its business and creditors in the court. The Holding company has filed a creditor claim and based on the assessment of recovery has created a provision on account of expected loss amounting to ₹ 125 Lakhs as against the book balance of ₹ 250 lakhs. (3) Note 53 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that primarily the operational aspects of the business have been affected substantially only	1) Had the Company made provision for entire amount, the profit after tax and trade receivables as at the end of the year would have been lower by ₹ 357 lakhs. 2) No impact. 3) No impact	1) In the financial statement for the year ended March 31, 2021 the Company has provided for the balance amount of ₹ 357 lakhs. 2) In the subsequent financial years the Company has collected the balance amount of ₹ 125 lakhs. 3) Corrective actions such as discussions with customers and realign the delivery schedules. Further in order to manage the cashflows, the request for extension of credit periods from suppliers has been made.

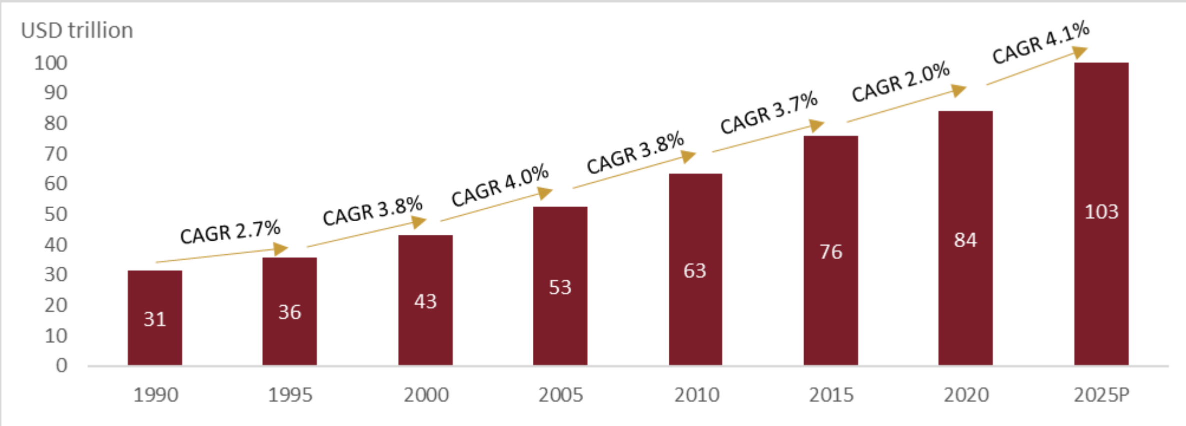
subsequent to year end. Management has considered the mitigating actions taken and results of its assessment on subsequent events and concluded that there is no significant impact which is required to be recognized in the financial statements. Our opinion is not modified in respect of these matters.		
Fiscal Year 2020		
Other Matters		
(1) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 538 Lakhs as at 31st March, 2020, total revenues of ₹ 586 Lakhs and net cash flows amounting to ₹ (2.69) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. (2) Due to the COVID – 19 related lockdown we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to the audit of existence of inventory as per the guidance provided in SA 501 – "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Consolidated Financial Statements. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.	Nil	This is a statement of facts. This has been reported as per the guidance note on audit of consolidated financial statements. This is a factual statement and has no impact on financials.
Qualification / Emphasis of Matter/ Other matters	**Impact on the financial statements and financial position of the Company**	**Corrective Steps taken and/or proposed to be taken by the Company**
Fiscal Year 2021		
Emphasis of Matter		

1) Note 48 to the consolidated financial statements which states that export incentives under RODTeP Scheme applicable w.e.f. 1 January 2021 amounting to ₹ 757 lakhs has been recognised on the basis of certain assumptions including previous applicable rates, as the rates are yet to be notified under the said scheme. 2) Note 52 to the consolidated financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31,2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. Our opinion is not modified in respect of these matters.	1) In view of the subsequent notification of GOI in the month of July 2021, there is no impact. 2) According to the management analysis, no material Impact.	1) No corrective actions are required. Corrective actions such as discussions with customers and realign the delivery schedules. Further in order to manage the cashflows, the request for extension of credit periods from suppliers has been made.
Fiscal Year 2021		
Other Matters		
(1) We did not audit the financial statements / financial information of three subsidiaries whose financial statements reflect total assets of ₹ 478.05 lakhs as at 31st March, 2021, total revenues of ₹ 170.79 lakhs and net cash flows amounting to ₹ 22.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.	Nil	This is a statement of facts. This has been reported as per the guidance note on audit of consolidated financial statements. This is a factual statement and has no impact on financials.

Global GDP review and outlook

While global gross domestic product (GDP) declined sharply in 2020 owing to the Covid-19 pandemic, it is expected to rebound strongly by the end of calendar year 2021 on account of policy support and the vaccination drive and grow at a CAGR of approximately 4-5% between calendar year 2020 and 2025. According to the International Monetary Fund (IMF), global real GDP grew at 3-4% compound annual growth rate (CAGR) from calendar year 1990-2020. The IMF estimated global real GDP de-grew 3.2% in 2020 owing to the pandemic, which has disrupted businesses across the world. In response, almost all major countries had announced stimulus packages, which resulted in a recovery in the second half of 2020. The slowing down of the economy in 2020 resulted in a lower CAGR of just approximately 2% between 2015 and 2020.

Trend and outlook for global real GDP (CY1990-25)



P: Projection

Source: IMF economic database, World Bank national accounts data and OECD national accounts data, CRISIL Research

India is expected to regain the top spot as the world's fastest growing economy in 2021

India was one of the fastest-growing economies in 2018 and 2019. In 2020, the GDP of all countries – including that of developed ones such as the US and the UK but except China's – is expected to de-grow, primarily due to the impact of the pandemic. As per provisional estimates from Government of India publications, India's GDP declined 7.3% in 2020(Fiscal year 2021). Among the major economies, India, with a growth rate of approximately 9.5% for Fiscal year 2022, is expected to be the fastest-growing in 2021, followed by China with 8.1%.

Real GDP growth by geographies:

Real GDP growth by geographies

	2017	2018	2019	2020	2021P	2022P	CAGR 2022-2025
United States	2.3	3.0	2.2	–3.5	7.0	4.9	1.5
Japan	2.2	0.3	0.3	–4.7	2.8	3.0	0.8
United Kingdom	1.2	1.3	1.4	–9.8	7.0	4.8	1.8
China	6.9	6.7	6.0	2.3	8.1	5.7	5.3
Canada	3.0	2.4	1.9	-5.3	6.3	4.5	1.7
European Union	3.0	2.3	1.7	-6.0	4.7	4.4	1.9
Emerging and Developing Asia	6.6	6.4	5.4	-0.9	7.5	6.4	5.7
India	6.8	6.5	4.0	-7.3*	9.5*	7.8*	6.7

P: Projection as per IMF update

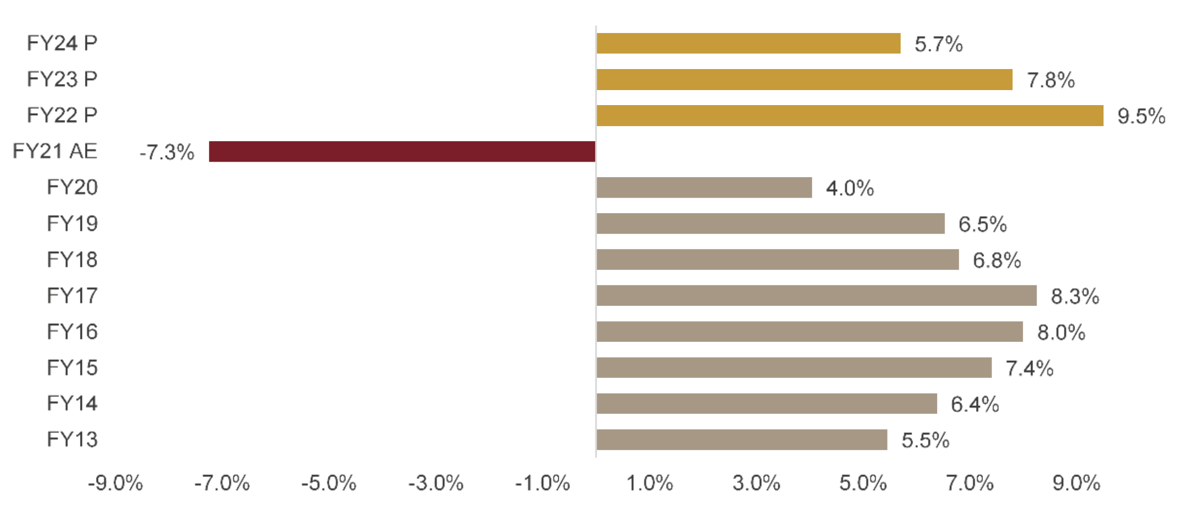
**-*- Numbers for India for year 2021 and 2022 are as per CRISIL research forecast. IMF forecast for CY20:-7.3% and CY21:9.5%,CY22:8.5%. For year 2020 provisional estimates are used as per government of India publications.*

Emerging Asia comprises the ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam) economies, China, and India.

Source: IMF economic database, World Bank national accounts data and OECD national accounts data, CRISIL Research

Fiscal 2022 base case GDP growth expected to be 9.5%

Real GDP growth (% on-year)



AE: Advance estimates; P: Projected by CRISIL Research; GDP calls updated as of June 2021;

Source: Provisional estimates of national income 2020-21, CSO, MoSPI, CRISIL Research

CRISIL forecasts India's GDP growth to rebound to 9.5% in fiscal 2022 as four drivers converge:

1. **Weak base:** A 7.3% contraction in GDP in fiscal 2021 will provide a statistical push to growth next fiscal.

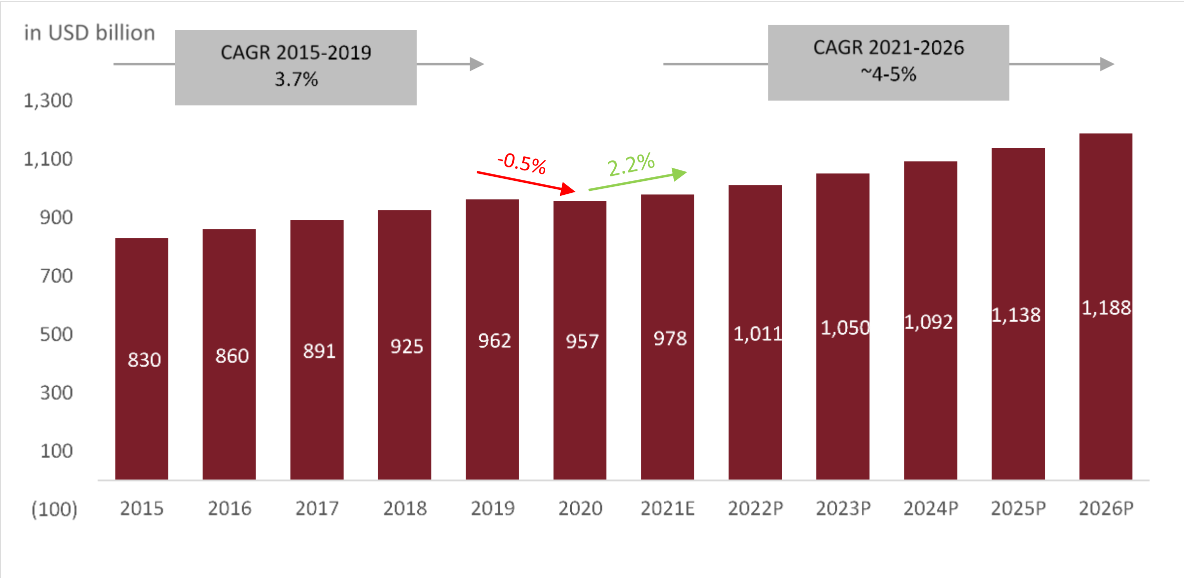
2. Global upturns: Higher global growth in 2021, i.e., world GDP up by 5.0%, advanced economies 4.3%, emerging economies 6.3%, should lift exports.

3. Covid-19 curve: India is witnessing the second wave of Covid-19 infections and at the same time learning to live with the virus, with the rollout of vaccines. These should broaden growth this fiscal, especially in the services and unorganised sectors.

4. Fiscal push: Stretch in the fiscal glide path and focus of the Union Budget 2021-22 on capex are expected to have a multiplier effect on growth.

Global Textile market size

The Global Textile market expected to grow at 4-5% CAGR between fiscals 2021-26. The global textile market size, which was estimated at USD 978 billion in 2021, is expected to expand at a compound annual growth rate (CAGR) of 4-5% from 2021 to 2026. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market over the forecast period.

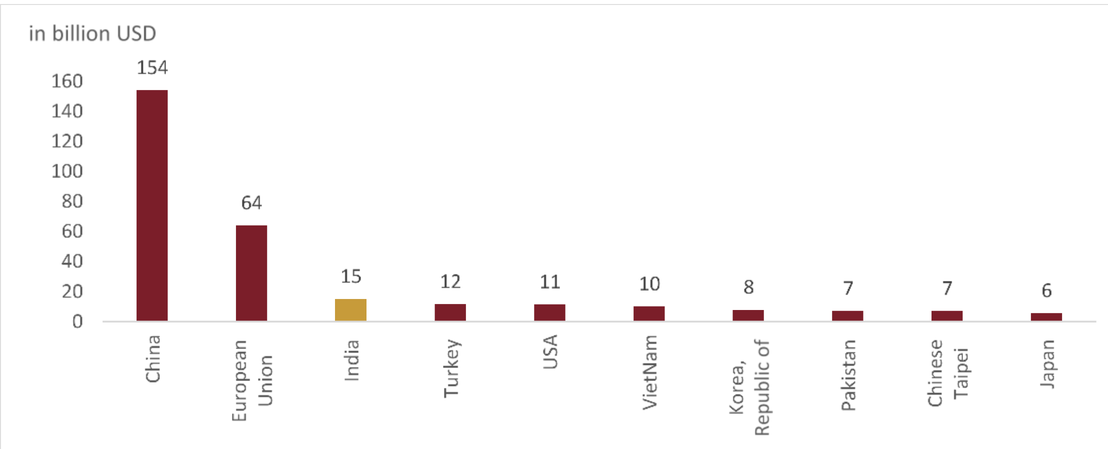


Source: Grandview Research, CRISIL Research

Product-wise segmentation of Global Textile Trade in 2020

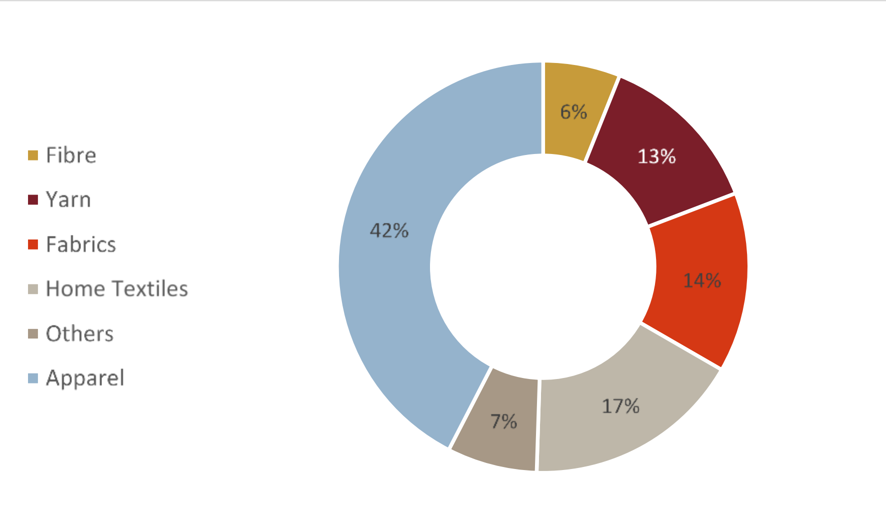
Sales of apparels contribute the major portion of the total textile trade in 2020. Apparel sales accounted for 55% of the total Global textile trade in 2020. Fabrics, accounting for 18% of the Global textile trade, are the second most traded product in the Global textile market.

With an unrivalled raw material base and manufacturing capabilities across the value chain, India's textile industry is one of the world's largest. After China & EU, it was the world's third-largest exporter of textiles in the world in 2020. The textile and garment industry in India is one of the country's most important industries. Textile and apparel, along with handicrafts, accounted for a significant 11.8% of India's overall exports in 2019-20. India is the 3rd largest exporter of textiles in the world while China is the largest



Source: WTO, CRISIL Research

Indian Textile exports share in 2020



Source: Company documents, CRISIL Research

Major textile and apparel export destinations for India are European Union-28 and USA. Both these regions have approximately 50% share in total apparel exports from India. Exports to USA have increased significantly over the past 5 years and it accounted for approximately 28% of the total apparel exports from India in fiscal 2021. Lack of a Free Trade Agreement with EU has led to a decline in EU's share to total apparel exports from India from 39% in Fiscal 2019 to 36% in fiscal 2021.

Indian Apparel Exports

Geography	FY19	FY20	FY21
EU	6.2	5.7	4.4
USA	4.5	4.6	3.5
UAE	2	1.5	1.6
Others	3.4	3.7	2.8
Total	16.1	15.5	12.3

Source: Ministry of commerce. CRISIL Research

Geographical share of Indian Apparel Exports

Geography	FY19	FY20	FY21
EU	39%	37%	36%
USA	28%	30%	28%
UAE	12%	10%	13%
Others	21%	24%	23%

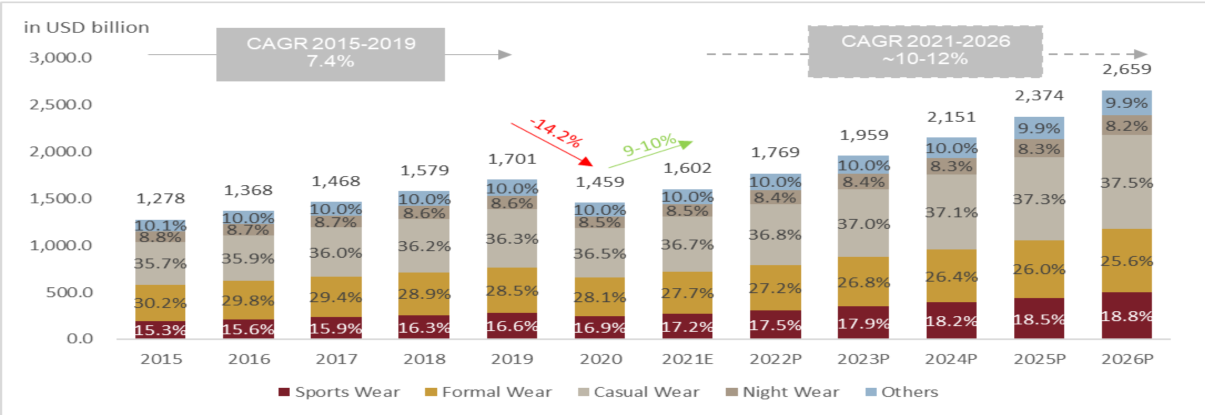
Source: Ministry of commerce. CRISIL Research

The Global apparel market, which accounted for USD 1278 billion in 2015, grew at a CAGR of 7.4% between 2015 and 2019 to reach USD 1701 billion in 2019. Though casual wear formed the biggest segment of the apparel market, contributing 36% of the total market size in 2019, the share of sportswear has been increasing from 15.3% of the total apparel market in 2015 to 16.6% in 2019, increasing at a CAGR of 9.6% during the period.

The COVID outbreak negatively impacted the global apparel market due to the supply-chain disruptions, manufacturing shutdown as well as a slump in demands. This led to a decline of 14.2% in the Global apparel market size in 2020 compared to 2019. In 2021, as lockdown and manufacturing restrictions in various parts of the world are lifted, the apparel market saw an increase of 9.8% in 2021.

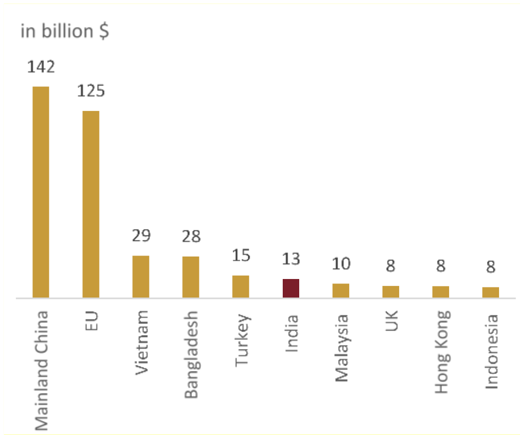
Going ahead, CRISIL Research expects the global apparel market to grow by 10-12% CAGR between 2021 and 2026, on account of the low base year in 2021 and the economy returning to pre-covid levels. Sportswear is expected to be the fastest growing segment with a CAGR of approximately 12-14% between 2021 and 2026. The share of sportswear to the total apparel market is estimated to increase from 17.2% in 2021 to 18.8% in 2026.

Global apparel industry market size

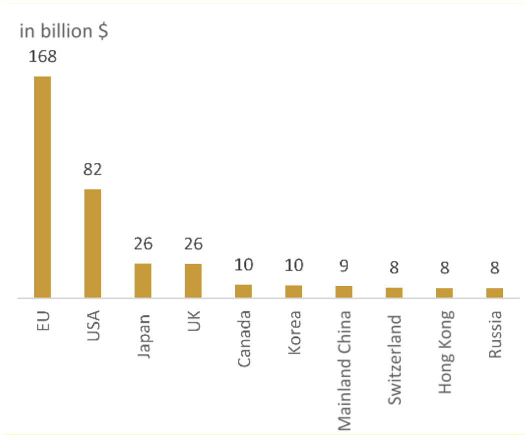


Source: Grandview Research, CRISIL Research

Major apparel exporting countries in 2020



Major apparel importing countries in 2020



Share of world apparel exports by major countries

Exporters	2000	2005	2010	2020
Mainland China	18.2%	26.6%	36.6%	31.6%
European Union	26.4%	29.3%	26.9%	27.9%
Vietnam	0.9%	1.7%	2.9%	6.4%
Bangladesh	2.6%	2.5%	4.2%	6.3%
Turkey	3.3%	4.2%	3.6%	3.4%
India	3.0%	3.1%	3.2%	2.9%
Malaysia	1.1%	0.9%	1.1%	2.2%
United Kingdom	2.1%	1.8%	1.6%	1.9%
Hong Kong	5.0%	2.6%	0.1%	0.0%
Indonesia	2.4%	1.8%	1.9%	1.7%

Source: WTO, CRISIL Research

Share of world apparel imports by major countries

Importers	2000	2005	2010	2020
European Union	32.7%	37.4%	37.6%	34.1%
USA	33.1%	28.7%	22.1%	16.8%
Japan	9.7%	8.1%	7.2%	5.3%
United Kingdom	7.5%	8.7%	7.1%	5.3%
Canada	1.8%	2.1%	2.2%	2.1%
Korea	0.6%	1.0%	1.2%	2.0%
China	0.6%	0.6%	0.7%	1.9%
Switzerland	1.6%	1.6%	1.4%	1.6%
Hong Kong	0.9%	0.9%	0.6%	0.2%
Russian Federation	0.1%	0.3%	2.0%	1.6%

Source: WTO, CRISIL Research

Impact of COVID on apparel industry

Sales of Apparel across the globe went down by approximately 14% in 2020 compared to 2019 due to the coronavirus pandemic

- In 2020, the outbreak of Coronavirus disease functioned as a major limitation on the textile manufacturing business, as supply chains were disrupted by trade restrictions and consumption fell as a result of government-imposed lockdowns around the world.

- Principal markets of US and EU were shutdown. Retail sales fell, especially for fashion garments. This impacted the order pipeline for various apparel manufactures. The shutdown also resulted in cancellation and deferment of customer orders.

- The availability of raw materials was significantly affected due to the global supply-chain disruptions caused by the pandemic.

- The Global apparel market declined by approximately 14% in 2020 compared to 2019 due to the impact of the coronavirus pandemic.

- Covid also resulted in the shutdown of the textile and apparel manufacturing in India. Indian apparel exports were down by 15-20% year on year in FY21, while US Imports fell by 20-22% and US retail sales fell by 18-20% during the same period.

- However, because the shock was a 'black swan' incident unrelated to current or structural flaws in the business or the global economy, it is projected that the textile manufacturing market will recover over the forecast period. Going ahead, CRISIL Research expects the Global apparel market to grow by 10-12% CAGR between 2021 and 2026, on account of the low base year in 2021 and the economy returning to pre-covid levels.

- The textile manufacturing industry is likely to be driven by rising online shopping demand. Online sales and release of pent-up demand, especially for low value casuals, to lead the recovery.

Significant opportunity for India to pick up share in apparel trade

Supply chain

India could serve as the go-to destination for buyers looking for alternate production base outside China due to wage increase and shortage of workers in China and also to avoid the risk of US-China trade issues.

Export of cotton garments

The US prohibition of cotton products sourced from Xinjiang province, which accounts for majority of China's cotton supplies, provides a unique opportunity for India to serve as an alternate choice for US.

Opportunity in European Union (EU)

India seeking Free trade agreement with EU, combined with the possibility that Bangladesh could lose Most-favoured-nation (MFN) status with EU by 2026, could lead to an increase in exports from India to EU. India is working on getting a FTA with both the United Kingdom (UK) and European Union (EU). However, the FTA between Vietnam and the EU, which went into effect in August 2020, has strengthened Vietnam's position in the EU market and may prove to be a competitive barrier for Indian exports in the EU region.

Government incentives

New low-cost locations for textile manufacturing are emerging in India with support extended by some state governments. Besides, under the Set-up of Integrated textile parks (SITP) scheme, launched in 2005, the government is to provide the industry with state-of-the-art world-class infrastructure facilities for setting up their textile units.

Apart from this, the schemes like Export Promotion Capital Goods Scheme, facilitate import of capital goods with duty at a concession up to zero percent and appropriate export obligations. Textiles machinery is also covered under this scheme, thereby promoting textile exports.

PLI scheme could provide an impetus to investments in MMF & technical textile ecosystem.

Challenges

Free trade agreements of Asian countries, like the recent FTA of Vietnam with EU which came into force in August 2020, may prove to be a threat for Indian textile exports.

The decrease of China's share in world exports of apparels, caused primarily due to the ban from US on imports from China, may only be temporary. If the trade-restrictions by US on China are alleviated, China may once again prove to a major competitor for India.

Low capital intensity and high fragmentation

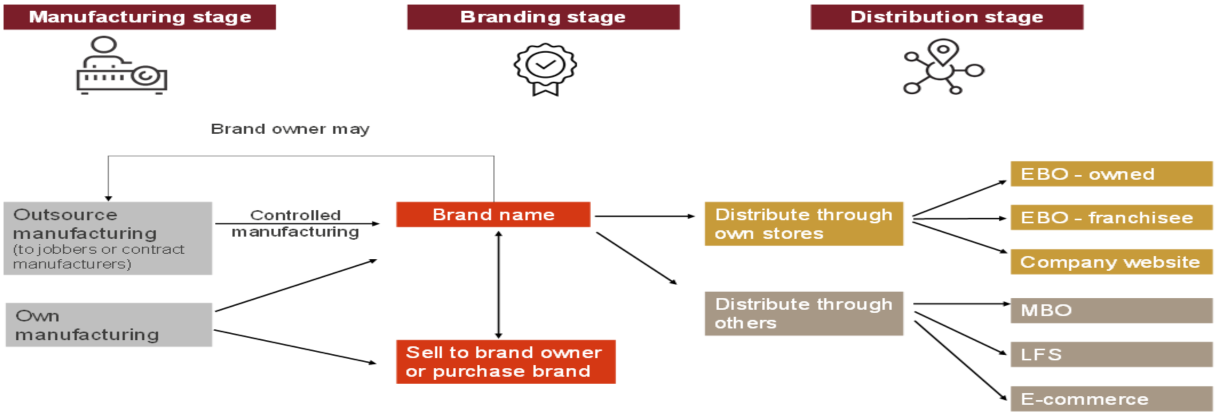
The textiles value chain – in which processed fabrics are converted into ready-to-wear apparel – begins with spinning, the process of converting fibre into yarn, specifically called spun yarn. The yarn that does not require spinning is called filament yarn. The yarn is converted into fabric through weaving' or knitting. The fabric undergoes various processes (commonly clubbed under the term processing), such as scouring, bleaching, dyeing, washing and finishing. The fabric produced after this stage is known as processed fabric and it is suitable for manufacturing RMG. The final stage of garmenting involves a series of sub-stages, such as laying, measuring, cutting and stitching, before the processed fabric is converted into RMG. The garments are finally marketed through a range of distribution channels in the domestic market or are exported.

The garments industry is the least capital-intensive part of the textiles value chain, and is, therefore, characterised by low entry barriers, leading to high fragmentation.

Business models revolve around procurement and distribution

Indian RMG players employ various business models. The two key differentiating factors in these models are the strategy used to manufacture or procure (purchase or outsource) apparel, and the strategy used to distribute it. The business models can be analysed by dividing into three stages: manufacturing, branding and distribution. Companies often operate across segments, depending on their strategy and business model.

Apparel industry – Key business models



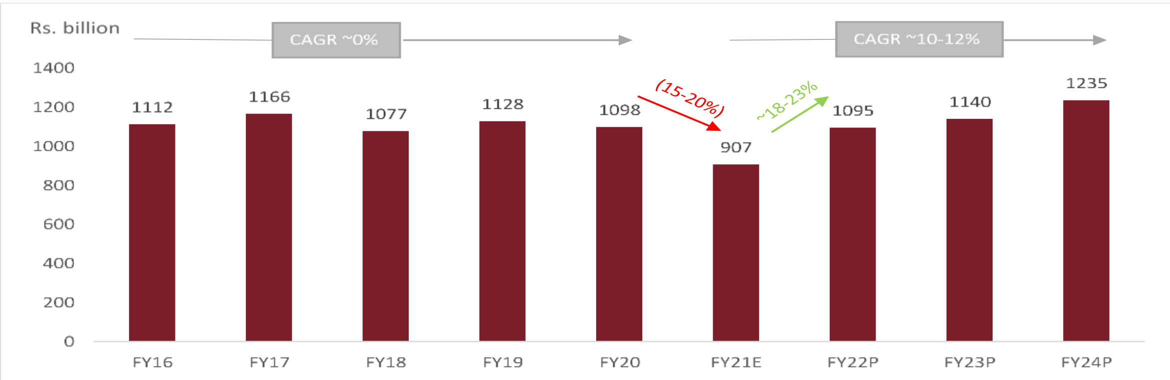
Note: EBO: Exclusive Brand Outlet; MBO: Multi-brand outlet; LFS: Large format stores;
Source: CRISIL Research

Exports

Garments are exported either directly to companies or through overseas buying offices. In the case of overseas buying offices, export orders are forwarded to domestic textile manufacturing units. These units manage the manufacturing part and strictly adhere to buyers' requirements. After final checking for quality and performance, the consignment is dispatched to the overseas customers. Many global brands and retailers are increasingly emphasizing on in-house product development and designing by these manufacturing units.

Exports of Apparel/Ready-made garments (RMG) from India

RMG exports estimated to revive by 18-23% in FY22 on low base of FY21 amid improving demand sentiments in EU and US.



Source: UN Comtrade, DGFT, CRISIL Research

India is one of the largest exporters of apparel and textile owing to the presence of several manufacturing facilities and easy availability of raw materials. Moreover, the presence of low-cost labour and property in the country is favorable for major brands to manufacture apparel in the country.

US ban on to provide short term support to Indian RMG export

The U.S. imposed a ban on cotton and cotton-based products originating from the Xinjiang region in China that comprises more than 80% of China's cotton production. The ban is expected to affect the entire textile value chain since the region is the largest cotton-producing area on a global level, with approximately 20% contribution. This resulted in readymade garment brands looking for alternatives globally, which led to a rise in Indian-originated readymade garments since March 2021. This bodes well for the country as it is a much-needed opportunity to re-establish its relations with global brands.

Government initiatives to increase the export competitiveness

Government of India announced new schemes such as production linked incentives and mega textile parks setup in recent past. Both these schemes are expected to provide some support to the Indian exporters by making them price competitive in textile export market.

Performance linked incentive scheme

The PLI scheme was launched by Government of India across key sectors to improve India's manufacturing scale and increase the export competitiveness in these sectors. The PLI scheme for textile focuses on improving India's export competitiveness in MMF and technical textile segments. In both these segments, India accounts for an insignificant share in global trade at present.

Under this scheme, both brownfield and Greenfield capacity expansion have been covered. For brownfield projects, there are two categories, player earning turnover of 1,000-4,000 Mn where incentive is fixed at 9% and more than 4,000 Mn for which incentive stands at 7% for the first year. While for green field projects, players need to commit minimum Rs 5,000 Mn investment and will be offered higher incentives of 11% in first year. The rate of incentives will keep decline by 1% over the next 5 years. As the details for scheme towards textiles is not out yet, we tried to evaluate the impact of the scheme on India's export potential. The scheme provides an incentive of approximately ₹ 10,700 crores which translates into a revenue potential of 1.5 trillion at average 9% incentive.

Mega investment textile parks scheme

Government of India announced the establishment of 7 mega textile parks in next 3 years over 1,000 acre land to boost the production and to support export competitiveness. Even, in past, government launched the Scheme for Integrated textile parks or SITP, in 2005, with 40 announced integrated textile parks across country. While India gained share in cotton yarn exports in the interim till FY15, share dropped in subsequent 5 years as countries like Vietnam and China gained due to better incentives and facilities provided by Government under textiles park schemes. Other than some of the challenges faced by SITP scheme the key challenge was relatively smaller size of these parks as compared to those set up in rival exporting nations. Except for one park of 1000 acres, remaining parks under the SITP scheme were of smaller sizes with approximately 27 parks under 50 acre and 20-25 parks between 50-70 acres. In comparison to global competitors such as China, Bangladesh or Vietnam, parks are of larger area of average100 acres or more. Also incentives offered in Bangladesh are far better than those offered in India. Also it can benefit Indian players along with PLI scheme if these parks are executed in a timely manner as rival nations will also continue to build scale through such park schemes.

Government regulations and incentives for Apparel industry in India

Government policies are instrumental for development of apparel & textiles industry

Government policies have largely been favourable for the apparel & textile industry. Schemes and policies such as the MEIS, TUFS, SITP and duty drawback have benefited the industry, specifically the readymade garments (RMG) sector.

Foreign Trade Policy for 2015-20

On April 1, 2015, the government announced the new Foreign Trade Policy (FTP) for 2015-20. This policy provides a framework for increasing exports of goods and services with a target of USD900 million by 2020. Some of the policy highlights are as follows:

- The policy introduced two new schemes -
    - Services Exports from India Scheme (SEIS) to boost exports of notified services. The rates of rewards under SEIS will range from 3-5% (of export value) as compared with 5-10% earlier.
    - Merchandise Exports from India Scheme (MEIS) targeting the export of specified goods to specified markets. The rewards under MEIS consist of duty credit scrips, which are basically tax incentives on exports that can be used by exporters to set off their import duties. The rates on the duty scrips will range at 2-5% (of export value) as against the earlier 2-7%.
- MEIS is the merger of five schemes - Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agricultural Infrastructure Incentive Scrip, and VKGUY for rewarding merchandise exports.

- The main objective of MEIS is to offset infrastructural inefficiencies and associated costs involved in the export of India-manufactured goods/products, especially those having high export intensity and employment potential, thereby enhancing India's export competitiveness.
- The textile sector has been granted duty scrips of 2% for mainstream cotton textile products and 5% for handloom, carpet and coir products. However, cotton yarn does not get any benefit.
- Further, a 2% incentive for man-made fibre yarn and woven and knitted fabric is applicable only for exports to the European Union, the United States, Canada, and Japan.

Remission of Duties or Taxes on Export Product (RoDTEP):

The government of India introduced a new scheme RoDTEP in September 2019 and released by March 13, 2020 with a budget allocation of Rs 50,000 crore, in a move to replace MEIS (which ends in December 2019) and RoSL (only refunds state taxes).

As and when the rates under the RoDTEP Scheme are announced for a tariff line/ item, the Merchandise Exports from India Scheme (MEIS) benefits on such tariff line/item will be discontinued.

National Textile Policy

Government policies have largely been favourable for the textile industry. The industry is governed by the National Textile Policy (NTP), which aim to ensure the industry is internationally competitive in terms of manufacturing practices and exports. The last NTP was announced in 2000, with the following objectives:

- Facilitate the textile industry to attain and sustain a pre-eminent standing globally in manufacturing and exporting garments.
- Equip the industry to withstand import penetration pressures and maintain a dominant presence in the domestic market.
- Liberalize controls and regulations so that different industry segments perform better in a competitive environment.
- Enable the industry to build state-of-the-art manufacturing capabilities in conformity with environmental standards, and to encourage foreign direct investment (FDI) for this purpose as well as research and development.
- Develop a strong multi-fiber base with a thrust on product up-gradation and diversification.
- Sustain and strengthen the traditional knowledge, skills, and capabilities of our weavers and craftsmen.

To achieve the objectives, various changes were brought about in existing fiscal and non-fiscal policies affecting the textiles industry, and new incentives and initiatives were rolled out for the sector.

Other measures and policies impacting the textiles sector and readymade garments industry

Scheme for Integrated Textile Parks

The Scheme for Integrated Textile Parks (SITP) was launched in 2005 to provide the industry with state-of-the-art world-class infrastructure facilities for setting up their textile units. This scheme provides the textile industry with infrastructure, including power, water, roads, and drainage system, and assists textile units to meet environmental norms. With this facility, considerable investments in modern textile facilities are expected to come up, leading to huge integrated set-ups. This is a positive step towards making India a hub for textile products. In Union Budget 2017-18, the government allocated ₹ 46 million under SITP.

Export credit interest subvention

The Reserve Bank of India notified increasing the rate of interest subvention on existing sectors eligible for export credit subvention to 3% from 2% with effect from August 1, 2013. Readymade garments is one of the eligible sectors covered under the benefit.

Duty drawback

The duty drawback scheme has also been introduced to promote exports from India. Under this scheme, exporters are allowed refund of the excise and import duties paid on raw materials so as to make the products more competitive in the international market. The duty drawback rates are prescribed for each product after considering the rate of excise and import duty on its raw materials. The textile sector is also covered under this scheme.

Export Promotion Capital Goods Scheme

The scheme facilitates import of capital goods with duty at a concession up to zero percent and appropriate export obligations. Textiles machinery is also covered under this scheme, thereby promoting textile exports.

Incentives by state governments

Many state governments are offering attractive incentive package to set up new apparel manufacturing units since it requires low capital investment but generate high employment opportunities for rural women

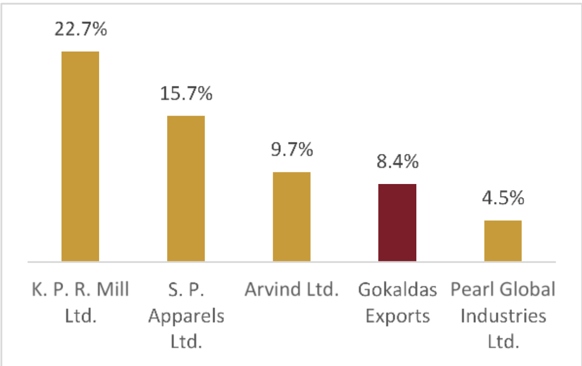
Indian apparel exports expected to have a strong growth of 10-12% CAGR between fiscals 2021 and 2024.

- With control of spread of pandemic, the apparel retail stores and commerce demand in key markets like US and EU are seen to be improving. Consequently, the global apparel industry is estimated to witness a 9-10% year-on-year growth in 2021.
- With China's export share on a decline, particularly to the US market, the opportunity for India remains high. India's share of the global apparel market has been small in the past. India was the 6th largest exporter of apparels and 3rd largest exporter of textiles in the world in 2020. This could witness a correction as large brands are adjusting their supply chains to mitigate the impact of Covid and more fairly distribute their sources.
- Besides, the Government of India has announced several policies to promote export of textile and apparel from India. It has announced the continuance of RoSCTL up to FY24. This provides clarity to exporters and over a longer term helping the growth of the sector. Apart from this, the PLI scheme is also expected to provide additional support to growth.

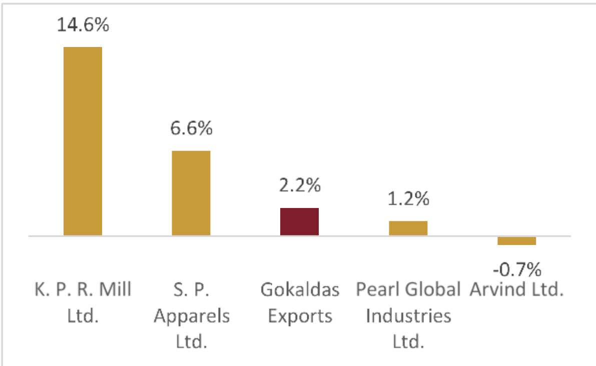
All of this is expected to boost the Apparel export market of India and CRISIL Research estimates that the export of apparel from India will grow at a CAGR of 10-12% between fiscals 2021 and 2024.

Financials of some key players in the Indian apparel and textile industry

Operating margin in fiscal 2021



Net profit margin in fiscal 2021



Source: Company annual reports, MCA filings, CRISIL Research

Company name	Operating income (FY21)		Operating margin	Net profit margin	ROCE	ROE	Gearing ratio (times)	Working capital days	Interest Coverage ratio (times)
	FY21 (Rs bn)	5 year CAGR (FY16-21)	FY21	FY21	FY21	FY21	FY21	FY21	FY21
Arvind Ltd.	38.53**	-8.9%	9.7%	-0.7%	3.9%	-1.3%	0.74	-4.49	2.18
Gokaldas Exports	11.45	1.7%	8.4%	2.2%	9.7%	10.3%	1.27	75.12	2.94
K. P. R. Mill Limited	12.17*	8.3%	22.7%	14.6%	27.4%	25.4%	0.20	130.42	39.00
Pearl Global Industries Limited	14.59	15.7%	4.5%	1.2%	6.7%	3.5%	0.72	16.43	1.41
S. P. Apparels Limited	5.03	0.4%	15.7%	6.6%	9.3%	8.2%	0.36	105.52	8.34

*Revenue from only Garment sales of K.P.R Mill Ltd considered to be comparable to sales of other players
** Revenue from only Textile segment of Arvind Ltd considered to be comparable to sales of other players
Ratios calculated as per CRISIL Research standards as described below:
Operating margin = OPBDIT / operating income
Net profit margin = Profit after tax / operating income
ROCE = PBIT / [total debt + tangible network]
CRISIL Research has taken into account 'tangible net worth' for calculation of ROCE
Source: Company annual reports, MCA filings, CRISIL Research

OUR BUSINESS

Overview

We are a leading readymade garment manufacturer and exporter in India, engaged in the business of design, manufacture and sale of a wide range of readymade garments (outerwear, active wear and fashionwear) for men, women and kids, for all seasons. We cater to the needs of several leading international fashion brands and retailers We export to more than 50 countries where our customers include prominent international brands. Our operations and facilities enable us to manufacture a wide variety of value-added readymade garments through our integrated operations comprising of garment designing, manufacturing and processing solutions for readymade garments. Our manufacturing facilities are complemented by our integrated ancillary units providing services like laundry, embroidery, printing, quilting and poly-wadding for the garments manufactured by our Company. Our manufacturing facilities are also supported by our large pool of manpower of 26,982 (full time) employees as on August 31, 2021. The principal source of revenue is from export of readymade garments and related products.

We believe our core competency lies in our clear understanding of the specifications of readymade garments, the buying preferences of our customers and our ability to deliver products of a consistent high quality and stringent compliance requirements of our international customers based out of, North America, South America, Europe, Africa, Oceania and Asian countries. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth.

Our Company and our Subsidiaries has 20 operating manufacturing facilities (with a capacity of 30 million pieces of garments in a year) out of which 18 are on leasehold basis, 2 are owned. 19 of our manufacturing facilities are located in Karnataka, and one in Andhra Pradesh. The wide range of infrastructure and machinery at our facilities for sewing, cutting, printing, embroidery and finishing of garments enable us to service our customers by fulfilling multiple bulk orders in a timely manner. Our design, testing, fitment and quality inspection laboratory helps us in delivering products of high quality that comply with the stringent standards set by our customers. Our in-house testing lab is accredited by some of our major customers. Our integrated manufacturing facilities set-up allows us to optimize our operations and service for our customers in a timely manner. Our modern printing and laundry unit set up is equipped with automatic machines and state-of-the-art imported equipment.

We believe that our ability of producing new designs and samples for our clients, and abilities to execute the designs developed by the customers, has helped us in enhancing our product portfolio and improving our adaptability to the latest trends. We have positioned ourselves as a multi-product and multi-market player ensuring that our products include a diverse mix of readymade garments which caters to both, domestic as well as the international markets.

We believe that we bring multiple capabilities to the customers, like trend forecasting, product engineering, fashion designing, optimised manufacturing and innovations. We focus on the manufacture of complex products and designs that insulate it from price-based competition on the one hand, while enhancing its respect on the other. We also invested in world-class design capability, extending its customer engagement from manufacture to consulting and implementation. Our customers, who significantly contribute to our revenues, have had long-term relationships with us. Our long-standing relationship with the major customers has been one of the most important factors contributing to its growth and persistent relevance. Commitment to quality and dedication towards customer service have been the corner stones of the Company’s brand value. Nearly 38% of our revenue are derived from customer with whom we have ten or more years of association.

Our strong focus on quality has helped us become the preferred vendor of choice for certain of our large international customers. In recognition of our high quality of manufacturing operations, we have been recognised as preferred and reliable business partner by many global leading brands. We have received recognition from Apparel Export Promotion Council, Ministry of Textiles, Govt. of India, New Delhi,

Our total revenue was ₹ 1,22,293. 69 lakhs, ₹ 1,38,722.62 lakhs and ₹ 1,19,619.62 lakhs for the Fiscals 2021, 2020, 2019, respectively, on a consolidated basis. For the three-month period ended June 30, 2021 our total income was ₹ 24,298.73 lakhs on a consolidated basis. The following table gives the break-up of our total revenue on a consolidated basis.

(*In ₹ lakhs*)

Particulars	FY 2019		FY 2020		FY 2021		Three-month period ended June 30, 2021	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Revenue from operations (net) (A)	1,17,451.91	98.19%	1,37,094.85	98.83%	1,21,072.73	99.00%	24,096.66	99.17%
Other Income (B)	2,167.71	1.81%	1,627.77	1.17%	1,220.96	1.00%	202.07	0.83%
Total (A+B)	**1,19,619.62**	**100.00%**	**1,38,722.62**	**100.00%**	**1,22,293.69**	**100.00%**	**24,298.73**	**100.00%**

The following table gives the break-up of our total sale of finished goods on a consolidated basis

(*In ₹ lakhs*)

Particulars	FY 2019		FY 2020		FY 2021		Three-month period ended June 30, 2021	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Sale of finished goods								
Exports (A)	90,787.79	83.77%	1,03,212.67	80.52%	94,173.84	82.21%	19,180.83	88.04%
Domestic(B)	17,596.06	16.23%	24,973.08	19.48%	20,372.42	17.79%	2,605.39	11.96%
Total(A+B)	**1,08,383.85**	**100.00%**	**1,28,185.75**	**100.00%**	**1,14,546.26**	**100.00%**	**21,786.22**	**100.00%**

The following table gives EBITDA, EBITDA Margin and PAT on a consolidated basis

(In ₹ lakhs)

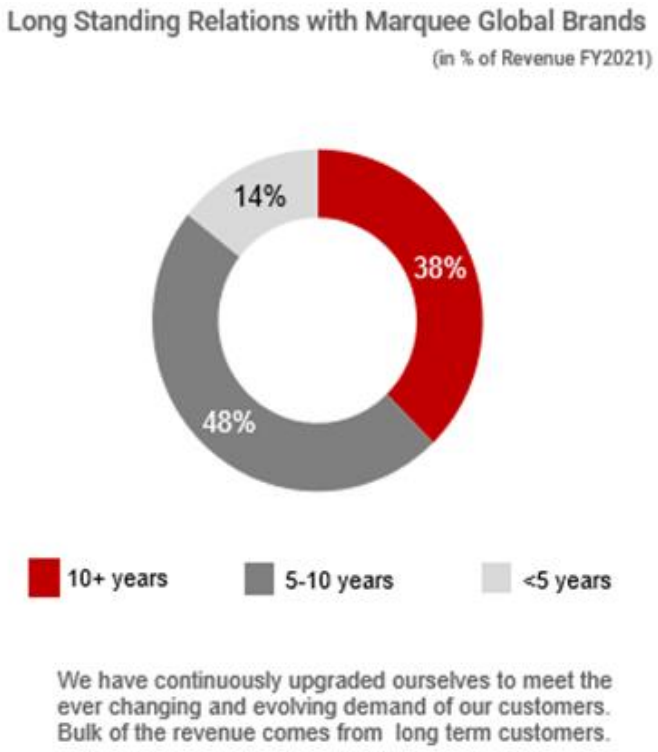
Particulars	FY 2019	FY 2020	FY 2021	Three-month period ended June 30, 2021
EBITDA	8,347.77	10,209.16	11,369.53	1,993.78
EBITDA Margin	6.98%	7.36%	9.30%	8.21%
PAT	2,557.96	3,038.71	2,649.16	-255.22

Our Competitive Strengths

Our operating history in the readymade garments manufacturing business has helped us gain significant expertise and makes us well-positioned to maintain our status as one of the largest exporters among manufacturers of readymade garments from India. We believe that the following strengths enable us to compete successfully in our market:

We have a long-standing relationship with eminent global brands of USA, Europe, and Asia spanning over decades.

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our commitment to quality and customer service practices have been strong contributing factors to our robust customer relations. Over the years, we have steadily developed a robust base of international retailers of readymade garments, including with reputed established brands with global operations. Even though we do not have any long-term supply agreements with them, we have continually received repeat business from many of our customers and are proud to be a preferred vendor for certain of our customers. This indicates their level of confidence in us. As on June 30, 2021, our total clientele consisted of about 18 customers. We believe that we enjoy the confidence of our customers because of our ability to offer inhouse designs and samples, timely responsiveness, and capacity to cater to various order sizes.



We have strong in-house design, testing, fitment and quality inspection facilities

Our core competency lies in our understanding of our customers buying preferences and behaviour along with the stringent quality and compliance requirements of this industry. This is supplemented by our dedicated design and merchandising team located at our Corporate Office in India. We have a team of professionals, including designers, who are supported by the latest technology for developing products and styles which are based on prevalent fashion trends. We have the necessary facilities and expertise to create and implement design specifications and requirements of our customers. The design and sampling team continuously interacts with the clients to understand their requirements and provides the designs based on their requirements. Our design team offers a diverse product range of garmenting solutions including shirts, ladies' tops, dresses, skirts, kids wear, sportswear and jeans wear enabling us to provide a range of readymade garments to our customers.

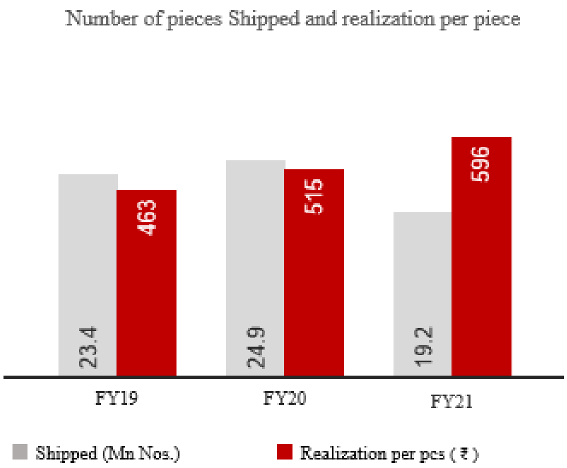
Product design, development and sampling form an integral part of our Company's operations. It helps us in converting an existing inquiry into an order for our products. We believe that our ability to produce innovative designs is one of our major strengths and improves our competitiveness in the market. Our in-house designing team, consisting of 18 employees as of August 31, 2021, focuses on providing value-added design products by understanding the current fashion trends thereby helping us in procuring new as well as repeat orders. As of August 31, 2021, we had an archive of over 1400 designs in readymade garments. Further, we have set-up testing laboratories and our customers have given us certification to conduct the lab test. Over the last few years, in keeping with the trend of increasing process outsourcing, our customers rely on our laboratories for testing fabrics and finished products before they are sold at their stores. We have in-house facilities that help us and our customers save time and costs and provide us with a competitive advantage over other manufacturers.

We are one of the leading manufacturers for export of readymade garments for men, women and kids wear in India

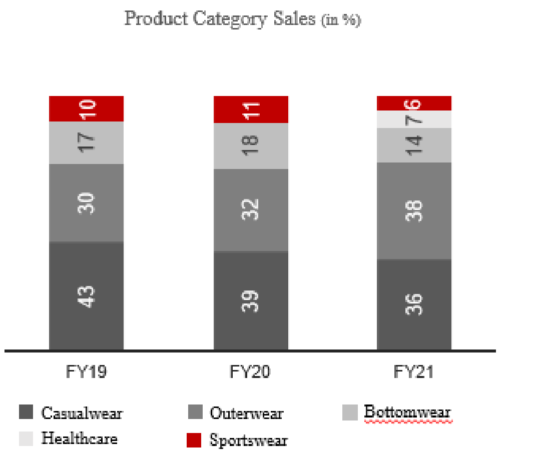
Over the years, we have developed the expertise to concurrently manage multiple large orders as well as developed a diversified product range which has helped our Company to grow into one of the leading manufacturers of readymade garments in India.

Our Company and our Subsidiaries have 20 operating manufacturing facilities of which 19 of our manufacturing facilities are located in Karnataka, and one in Andhra Pradesh. The wide range of infrastructure and machinery at our facilities for sewing, cutting, printing, embroidery and finishing of readymade garments enable us to service our customers by fulfilling multiple bulk orders in a timely manner.

We produced and sold approximately 192.32 lakhs, 249.03 lakhs, 234.23 lakhs and 29.72 lakhs pieces of readymade garments in the Fiscals 2021, 2020, 2019 and for the three-month period ended June 30, 2021 respectively. With our current and expected economies of scale, we consider ourselves to be one of the few integrated readymade garment manufacturing companies of garments in India.



Growth in volumes together with increase in weighted average realization per pcs have given a sustained revenue growth for the last 3 years which is encouraging. Volumes in FY21 was impacted due to the pandemic.

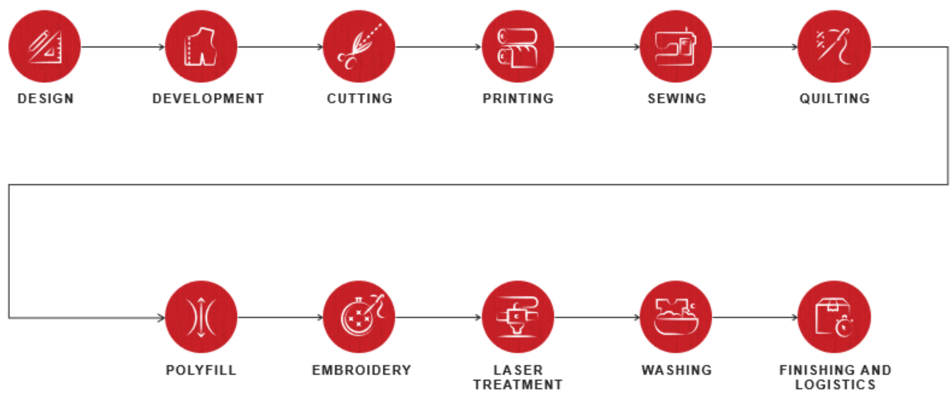


A continuous growth in outerwear segment is positive sign for the business, as it balances the seasonality of the business and delivers better margin. The drop in sportswear contribution in FY21 was because of reduced demand from key customers.

Our ability to set-up units that are integrated with our operations allows us to scale-up our operations

In addition to manufacturing of readymade garments, our key strength is our ability to set-up and provide all necessary facilities at various units and efficiently manage such units from a centralized location that has helped us in the past to efficiently scale up our operations in a short period of time. We have the experience of setting-up units that are integrated with our manufacturing and production operations and at present have 20 such manufacturing facilities.

Our manufacturing value chain



We have an experienced management team led by our key management personnel

Our management team consists of well-qualified and experienced individuals with technical and commercial experience in the garments industry and has played a key role in the sustained growth of our operations. We believe this is one of our key competitive strengths in view of our current scale of operations as well as size of operations that we are planning to achieve.

Our team led by Chairman Mr. Richard B. Saldanha and our Managing Director, Mr Sivaramakrishnan Ganapathi have successfully managed various businesses. For further details refer "*Board Of Directors and Senior*

Management" on page 135.

Process and Quality Certifications

Our Company has given priority to the processes followed and the quality of our products. In this endeavour we have obtained various quality certifications. Certain of the certifications received by our Company, are as below:

- ISO 9001:2015
- SMETA: SEDEX Members Ethical Trade Audit
- RCS: The Recycled Claim Standard
- GRS: The Global Recycled Standard
- C-TPAT: The Customs-Trade Partnership Against Terrorism
- OCS: Estandar de contenido organico
- GOTS: Global Organic Textile Standards
- HIGG Index: Higg Facility Environmental Module
- SLCP: Social & Labour Convergence Program

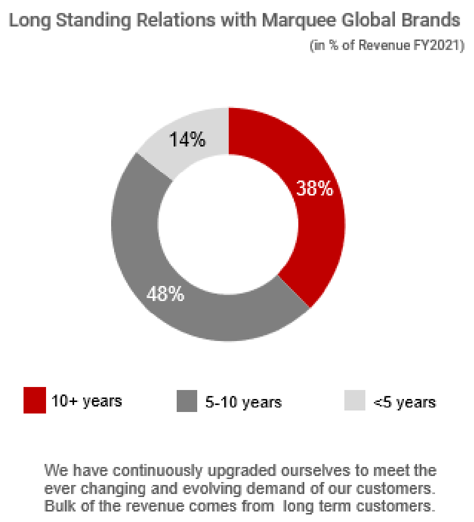
Our Strategies

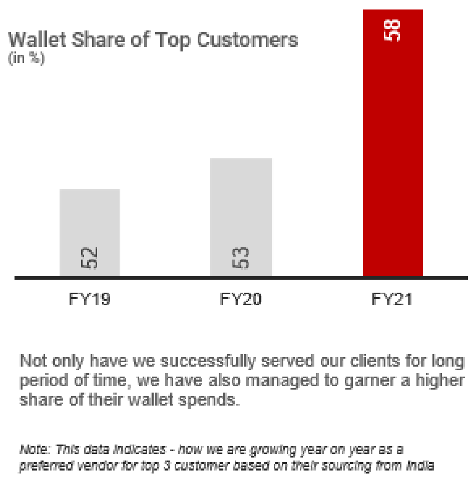
Our vision is to be one of the leading readymade garments manufacturer and exporter in India. In particular, we are focused on a four-pronged strategy.

1. Deepening our product penetration with existing customers and increasing our customer base

We aim to create value for our stakeholders by delivering quality products to our customers on time and in full, and with consistency in customer service excellence.

As a result, over the last three years, we expanded our share of customer wallet of top customers as is depicted in the graph below. This approach has helped in evening the seasonality impact in the business for an all-year round capacity utilization. We will continue to work towards enlarging our customer base, broad-base revenues, while deepening our customer wallet share.





As per CRISIL Research, global brands and retailers are increasingly emphasizing on in-house product development and designing by manufacturing companies. We focus on strengthening our design team to collaborate with customers to develop new products / design. We have robust in-house testing facilities, product development and designing team along with the stringent quality checks. Our accredited testing laboratories, along with a professional design team has led to some of our customers outsourcing their testing, inspection and design functions to us.

We intend to diversify and expand our customer base globally. To that end, we intend to continue developing and strengthening our existing relationship with our customers for readymade garments. We intend to also focus on increasing our customer base by increasing the range of products we manufacture and supply to them.

2. Cost Effective capacity expansion

We propose to focus on driving operational excellence with the objective to reduce manufacturing and supply chain costs as well as cycle time. This could also liberate production capacity, contributing to margin accretion. We also intend to move factories from generalized production centres, manufacturing a variety of products, to specialized centres of excellence, focusing on core product types. We intend to modernise our infrastructure at our manufacturing facilities which will substantially improve the operational efficiency and unlock the bottleneck capacity for expansion and growth. With improved order flow from our customers, we intend to expand our foot print beyond Karnataka and to low cost locations.

As per CRISIL Research, many state governments are offering attractive incentive package to set up new apparel manufacturing units since it is low capital investment but generating high employment opportunities to rural women. In this connection, our Company is in the process of setting up a new manufacturing plant, near Bhopal, in Madhya Pradesh. The company has already purchased 10-acre land from the Madhya Pradesh Industrial Development Corporation (MPIDC) in this connection. The proposed manufacturing facilities being set up goes in line with our strategic objective as a cost-effective capacity expansion plan.

Further, we also are focusing on cost-effective capacity expansion at our existing facilities through operational de-bottlenecking, selective investments that enhance capacity and efficiency, realigning the manufacturing footprint by increasing output from lower cost Tier 2 and 3 geographies to unlock additional productivity and margins. Incremental brownfield expansion and investment in modernization could help deliver additional growth at incrementally higher margins.

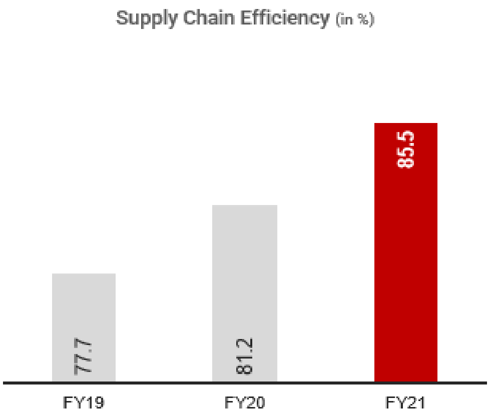
We are working on strengthening its manufacturing practices and industrial engineering to improve productivity and control wastage. The new manufacturing facilities will help us to increase quality control in the production process, achieve better production planning for deliveries and higher level of customization of capacities leading to increased operational efficiencies. We believe that our reputation and presence in the readymade garment industry presents us with an advantage to benefit from the future growth opportunities by continuing to expand our manufacturing capacity.

3. Focus on consistent improvement in operational excellence, modernisation of business infrastructure and technology

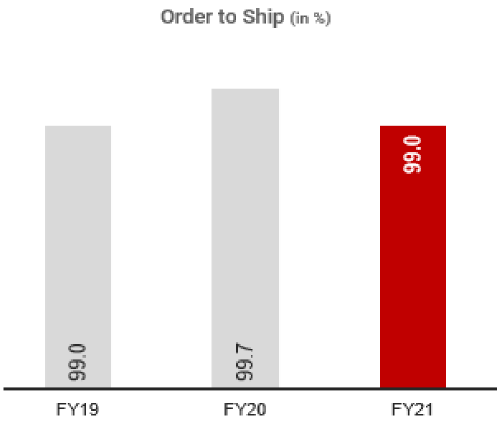
The key operational variables that drive revenue and profitability growth are improvement in production efficiency, reduction in material wastage, and improvement in order to ship rate. We continuously focus on training our workmen on the operation bulletin and adherences to line design plans. We have dedicated team to review and implement employee skill matrix to adjust with fast changeover. We put efforts to de-skilling the resource, training the production team to maximize the usage of innovation in sensor technology, which helps in reducing high skill requirements. We have injected automation into a dedicated production system, reduce manual dependencies in an assembly line to manage the manufacturing process. In the last three years, we invested in modernisation of machinery to meet global standards of productivity. We implemented advanced production operation control systems for extensive data capture and analytics for effective decision making. We automated cut-plan process to support fabric management and control leakage. We automated the process for shrinkage, width, share grouping, fabric allocation and utilization.

We are upgrading our business infrastructure and technology while integrating operational workflows in a single system. These investments are expected to generate reduction in transaction turnaround time with improved workflows, reduction in IT maintenance costs, reduced waste and inventory, enhanced supply chain visibility and strengthened predictive analytics.

Over the last three years, we leveraged people and process for performance improvement. We brought in specialised resources for specific functions with exposure to global customers and markets. We recruited people for operations from India and overseas. We also strengthened the design team to manage relationship with brands internationally. We inducted industrial engineers for process improvement. We introduced new IT solutions to manage factory productivity integrated with production planning, line design, resource allocation and performance monitoring. These initiatives helped in improvement in operational efficiency in production units. These steps have resulted in the following improvements. Some of the key operational key performance indicators are depicted below.



Ontime release of raw material sourced from various suppliers internationally is critical for ensuring on time delivery. Timely input supplies results in timely delivery of finished goods.

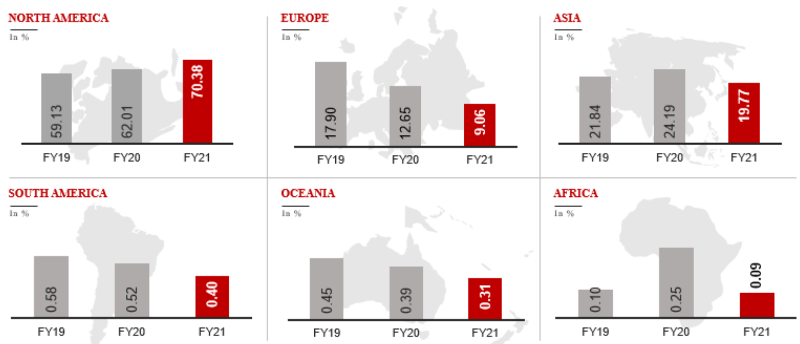


Dropped due to cancellation of orders by customers owing to COVID

We shall stay focused on continuous improvement, upgradation and modernization of our infrastructure and technology in coming years.

5. Expanding Geographic Delivery Reach

We export a major component of our readymade garments production worldwide across over 50 countries and 6 continents. USA and Europe contributed 79.8% of our total export sales of readymade garments for the year ended March 31, 2021 and it remains a major market of our Company's exports.



Increase in concentration on the USA region in the last 3 years

Our Company has, over a period of time, explored opportunities in other international markets; both for growth as well as to de-risk itself from an over-dependence on a single export market.

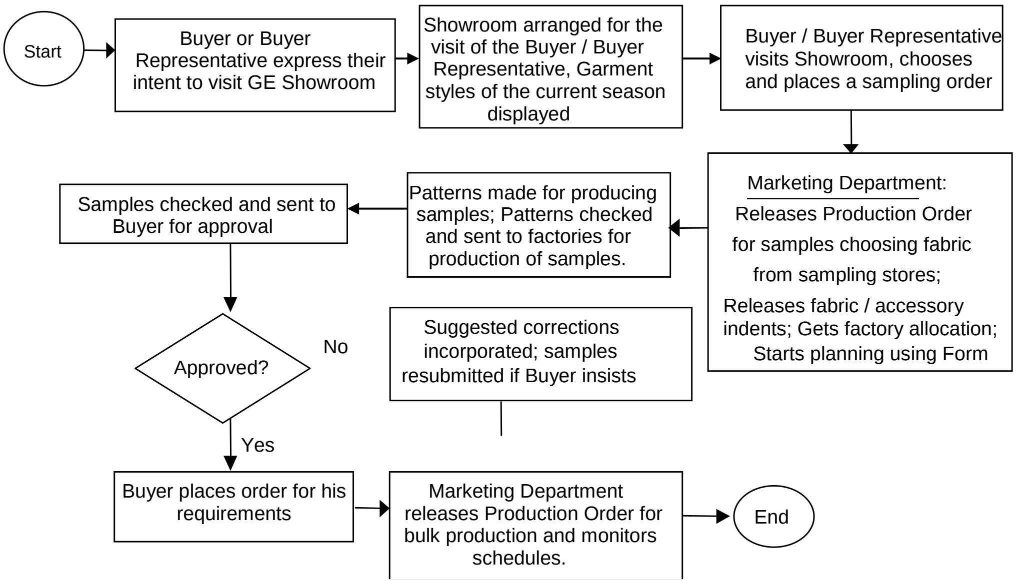
We will continue exploring opportunities in various countries where we can supply value added textile products to enhance our geographic reach as part of its strategy to mitigate market risk and widen growth prospects.

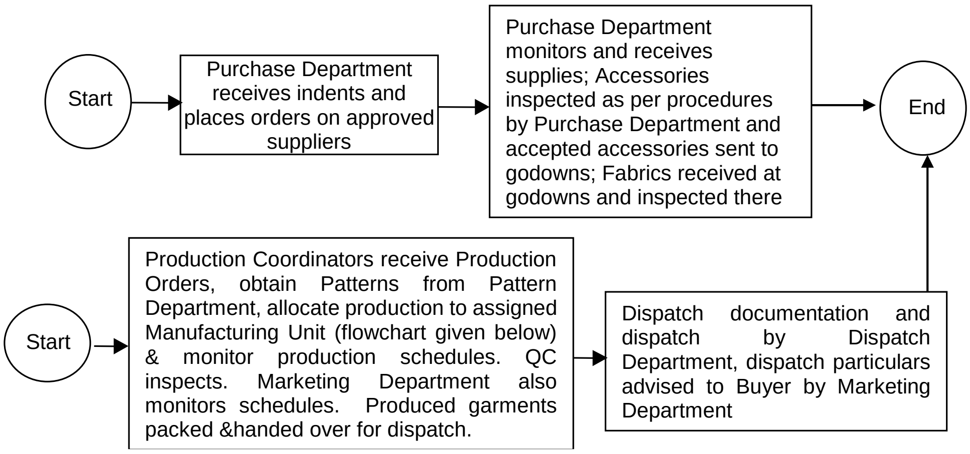
Our Operations

Products and Production Process

Our Company undertakes the activity of manufacturing of readymade garments (outerwear, active wear and fashionwear) for men, women and kids including, tops and bottoms, for all seasons, the bulk of which we export to global customers. The existing production process in relation to our readymade garments is set forth below

PROCESS FLOW CHART OF THE COMPANY





The production process for manufacture of readymade garments begins with the design and development of pre-production samples by our Company. The placement and confirmation of an order by a customer follows an approval by the customer of existing pre-production samples.

Pursuant to placement of the order, fabric, accessories and other raw materials are procured. On receipt of the fabric and other raw materials, our quality assurance team conducts a pre-production inspection. Following the approval of the quality of materials, the garment is produced, which involves the following production elements: cutting, printing, embroidery, sewing, in-line quality control, ironing, packing and final inspection. Following production and packing, the goods are then exported. Each stage of production is monitored by our quality assurance team to ensure conformity with the requirements of our customers.

Plant and Machinery

We own specialized and modern garments production plant and machinery. As of June 30, 2021, we own 20,132 sewing machines, 612 cutting machines, 2345 ironing machines, 540 finishing machines, 120 washing machines, 211 Seam Seal machines, and 261 utility machines. Some of our machinery is imported from overseas in order to take advantage of the latest technology in the manufacturing process. Most of our plant and machinery is managed, maintained and operated internally, which reduces the costs of outsourcing maintenance.

Raw Materials

We identify and evaluate suppliers who meet our requirements based on criteria such as capacity, quality and commercial payment terms. We typically shortlist such number of suppliers so as to enable us to procure one and a half times of our requirements in each item. During our evaluation process, all terms and conditions such as the time involved in the supply of raw materials, quality standards and the terms and conditions of payment are agreed between our Company and the suppliers. We also periodically review the quality of material supplied and the terms of our relationship with the suppliers that have been added to our database of vendors. Our Company does not depend on a selected number of suppliers. Our Company engages with multiple and different suppliers and vendors in relation to its business.

Often, our major customers nominate the raw material vendor for meeting their orders. This helps in seamless receipt of material and quality adherences. We place order to such vendors and source the basic raw material for the production. We also work to bring in cost-efficient procurement of raw materials by identifying domestic suppliers who can be a close substitute to an import vendor of similar materials. We routinely also evaluate new suppliers who are identified based on recommendations provided by our customers or from advertisements and trade exhibitions. We then proceed to assess and identify relevant suppliers for our requirements from our existing database of vendors with whom we have previously worked and approved.

Utilities

Our manufacturing facility draws electricity from the Karnataka Generation and Distribution Corporation Limited, Bangalore Electricity Supply Company, Chamundeswari Electricity Supply Company, Southern Power Distribution Company of Andhra Pradesh Limited, and Tamil-Nadu Electricity Board. As standby arrangement for power, we use diesel operated generator sets at some of our facilities which are registered under the Indian Electricity Rules, 1956. To meet our washing and sanitary requirements, we consume water supplied to us by the municipal corporation. We have set-up an in-house effluent treatment plant for recycling water by treating the waste water that is discharged during washing activity and removing the impurities that are added during the washing activity. Certain of our facilities have the necessary authorization for transport and storage of hazardous wastes to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal.

Facilities

Our Company and our Subsidiaries have 20 operating manufacturing facilities of which 19 of our manufacturing facilities are located in Karnataka, and one in Andhra Pradesh. The wide range of infrastructure and machinery at our facilities for sewing, cutting, printing, embroidery and finishing of garments enable us to service our customers by fulfilling multiple bulk orders in a timely manner. A wide range of infrastructure facilities supports our manufacturing operations.. The location of our facilities in India gives us significant savings in production, labour and transportation costs and helps us to utilize labour and key technical personnel across all of our facilities. The location of our facilities provides us with convenient access to all raw materials, trims etc. in addition to machinery supplies and replacement parts. Further, our facilities are having access to international airport which is convenient for our customers.

Manufacturing of readymade garments is a labor-intensive process, and we are highly dependent upon our employees. Every product which our Company manufactures has manual intervention throughout the production process and is dependent upon the skills and turnaround time of each employee. As of August 31, 2021, we had 26,982 full-time employees at our Company.

Customers

Our principal customers include leading international brands and retailers. For the FY 2021, FY 2020, and FY 2019 for the top-five contributors of export sales contribute 71.76 %, 72.30%, and 77.94 % of the total turnover of the Company.

All our major customers have global presence through their stores located around the world. Our focus has been on customers in USA and Europe as retailers based there prefer suppliers that are able to offer end-to-end garments manufacturing services from the design to the manufacture of the readymade garments. Our integrated set-up enables better price realizations. Going forward, we will continue to focus on existing customers in USA and Europe as well as new customers globally. Our international customers provide us with multiple repeat orders which are a strong indicator of their confidence in us. Our focus is to diversify and expand our customer base globally. Further, we do not have any long-term contracts with our customers and our dealings with them are on a per transaction basis.

Marketing and Business Development

We provide our services for the manufacture of readymade garments to customers primarily in the international market. We employ a very customer-driven approach to business development and service that is strongly oriented to the customer's specifications and satisfaction. Each customer is assigned a specific team that oversees merchandising, sampling, production, logistics, and development of the finished product, quality management and customer satisfaction. We have a dedicated sales team which handles business development and relationship management for our readymade garments business. Our sales team visits customers periodically and deals directly with them or their representatives.

Our new customer additions are made mainly through referrals from our existing customers and direct enquiries. Generally, most global garments retailers and sourcing/third party agents maintain buying offices in India and directly solicit relationships with Indian garments manufacturers. We also identify potential global retailers suitable for our products and approach them for new business.

Export Obligations and Benefits

The EPCG scheme in India facilitates import of capital goods at a zero customs duty. Pursuant to the EPCG scheme, we have an obligation to export an amount equal to six times the duty we save. We benefit from several incentives provided to the textiles sector by the Government of India, which include Revised Restructured Technology Upgradation Fund Scheme, subsidized working capital finance, duty drawback, export performance certificate and Rebate of State and Central Tax and Levies (RoSCTL). The company has an Export Incentive Receivable of ₹.2568.27 lakhs as of June 30, 2021.

Personnel

We are focused on the recruitment, training and retention of our employees. As of August 31, 2021, we had 26,982 full-time employees at our Company. We also focus extensively on our employees' training and skills development. We believe the relationship between our management and our employees has been cordial. We have received recognition for BEST HR practices from OLZ People Award in FY 2018-19, received from OLX People and Jagsom NHRD Corporate HR Best Practices Award (organisational transformation) in the HR showcase in FY 2020-21, received from National Human Resource Development.

Properties

Our Registered Office is located at No. 25, Second Cross, Third Main Industrial Suburb, Yeshwantpur, Bengaluru - 560022, Karnataka, India, which is leased by the Company. We have acquired and taken on lease/ leave and license various properties for our business and operations.

Quality assurance, laboratory accreditations and certifications

We are particular in complying with the specifications provide by our customers. We adhere to the highest standards of quality for our products. We exercise stringent quality control checks consisting of inspection and testing of fabric, trims, accessories, packing materials and of each piece of garment for metal bits/needle tips/sharp edges prior to packing. We check every piece of garment produced at our manufacturing facilities prior to it being packed. All individual pieces of garments are also physically inspected to ensure that no defective/damaged pieces are delivered to our customers. We have hired employees to monitor the quality of our products. We consistently and regularly meet all necessary quality standards of our customers.

Insurance

We maintain insurance policies in respect of our business, operations, products and workforce. We have obtained fire and special perils insurance policies for our manufacturing facilities and to cover material loss of, or damage to, buildings, plant and machinery, furniture and other physical assets. We maintain a marine cargo insurance policy which provides transit insurance coverage to cover the safety of our products in transit. We also maintain a money insurance policy, commercial general liability insurance policy, boiler and pressure plant policy and directors, and officers' liability insurance. We have obtained what we consider to be adequate insurance for our business, operations, products, and workforce and that we consider to be consistent with other garments manufacturers in India.

Environment, Health and Safety

We are committed to reducing our environmental footprint by investing in resource conservation and efficiency across water, energy and chemical waste. Our 4-pronged approach to sustainability consisting of reduce, replace, recycle and restore has proved to be very effective. We are committed to protect our environment by minimising our pollution load and through improved operational control programs. With periodic third-party audits of our chemical consumption, we were able to strengthen our operating standard and stakeholder confidence. We enrolled our factories in the Higg FEM 3 standard and stood best in the industry, thus consistently improving on our environmental performance year-on-year. Under this standard, the Company gets evaluated by a third party annually. Additionally, our raw materials are sourced through Organic and Higg FEM 3 certified suppliers only.

As regards Health, we prioritise the safety of our people. Our proactive approach towards the pandemic led us to create an aware workforce even before the national lockdown was announced. Our guidelines enabled a safe and sanitised workplace and workforce. Even upon resumption of operations post nationwide lockdown, there were no compromises made to social distancing norms and hygiene measures. We attempted to enhance awareness about COVID-19 through the use of engaging content. We even switched from a biometric system of attendance to a contactless alternative to ensure safety.

The Company is committed to high standards of safety for its employees and to improve the health conditions of our employees at work, we built ergonomically compliant workstations with improved lighting conditions and cross ventilation. Additionally, we have provided health and safety training to all our employees to minimise risks at the workplace. We also took the initiative to conduct COVID19 testing on our employees and educate them on the importance of getting vaccinated against the virus. We also organise vaccination drive for our employees in collaboration with local health departments.

Intellectual Property

We have a few registered trademarks for dealing with various class of products under “ ” logo. This logo is used for clothing, footwear, and headgear products and registered trade-mark under “Gokaldas India” to deal with printing and stationery materials and registered brand under “Wearhouse” to deal with leather goods materials. As of date, we have not been experienced any infringement action, suit, liabilities, proceeding, inquiry brought by any court or governmental agency or body against the company and we have kept our IP rights protected with periodic renewals.

Information Technology infrastructure

We are equipped with upgraded, modern information technology and infrastructure for the functioning of our business and operation. The hardware, software, and service components are adequate to support the delivery of business systems and IT-enabled processes. We have the latest and upgraded version of communication systems for internal and external communication. We have Wi-Fi access points enabled with strong WEP security code access and user can access the network only through the firewall, enabled MAC filtering for mobile device access. The above technological components contribute to and drive business functions.

Our IT assets are integral components of the organization systems and network infrastructure and the network has been designed and configured to deliver high performance and reliability to meet the needs of the business whilst providing a high degree of access control and a range of privilege restrictions. We have surveillance systems accessible at one location for better monitoring control.

Leaders and managers within the IT field are responsible for ensuring that both the physical hardware and software networks and resources are working optimally. IT infrastructure can be looked at as the foundation of our organization's technology systems, thereby playing an integral part in driving our success.

Risk Management framework

We have the risk management framework in place to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. Our risk management policy provides a framework that enables future activities to take place in a consistent & controlled manner, improve decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats, efficient use/ allocation of resources within the organization, protecting and enhancing assets and company image, reducing volatility in various areas of the business, developing and supporting people and knowledge base of the organization.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum of Association and the Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association require that our Board of Directors shall comprise not less than 3 Directors and not more than 12 Directors, unless otherwise determined by the Company in a general meeting.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013, as amended and Regulation 17 of the SEBI Listing Regulations. As on date, the Board comprises of the 6 Directors, including 2 executive Directors (i.e., the Managing Director and the Whole Time Director) and 4 non-executive Directors including 2 independent Directors, of which 1 is a woman Director.

The following table sets forth details of our Board of Directors as of the date of this Preliminary Placement Document:

Name, occupation, term of appointment and DIN	Age	Designation	Address
Richard B. Saldanha Occupation: Professional Date of birth: February 3, 1944 Term: Fixed term for a period of five years with effect from November 29, 2017. DIN: 00189029 Nationality: Indian	77	Chairman - Non-Executive Independent Director	House number 24, Senor Valley, Road Number 13, Filmnagar, Jubilee Hills, Hyderabad – 500033, Telangana, India
Sivaramakrishnan Ganapathi Occupation: Professional Date of birth: July 1, 1967 Term: Fixed term for a period of three years with effect from October 3, 2020 DIN: 07954560 Nationality: Indian	54	Managing Director	Number C56, Hulkul Residency, 81 Lavelle Road, Bangalore North, Bengaluru – 560001, Karnataka, India
Mathew Cyriac Occupation: Professional Date of birth: May 20, 1969 Term: Liable to retire by rotation DIN: 01903606 Nationality: Indian	52	Non-Executive Director	1908, 19th Floor, B B Nakashe Marg, Imperial North Tower, M.P.Mill Compound, Tardeo, Mumbai – 400034
Gautham Madhavan Occupation: Professional Date of birth: May 18, 1991 Term: Liable to retire by rotation DIN: 02826558	30	Non-Executive Director	B-405, Manju Mahal, 36, Pali Hill, Bandra West, Mumbai – 400050

Name, occupation, term of appointment and DIN	Age	Designation	Address
Nationality: Indian			
Anuradha Sharma Occupation: Professional Date of birth: 05/03/1967 Term: Fixed terms for a period of five years with effect from February 7, 2018 DIN: 01965605 Nationality: Indian	54	Non-Executive Independent Director	D 402, Tower - 1, Adarsh Palm Retreat, Outer Ring Road, Devarabisanahalli, Bengaluru- 560103, Karnataka, India
Prabhat Kumar Singh Occupation: Professional Date of birth: February 1, 1952 Term^: Fixed terms for a period of three years with effect from November 12, 2018. DIN: 08275987 Nationality: Indian	69	Whole Time Director	B-42, Amaltas Apartment, Behind Wide Angle, Satellite Ahmadabad City Ahmedabad - 380015, Gujarat

^ The Board in their meeting held on September 17, 2021 has approved the re-appointment of Prabhat Kumar Singh as the Whole Time Director of the Company, subject to the approval of members of the Company. The current term of Prabhat Kumar Singh expires on November 11, 2021.

Relationship with other Directors

None of the other Directors are related to each other.

Interests of Directors

Except as stated in "*Related Party Transactions*" on page 37, and to the extent of respective shareholding, remuneration including commission received on net profit, reimbursement of expenses and other benefits to which they are entitled as per their respective terms of appointment, our Directors do not have any other interest in our Company or its business. All our Directors may be deemed to be interested to the extent of fees payable to them for attending Board and/or Board committee meetings, commission as well as to the extent of reimbursement of expenses payable to them. Our Executive Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

The Directors may also be deemed to be interested in any Equity Shares or any stock options held by them and also to the extent of any dividends payable to them in accordance with Companies Act, 2013 and other distributions in respect of the Equity Shares held by them, if any. All of the Directors may also be deemed to be interested in the Equity Shares allotted to their relatives or the companies, firms and trust, in which they are interested as directors, members, partners or trustees and to the extent of benefits arising out of such shareholding.

Except as stated in the chapter "*Financial Information*" on page 191 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners and there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding. As on the date of this Preliminary Placement Document, there are no outstanding loans to our Directors from our Company.

Shareholding of Directors

The following table sets forth the number of Equity Shares and stock options held and outstanding to the Directors, as applicable, as on date of this Preliminary Placement Document:

No.	Name of Director	Designation	No. of Equity Shares	Percentage shareholding in our Company (%)	No. of stock options held and outstanding
1.	Richard B. Saldanha	Chairman - Non-Executive Independent Director	Nil	Nil	25,000(1)
2.	Anuradha Sharma	Non-Executive Independent Director	Nil	Nil	Nil
3.	Sivaramakrishnan Ganapathi	Managing Director	Nil	Nil	10,00,000(2) 3,00,000(3)
4.	Mathew Cyriac	Non-Executive Director	Nil	Nil	Nil
5.	Gautham Madhavan	Non-Executive Director	249,391	0.57	Nil
6.	Prabhat Kumar Singh	Whole Time Director	Nil	Nil	Nil

(1) 25000 stock options outstanding under ESOS 2010
(2) 10,00,000 stock options outstanding under RSU 2018
(3) 3,00,000 stock option outstanding under ESOS 2010

Terms of appointment and remuneration of Executive Directors

Sivaramakrishnan Ganapathi

Sivaramakrishnan Ganapathi was re-appointed as the Managing Director of our Company pursuant to special resolution dated September 25, 2020, passed by the shareholders in their annual general meeting, for a period of three years up to October 2, 2023. Set out hereunder are the details of the terms and conditions including remuneration of Sivaramakrishnan Ganapathi:

(In ₹ lakhs)

Particulars	Remuneration
Fixed compensation	238.76
Variable pay	150.00
Perquisites	Contribution to provident fund at 12% of basic salary and national pension scheme at 10% of basic salary, medical and accidental insurance, club subscriptions, cars, gratuity etc as per the policies of the Company.
Other benefits	ESOS 2010 and RSU 2018 Options (13,00,000 shares)

Prabhat Kumar Singh

Prabhat Kumar Singh was appointed as the Whole-time Director of our Company pursuant to special resolution dated November 12, 2018, and also approval of the shareholders received via Postal Ballot on January 3, 2019, for a period of three years up to November 11, 2021. Set out hereunder are the details of the terms and conditions including remuneration of Mr. Prabhat Kumar Singh.

(In ₹ lakhs)

Particulars	Remuneration
Fixed compensation	65.00
Variable pay	NIL
Perquisites	NIL
Other benefits	Entitled to all other service conditions as applicable to any other senior management employee of the Company.

Remuneration of the Directors

A. Executive Directors

The following table set forth the compensation paid by our Company to the Executive Directors during Fiscals 2022, 2021, 2020 and 2019:

(in ₹ lakhs)

Name of Directors	Fiscal 2022*	Fiscal 2021	Fiscal 2020	Fiscal 2019
Sivaramakrishnan Ganapathi	289.22	241.48	388.76	221.60
Prabhat Kumar Singh	24	40	65	38.27

* *For the period from April 1, 2021 to September 30, 2021.*

B. Non-Executive Director and Independent Directors

Pursuant to the resolutions passed by the Board on May 10, 2014, the non-executive Directors and Independent Directors are entitled to receive a sitting fee of ₹ 80,000 for attending each meeting of the Board or its committees thereof.

The following table sets forth the remuneration (which includes sitting fees and commission) paid by our Company to the Non-Executive Director and the Independent Directors during the during Fiscals 2022, 2021, 2020 and 2019:

(in ₹ lakhs)

Name	Fiscal 2022*	Fiscal 2021	Fiscal 2020	Fiscal 2019
Richard B. Saldanha	8.00	13.60	12.00	15.20
Mathew Cyriac	8.00	12.80	13.60	15.20
Anuradha Sharma	8.00	13.60	11.20	12.80
Gautham Madhava	8.00	10.40	8.00	1.60
Arun K Thiagarajan(1)	-	-	4.80	13.60
Jitendrakumar H Mehta(2)	-	-	2.40	10.40
Smita Aggarwal(3)	-	-	-	4.80
Palaniappan Chidambaram(4)	-	-	-	8.00

(1) Arun K Thiagarajan resigned with effect from July 29, 2019
(2) Jitendrakumar H Mehta resigned with effect from July 18, 2019
(3) Smita Aggarwal resigned with effect from June 9, 2018,
(4) Palaniappan Chidambaram resigned with effect from November 12, 2018.

* *For the period from April 1, 2021 to September 30, 2021.*

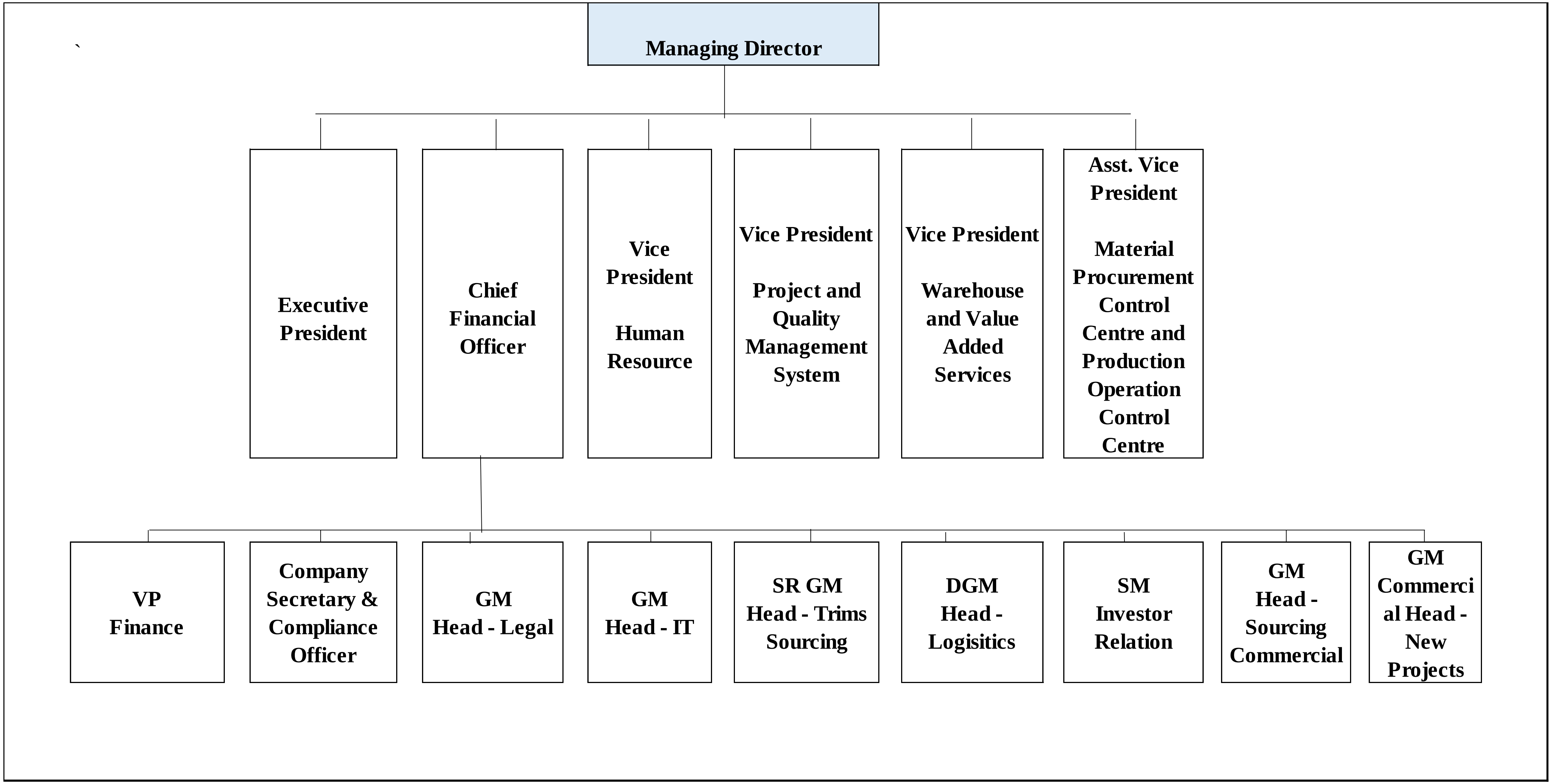
Prohibition by SEBI or Other Governmental Authorities

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Borrowing Powers of the Board

Our Company has, pursuant to a special resolution dated September 29, 2014, passed under Sections 180(1)(a) and 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, authorised the Board of Directors to borrow money upon such terms and conditions as the Board may think fit up to an aggregate amount not exceeding ₹ 500 crores.

ORGANISATION CHART



Senior Management of our Company

The following table sets forth the details of our senior management, i.e., our Key Managerial Personnel ("Senior Management"), other than our Executive Directors:

Name of the Senior Management	Designation
Sathyamurthy A	Chief Financial Officer
Shrithee Shekar Magaji	Company Secretary and Compliance Officer

As on the date of this Preliminary Placement Document, all of the senior management personnel of our Company are the permanent employees of our Company.

Shareholding of the senior management personnel

The following table sets forth the number of Equity Shares and stock options held and outstanding to the senior management personnel (other than Executive Directors) as on date of this Preliminary Placement Document:

No.	Name of key managerial personnel	No. of Equity Shares held	Percentage shareholding in our Company (%)	No. of stock options held and outstanding
1.	Sathyamurthy A	50,000	0.11	1,00,000(1)
				80,000(2)
2.	Shrithee Shekar Magaji	Nil	Nil	Nil

(1)1,00,000 stock options outstanding under RSU 2018
(2)80,000 stock options outstanding under ESOS 2010

Interest of senior management personnel

Except to the extent of Equity Shares held and outstanding stock options by the senior management personnel of our Company mentioned above and interests as disclosed under " - *Interest of Directors"* on page 136, and other than (a) remuneration or benefits to which they are entitled as per their terms of appointment or otherwise; (b) reimbursement of expenses incurred by them during the ordinary course of business; and (c) the Equity Shares held by them or their dependants in our Company, if any, any dividend payable to them and other distributions in respect of such Equity Shares and options granted under ESOS 2010 or RSU 2018, the senior management personnel do not have any interest in our Company.

There are no outstanding transactions, other than in the ordinary course of business undertaken by our Company in which the senior management personnel were interested parties.

None of the Key Management Personnel or Senior Management Personnel has taken any loans from our Company. Further, our Company has not availed any loans from the Key Management Personnel or the Senior Management Personnel which are currently outstanding.

None of our senior management personnel are related to each other.

Corporate governance

Our Company is in compliance with the requirements with respect to the corporate governance provided in the SEBI Listing Regulations and the Companies Act, 2013, each as amended. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

The Board of Directors and committees of our Company are constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations, each as amended.

Committees of the Board

In terms of SEBI Listing Regulations and Companies Act, 2013, our Company has constituted the following committees of Directors namely:

(i) Audit Committee;

(ii) Nomination and Remuneration Committee;
(iii) Stakeholders' Relationship Committee; and
(iv) Corporate Social Responsibility Committee;

The following table sets forth the details of the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Committee	Name of the member	Capacity
Audit Committee	Mr. Richard B Saldanha	Chairperson
	Mr. Mathew Cyriac	Member
	Ms. Anuradha Sharma	Member
Nomination and Remuneration Committee	Ms. Anuradha Sharma	Chairperson
	Mr. Richard B Saldanha	Member
	Mr. Mathew Cyriac	Member
	Mr. Gautham Madhavan	Member
Stakeholders' Relationship Committee	Mr. Mathew Cyriac	Chairperson
	Mr. Richard B Saldanha	Member
	Mr. Sivaramakrishnan Ganapathi	Member
Corporate Social Responsibility Committee	Mr. Richard B Saldanha	Chairperson
	Ms. Anuradha Sharma	Member
	Mr. Sivaramakrishnan Ganapathi	Member
	Mr. Mathew Cyriac	Member

Other confirmations

Except as disclosed in this Preliminary Placement Document, none of the Directors, promoter of our Company or senior management personnel of our Company have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

None of our Company, our Directors or Promoter has been identified as wilful defaulters as defined under the SEBI ICDR Regulations. None of our Directors has been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. None of our Company, our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI.

None of our Directors, Promoters or Key Managerial Personnel of our Company intend to subscribe to the Issue.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals and for three months period ended June 30, 2021, see "*Financial Information*" on page 191. These disclosures made are as per the requirements of Ind AS 24.

Employee Stock Option Plan

For the details of options granted under the ESOS Schemes, please see "*Capital Structure*" on page 69.

SHAREHOLDING PATTERN AND ORGANISATION STRUCTURE

The following table sets forth the shareholding pattern of our Company as on June 30, 2021:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class eg: X	Class eg:y	Total								
A	Promoter & Promoter Group	2	1,42,05,348	0	0	1,42,05,348	33.12	1,42,05,348	0	1,42,05,348	33.12	0	33.12	0	0	0	0	1,42,05,348
B	Public	23,984	2,86,90,315	0	0	2,86,90,315	66.88	2,86,90,315	0	2,86,90,315	66.88	0	66.88	0	0			2,86,89,700
C	Non Promoter-Non Public	0	0	0	0	0		0	0	0	0	0		0	0			0
C1	Shares underlying DRs	0	0	0	0	0		0	0	0	0	0		0	0			0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
	Total	23,986	4,28,95,663	0	0	4,28,95,663	100	4,28,95,663	0	4,28,95,663	100	0	100	0	0	0	0	4,28,95,048

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Nameof the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total share s held (b)	(XIV)
								Class X	Class Y	Total								
1	Indian	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals/Hindu undivided Family	1	2,49,391	0	0	2,49,391	0.58	2,49,391	0	2,49,391	0.58	0	0.58	0	0	0	0	2,49,391
	GAUTHAM MADHAVAN	1	2,49,391	0	0	2,49,391	0.58	2,49,391	0	2,49,391	0.58	0	0.58	0	0	0	0	2,49,391
b	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (specify)	1	1,39,55,957	0	0	1,39,55,957	32.53	1,39,55,957	0	1,39,55,957	32.53	0	32.53	0	0	0	0	1,39,55,957
	Bodies Corporate	1	1,39,55,957	0	0	1,39,55,957	32.53	1,39,55,957	0	1,39,55,957	32.53	0	32.53	0	0	0	0	1,39,55,957
	CLEAR WEALTH CONSULTANCY SERVICES LLP	1	1,39,55,957	0	0	1,39,55,957	32.53	1,39,55,957	0	1,39,55,957	32.53	0	32.53	0	0	0	0	1,39,55,957
	Sub-Total (A)(1)	2	1,42,05,348	0	0	1,42,05,348	33.12	1,42,05,348	0	1,42,05,348	33.12	0	33.12	0	0	0	0	1,42,05,348
2	Foreign	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Individuals (Non-Resident	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Individuals/ Foreign Individuals)																	
b	Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**2**	**1,42,05,348**	**0**	**0**	**1,42,05,348**	**33.12**	**1,42,05,348**	**0**	**1,42,05,348**	**33.12**	**0**	**33.12**	**0**	**0**	**0**	**0**	**1,42,05,348**

Table III - Statement showing shareholding pattern of the Public shareholder

Category.	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentag	Number of Locked in shares		Number of Shares pledged or otherwise encumbere		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of Total Voting			No. (a)	As a % of total Sh	No. (Not a	As a % of total sha	
								Class X	Class Y	Tot al								
1	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
a	Mutual Funds/	1	1,58,1267	0	0	15,81,267	3.69	15,81,267	0	15,81,267	3.69	0	3.69	0	0			1581,267
	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	1	1,58,1267	0	0	15,81,267	3.69	15,81,267	0	15,81,267	3.69	0	3.69	0	0			15,81,267
b	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
c	Alternate Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
d	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
e	Foreign Portfolio Investors	3	23,54,685	0	0	23,54,685	5.49	23,54,685	0	23,54,685	5.49	0	5.49	0	0			23,54,685
	CAN LAH INVESTMENTS PTE. LTD.	1	18,40,000	0	0	18,40,000	4.29	18,40,000	0	18,40,000	4.29	0	4.29	0	0			18,40,000
	POLUS GLOBAL FUND	1	5,00,000	0	0	500,000	1.17	500,000	0	500,000	1.17	0	1.17	0	0			500,000
f	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
g	Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
h	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
i	Any Other (specify)	1	500	0	0	500	0	500	0	500	0	0	0	0	0			500
	Sub-Total (B)(1)	5	39,36,452	0	0	39,36,452	9.18	39,36,452	0	39,36,452	9.18	0	9.18	0	0			39,36,452
2	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0

	Sub-Total (B)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
3	Non-institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
a	Individuals -	23,069	1,91,04465	0	0	19,10,4465	44.54	1,91,04,465	0	1,91,04,465	44.54	0	44.54	0	0			1,91,03,850
i	Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	23,017	10,36,8027	0	0	1,03,68,027	24.17	1,03,68,027	0	1,03,68,027	24.17	0	24.17	0	0			1,03,67,412
ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	52	87,36,438	0	0	87,36,438	20.37	87,36,438	0	87,36,438	20.37	0	20.37	0	0			87,36,438
	CHETAN JAYANTILAL SHAH	1	480,000	0	0	4,80,000	1.12	4,80,000	0	4,80,000	1.12	0	1.12	0	0			4,80,000
	SANKARANARAYANAN SANGAMESWARAN	1	11,21,068	0	0	11,21,068	2.61	11,21,068	0	11,21,068	2.61	0	2.61	0	0			11,21,068
	PATHIK SHYAMSUNDER GANDOTRA	1	6,45,400	0	0	6,45,400	1.5	6,45,400	0	6,45,400	1.5	0	1.5	0	0			6,45,400
	PARVESH GANDOTRA	1	7,94,600	0	0	7,94,600	1.85	7,94,600	0	7,94,600	1.85	0	1.85	0	0			7,94,600
	VANDANA SEHGAL	1	4,61,780	0	0	4,61,780	1.08	4,61,780	0	4,61,780	1.08	0	1.08	0	0			4,61,780
b	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
c	Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0	0	0	0	0			0
e	Any Other (specify)	910	56,49,398	0	0	56,49,398	13.17	56,49,398	0	56,49,398	13.17	0	13.17	0	0			56,49,398
	Bodies Corporate	215	41,86,619	0	0	41,86,619	9.76	41,86,619	0	41,86,619	9.76	0	9.76	0	0			41,86,619
	SECURITIES HOLDINGS INDIA PVT LTD	1	6,05,000	0	0	6,05,000	1.41	6,05,000	0	6,05,000	1.41	0	1.41	0	0			6,05,000
	TEESTA RETAIL PRIVATE LIMITED	1	22,80,513	0	0	22,80,513	5.32	22,80,513	0	22,80,513	5.32	0	5.32	0	0			22,80,513
	Clearing Members	124	3,00,866	0	0	3,00,866	0.7	3,00,866	0	3,00,866	0.7	0	0.7	0	0			3,00,866
	Non-Resident Indian (NRI)	568	7,42,849	0	0	7,42,849	1.73	7,42,849	0	7,42,849	1.73	0	1.73	0	0			7,42,849
	Others	1	4,18,654	0	0	4,18,654	0.98	4,18,654	0	4,18,654	0.98	0	0.98	0	0			4,18,654
	Trusts	2	410	0	0	410	0	410	0	410	0	0	0	0	0			410
	Sub-Total (B)(3)	23,979	2,47,53,863	0	0	2,47,53,863	57.71	2,47,53,863	0	2,47,53,863	57.71	0	57.71	0	0			24,753,248
	Total Public	23,98	2,86,90,3	0	0	2,86,90,3	66.88	2,86,90,3	0	2,86,90,3	66.88	0	66.88	0	0			2,86,89,700

	Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	4	15			15		15		15								

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder

Category	Category & Name of the Shareholders (I)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No of Voting Rights			Total as a % of Total Voting rights			*No.*	*As a % of total Shares held*	*No. (Not applicable)*	*As a % of total shares held (Not applicable)*	
								Class X	Class Y	Total								
1	Custodian/DR Holder	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Our Corporate Structure as on the date of this Preliminary Placement Document, comprises the following Subsidiaries**:**

- All Colour Garments Private Limited
- SNS Clothing Private Limited
- Vignesh Apparels Private Limited
- Gokaldasexports Acharpura Private Limited

As on date of this Preliminary Placement Document, our Company does not have any associate companies or joint ventures.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Prospective Investors are advised to inform themselves of any restriction or limitation that may be applicable to them.

Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "*Selling Restrictions*" *and* "*Transfer Restrictions*" *beginning on pages 164 and 172, respectively.*

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Application Forms would not result in triggering a tender offer under the Takeover Regulations.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, through the mechanism of a QIP wherein a listed company in India may issue and allot equity shares to Eligible QIBs on a private placement basis provided *inter alia* that:

- a special resolution approving the QIP is passed by shareholders of the issuer. Such special resolution must specify (a) that the allotment of equity shares is proposed to be made pursuant to a QIP; and (b) the relevant date;
- an explanatory statement to the notice to shareholders for convening the general meeting must disclose among other things, the particulars of the Issue;
- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, have been listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;
- In accordance with SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be done in dematerialised form only
- Promoters and Directors are not fugitive economic offenders
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., this Preliminary Placement Document), our Company must

prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- the issuer shall have completed allotments with respect to any offer or invitation made earlier by the issuer or shall have withdrawn or abandoned any invitation or offer previously made by the issuer;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited

- at least 10% of the equity shares issued to Eligible QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs; and

- The issue must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the Eligible QIB to whom the issue is made and is sent within 30 days of recording the names of such Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date.

Prospective purchasers will be required to make certain representations, warranties and undertakings in order to participate in the Issue. Prospective purchasers will be deemed to have represented to us and the Book Running Lead Manager in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an offshore transaction in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For details, see sections entitled '*Representations by Investors*', '*Selling Restrictions*' and '*Transfer Restrictions*' on pages 3, 164 and 172, respectively of this Preliminary Placement Document.

Additionally, there is a minimum pricing requirement for pricing the equity shares offered in a QIP under the SEBI ICDR Regulations. The floor price shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Provided however that an issuer may offer a discount of not more than 5% on the price calculated for the QIP as above, subject to the approval of the shareholders by a special resolution pursuant to Regulation 82(a) of the SEBI ICDR Regulations.

The "relevant date" referred to above, means the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of directors decides to open the proposed issue and the "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date.

Equity shares must be allotted within 12 months from the date of the shareholders resolution approving the QIP and also within 60 days from the date of receipt of application money from the successful applicants. The equity shares issued pursuant to the QIP must be issued on the basis of a preliminary placement document and placement document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and Form PAS-4 as prescribed under the Companies Act, 2013 and the PAS Rules.

The preliminary placement document and the placement document are private documents provided to only select Eligible QIBs, through serially numbered copies and are required to be placed on the website of the concerned stock exchanges and of the issuer with a disclaimer to the effect that they are in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors.

Securities allotted to a Eligible QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on a recognised stock exchange in India.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000 lakhs; and
- five, where the issue size is greater than ₹ 25,000 lakhs.

No single allottee shall be allotted more than 50% of the issue size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee for this purpose.

The issuer shall also make the requisite filings with the registrar of companies, stock exchanges, and SEBI within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

Our Company has filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

Our Company has received the in-principle approval of the Stock Exchanges, each dated October 4, 2021 in terms of Regulation 28(1) of the SEBI Listing Regulations for the Issue. The Board of Directors has authorised the Issue pursuant to a resolution passed at its meeting held on August 24, 2021. The shareholders of our Company have authorised the Issue pursuant to a special resolution passed by the shareholders in the annual general meeting held on September 17, 2021.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Manager shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic form or physical form, to Eligible QIBs and the Application Form shall be specifically addressed to such Eligible QIBs. Pursuant to Section 42(3) of the Companies Act, 2013, our Company shall maintain complete record of the Eligible QIBs in the form and manner as prescribed under the PAS Rules to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and with SEBI within the stipulated time period as required under the Companies Act, 2013 and the rules made thereunder.

2. The list of Eligible QIBs to whom the Application Form and serially numbered Preliminary Placement Document are delivered shall be determined by the Book Running Lead Manager in consultation with our Company, at their sole discretion. **Unless a serially numbered Placement Document along with the** serially numbered **Application Form is addressed to a particular QIB, which includes the details of the bank account wherein the Application Amount is to be deposited no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such other person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof, along with the Application Amount and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bidding Period to the Book Running Lead Manager.

4. Eligible QIBs will be required to indicate the following in the Application Form:

   (a) Full official name of the Eligible QIB to whom Equity Shares are to be Allotted; complete address, email id and bank account details;

   (b) number of Equity Shares Bid for;

   (c) price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares bid for, provided that Eligible QIBs may also indicate that they are agreeable to submit a bid at the "Cut-off Price" which shall be any price as may be determined by our Company in consultation with the Book Running Lead Manager at or above the Floor Price, net of such discount as approved in accordance with SEBI ICDR Regulations and decided by the

Board.

(d) it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 3, 149, 164, and 172, respectively, which will be incorporated by reference; and

(e) the details of the depository account to which the Equity Shares should be credited.

5. Each bidder shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Amount within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the bidders in cash. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filling of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in the Escrow Account, i.e. a separate bank account with a scheduled bank, and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "*Refunds*" below on page 160.

6. Once a duly filled in Application Form is submitted by the QIB, whether signed or not, such application amount is transferred to the Escrow Account, and constitutes an irrevocable offer and the same cannot be withdrawn or revised after the Bid/Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after the receipt of the Application Form.

7. The Bidder acknowledges that in accordance with the requirement of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. Eligible FPIs are required to indicate their SEBI FPI registration number in the Application form. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by

them under applicable laws.

9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Agreement, after the Issue Closing Date, our Company shall, in consultation with the Book Running Lead Manager, determine the final terms including the Issue Price, the number of Equity Shares to be issued pursuant to the Issue and the Eligible QIBs to whom the same shall be Allocated. We shall notify the Stock Exchanges of the Issue Price. The Company shall also intimate the Stock Exchanges about the meeting to decide the Issue Price, two working days in advance (excluding the date of the intimation and the date of the meeting). On determining the Issue Price and the Eligible QIBs to whom Allocation shall be made, the Book Running Lead Manager, shall on behalf of our Company, send the CANs along with a serially numbered Placement Document to the Eligible QIBs who have been Allocated Equity Shares either in electronic form or by physical delivery. The dispatch of the CANs shall be deemed a valid, binding, and irrevocable contract for the Eligible QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such Eligible QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the Eligible QIB, Issue Price and the aggregate amount received towards the Equity Shares Allocated and the Refund Amount (if any) due to the Eligible QIBs. **Please note that the Allocation will be at the absolute discretion of our Company, in consultation with the Book Running Lead Manager.**

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Eligible QIBs, the BRLM shall on our behalf, send a serially numbered Placement Document (either in electronic form or through physical delivery) to each of the Successful Bidders who have been Allocated Equity Shares pursuant to the dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment, and prior to crediting the Equity Shares into the beneficiary accounts of the Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals.

13. After receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottee.

14. Our Company shall then apply to Stock Exchanges for the final trading approvals.

15. The Equity Shares that have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of listing and trading approval from Stock Exchanges.

16. As per the applicable laws, the Stock Exchanges will notify upon receipt of the listing and trading approval, which are ordinarily available on their respective websites, and our Company shall communicate the receipt of the listing and trading approvals from the Stock Exchanges to the Eligible QIBs who have received Allotment. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the listing and trading approvals from the Stock Exchanges or any loss arising from such delay or non-receipt. The listing and trading approval granted by the Stock Exchanges is also placed on their respective websites. Eligible QIBs are advised to apprise themselves of the status of the receipt of the approvals from Stock Exchanges or our Company.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, Eligible QIBs, who are eligible to participate in this Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- AIFs;
- Foreign venture capital investor registered with the Board

- Foreign portfolio investor other than individuals, corporate bodies and family offices
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Multilateral and bilateral development financial institutions;
- Mutual Funds;
- Pension Funds with minimum corpus of ₹ 25,000 lakhs;
- Provident Funds with minimum corpus of ₹ 25,000 lakhs;
- Public financial institutions as defined in Section 2(72) of the Companies Act, 2013;
- Scheduled commercial banks;
- State industrial development corporations;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government of India published in the Gazette of India;
- Systemically Important Non-banking Financial Company; and
- Venture capital funds registered with SEBI.
- Subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

Eligible Foreign Portfolio Investors are permitted to participate in the Issue through the investment scheme under Schedule II of the FEMA Non-Debt Rules, subject to compliance with applicable law and such that the shareholding of the Foreign Portfolio Investors does not exceed specified limits as prescribed under applicable law in this regard.

In terms of the SEBI FPI Regulations, the issue of Equity Shares issued to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s), directly or indirectly, of more than 50% or common control) is not permitted to be 10.00% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail funds on look through basis; or (c) public retail funds and investment managers of such FPIs are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates. The existing aggregate investment limit for FPIs in our Company is 100% of the paid-up capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61) ("**SEBI Circular 2018**"), our Company has appointed NSDL as the designated depository to monitor the level of FPI/ NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, as defined under SEBI Circular 2018 red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Subject to receipt of valid Bids, a minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, our Promoters or any person related to our Promoters. Eligible QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of our Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

Our Company and the BRLM and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

Note: Affiliates or associates of the BRLM who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs are permitted to only use the serially numbered Application Forms (which is addressed to the QIB) supplied by our Company and the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including any revision of a Bid) in terms of the Preliminary Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including revisions thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, each Eligible QIB will be deemed to have made the following representations and warranties, acknowledgements and undertakings and under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Transfer Restrictions*" on pages 1, 164 and 172, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws of India and is eligible to participate in the Issue;

2. The Eligible QIB confirms that it is not a promoter of our Company and is not a person related to the

promoter of our Company, either directly or indirectly and its Application Form does not directly or indirectly represent the promoter of our Company or Promoter Group or a person related to the promoter of our Company;

3. The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) will be included as a ‘proposed allottee’ in the Issue in the Placement Document;

4. The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India and is eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, or a resident multilateral or bilateral development financial institution, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets, and is not an FVCI;

5. The Eligible QIB confirms that it has no rights under a shareholders’ agreement or voting agreement with the promoter of our Company or persons related to the promoter of our Company, no veto rights or right to appoint any nominee director on the Board of our Company other than such rights acquired in the capacity of a lender (not holding any Equity Shares) which shall not be deemed to be a person related to the promoter of our Company;

6. The Eligible QIB acknowledges that it has no right to withdraw or revise downwards its Bid after the Bid/Issue Closing Date;

7. The Eligible QIB confirms that if Equity Shares are Allotted pursuant to the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

8. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The QIB further confirms that its holding of the Equity Shares does not, and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

9. The Eligible QIB confirms that the Bids will not eventually result in triggering an open offer under the Takeover Regulations;

10. The Eligible QIB agrees that, although the Application Amount is required to be paid by it along with the Application Form within the issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, out Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part.

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in the Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company

12. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary (ies) or holding company and any other QIB; and

b. "Control" shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIB confirms that:

a. It is outside the United States and subscribing to the Equity Shares in an offshore transaction in reliance upon Regulation S; and

b. It has agreed to the other representations set forth in the "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 164 and 172, respectively, and the other representations made in the Application Form

14. The Eligible QIB acknowledges that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price

15. The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBs MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PAN, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE. IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

Once a duly completed Application Form is submitted by a Bidder, whether signed or not, the submission of such Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms shall be required to be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied, along with a copy of the PAN card or PAN allotment letter.

Additionally, the application will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following addresses:

Name of the Book Running Lead Manager	Address	Contact person	Contact	Email ID
JM Financial Limited	7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India	Ms. Prachee Dhuri	+9122 6630 3030/ +91 22 6630 3262	gokex.qip@jmfl.com

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the same.

All bidders submitting a Bid in the Issue, shall pay the entire Application Amount within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Accounts, each titled "Gokaldas Exports Limited- QIP Escrow" with HDFC Bank Limitedand The Federal Bank Limited, the Escrow Banks, in terms of the arrangement among our Company, the BRLM and the Escrow Banks. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheque or demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in the Escrow Account only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "- *Refunds*" below on page 160.

Permanent Account Number or PAN

Each QIB should mention its Permanent Account Number ("**PAN**") allotted under the IT Act. **The copy of the PAN card is required to be submitted with the Application Form.** Bids without this information will be considered incomplete and is liable to be rejected. It is to be specifically noted that applicant should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each QIB shall mention the details of the bank account from which the payment has been made along with a confirmation that the payment has been made from such account.

Pricing and Allocation

Build-up of the book

The Eligible QIBs shall submit their Bids (including the revision thereof) through the Application Form within the Bidding Period to the Book Running Lead Manager. Such Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price discovery and Allocation

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company, in consultation with the BRLM, may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to a resolution passed on September 17, 2021.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation shall be decided by us in consultation with the Book Running Lead Manager on a discretionary basis. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Application Form being received at or above the Issue Price.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, AND QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER IS OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Manager, will, in its sole and absolute discretion, decide the list of Eligible QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of the same in their respective names shall be notified to such Eligible QIBs. Additionally, the CAN would include details of Escrow Account into which such payments would need to be made, Pay-In Date as well as the probable designated date ("**Designated Date**"), being the date of credit of the Equity Shares to the QIB's account, as applicable to the respective Eligible QIBs.

The Eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the QIB shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Manager and our Company and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

ELIGIBLE QIBs ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOCATED / ALLOTTED TO THEM PURSUANT TO THE ISSUE.

By submitting the Application form, the Eligible QIB would be deemed to have made the representations and warranties as specified in "Notice to Investor" on page 1 and such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the issue until such time as the final listing and trading approval Is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares pursuant to the Issue into the Eligible QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in this Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Banks shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the BRLM and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Successful Bidder, or the Application Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Successful Bidder and the Issue Price, or a Bidder does not receive any Allocation in the Issue, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Successful Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the refund intimation issued to such Successful Bidder. The Refund Amount will be transferred to the relevant Successful Bidders within two Working Days from the date of issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Bids

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reasons whatsoever. The decision of our Company and the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details, see – "Bid Process" and "Refunds" on pages 155, and 160 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

1. The Allotment of the Equity Shares in the Issue shall be only in dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

2. A QIB applying for Equity Shares must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid.

3. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the

Depository Participant) of the QIB.

4. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

5. The trading of the Equity Shares would be in dematerialised form only for all Eligible QIBs in the respective demat segment of the Stock Exchanges.

6. Our Company and the Book Running Lead Manager will not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Forms or on part of the Eligible QIBs.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares

Placement Agreement

The Book Running Lead Manager and the Company have entered into a placement agreement (the "Placement Agreement"), pursuant to which the Book Running Lead Manager have agreed, subject to certain conditions, to use its reasonable efforts to procure Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among the Company and Book Running Lead Manager, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act read with the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than to Eligible QIBs.

In connection with the Issue, the Book Running Lead Manager or their affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" beginning on page 8.

From time to time, the Book Running Lead Manager and their affiliates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, affiliates and the shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and their affiliates and associates.

Lock-up

Our Company will not for a period of 120 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above.

Our Promoter and each member of the Promoter Group has undertaken that they will not for a period of 120 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*" on pages 1, 3 and 172, respectively.

Republic of India

This Preliminary Placement Document may not be distributed, directly or indirectly, in India or to residents of India and any Equity Shares may not be offered or sold, directly or indirectly, in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document is neither a public issue nor a prospectus under the Companies Act or an advertisement and should not be circulated to any person other than to whom the offer is made.

Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

Neither the BRLM nor any of its affiliates is the holder of Australian Financial Services Licence.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of

Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the BRLM for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the BRLM of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the BRLM of such fact in writing and has received the consent of the BRLM in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the BRLM has been obtained to each such proposed offer or resale.

Our Company, the BRLM and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Preliminary Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, the Preliminary Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of the Preliminary Placement Document, they should obtain independent professional advice.

The Preliminary Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. The Preliminary Placement Document must not be issued, circulated or distributed in Hong Kong other than:

(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or
(b) in other circumstances which do not result in the Preliminary Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of the Preliminary Placement Document may issue, circulate or distribute the Preliminary Placement Document in Hong Kong or make or give a copy of the Preliminary Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

Kuwait

This Preliminary Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Preliminary Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Preliminary Placement Document does not constitute a public offering. The Preliminary Placement Document is for the exclusive use of the person to whom it has been given by the BRLM and is a private concern between the sender and the recipient.

New Zealand

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMA Act**"). The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Oman

This Preliminary Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Preliminary Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Preliminary Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor has the BRLM or any placement agent acting on its behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. Neither the BRLM nor any placement agent acting on its behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the BRLM nor any placement agent acting on its behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Preliminary Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Preliminary Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Preliminary Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the BRLM is not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the BRLM are not, by distributing this Preliminary Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. The Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. The Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1- 28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

In South Africa, the offering of the Equity Shares in the Issue will only be made by way of private placement to:

(a) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act of 2008, as amended (the "**South African Companies Act**"); and
(b) selected persons, acting as principal, acquiring Equity Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act,

and in each case to whom the offer of the Equity Shares will specifically be addressed, and only by whom the offer will be capable of acceptance (the "**South African Qualifying Investors**"). This Preliminary Placement Document is being made available only to such South African Qualifying Investors. The information contained in this Preliminary Placement Document does not constitute, nor form part of, any offer or invitation to sell or issue, an advertisement or any solicitation of any offer or invitation to purchase or subscribe for any Equity Shares or any other securities and is not an "offer to the public" as contemplated in the South African Companies Act. This Preliminary Placement Document does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act and no prospectus has been filed with the Companies and Intellectual Property Commission (the "**CIPC**") in respect of the Issue of the Equity Shares. As a result, this Preliminary Placement Document does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC.

The information contained in this Preliminary Placement Document constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act of 2002, as amended (the "**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Equity Shares or in relation to the business or future investments of the Company is appropriate to the particular investment objectives, financial situation or needs of a prospective investor, and nothing in this Preliminary Placement Document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Company is not a financial services provider licensed as such under the FAIS Act.

South Korea

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The Equity Shares offered in the Issue may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares offered in the Issue may be publicly distributed or otherwise made publicly available in Switzerland. The Equity Shares offered in the Issue shall only be offered to regulated financial intermediaries, such as banks, securities dealers, insurance institutions and fund management companies, as well as institutional investors with professional treasury operations.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering of the Equity Shares in the Issue have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Preliminary Placement Document will not be filed with, and the offer of the Equity Shares offered in the Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA The offer of the Equity Shares in the Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to purchasers of the Equity Shares offered in the Issue.

This Preliminary Placement Document is personal to the recipient only and is not for general circulation in Switzerland.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of the Preliminary Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of the Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, the Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of the Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of the Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of the Preliminary Placement Document and nor does any such entity accept any liability for the contents of the Preliminary Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Preliminary Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved the Preliminary Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. Capitalised terms not otherwise defined in the Preliminary Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Preliminary Placement Document, you should consult an authorised financial adviser.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLM for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require our Company or the BRLM to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Transfer Restrictions*" on page 172. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*".

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares offered in the Issue within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

TRANSFER RESTRICTIONS

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except through the Stock Exchanges. In addition to the above, allotments made to Eligible QIBs, including FVCIs, VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. Accordingly, purchasers are advised to consult their own legal counsel prior to making any offer, re-sale, pledge or transfer of the Equity Shares.

United States

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted and acknowledged to and agreed with our Company and the BRLM as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- It was outside the United States at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States when its buy order for the Equity Shares offered in the Issue was originated.

- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).

- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or an available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold our Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

- It acknowledges that our Company, the BRLM and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "SCRA") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SCR (SECC) Rules"), which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or noncompliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognized as a stock exchange under the SCRA in April 1993.

Internet-based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads..

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI

Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"), subject to certain limited exceptions. Further, the SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders.

To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. The SEBI Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details of persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum, Articles of Association and the Companies Act. Prospective Investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares. Capitalised terms used and not defined herein, shall have the same meaning as ascribed to such words in the Memorandum and Articles of Association.

General

The authorised share capital of our Company is ₹ 325,000,000 divided into 65,000,000 Equity Shares of ₹ 5 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 217,078,315 divided into 43,415,663 Equity Shares of ₹ 5 each.

Memorandum and Articles of Association

Our Company is governed by its Memorandum and Articles of Association.

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. *To carry on all or any of the business as manufacturers, traders, exporters, stockists, distributors, consignors, consignees, agents, factors of and/or otherwise deal in yarn of all kinds and description made out of any fibrous material/s (including cotton yarn, silk yarn, jute yarn, synthetic yarn) hosieries, manmade fibres, viscose and viscose blended fibre, readymade garments, made-ups, dhoties, sarees, lungies, bed- sheets, towels, table cloth, curtain cloth, furnishing material, hosieries, mosquito curtains, fishing nets, ropes and/or other textile fabrics of all kinds and description manufactured out of cotton yarn, silk yarn, synthetic yarn, nylon, terene, wool, teri-cotton, terelyne, poly-fibre and/or any other fibrous material.*

2. *To carry on all or any of the business as spinners, doublers, weavers, engravers, embroiders, bleachers, dyers, printers, mercers, calenders, knitters and/or hosieries in cotton, wool, silk, terylene, nylon, teri- cotton, teri-woolen, linen, nylon, synthetic fibre, polyester-fibre and/or other fibrous materials and/or deal in the end products of such business as traders, agents, stockists, distributors, consignors, consignees, C&F agents, mercantile agents and/or in any other capacity.*

Dividend

Under Indian law, a company pays dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at in accordance with the provisions of the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a lesser dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of Directors may pay interim dividend at such intervals as it may think fit, subject to the requirements of the Companies Act.

The Equity Shares issued pursuant to this Preliminary Placement Document and the Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Bonus issue and capitalisation of profits

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus shares. These bonus shares must be distributed to shareholders in proportion to the number of shares owned by them as recommended by the board of directors. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

As per the Articles of Association, our Company, by an ordinary resolution, on recommendation of the Board, may capitalise and distribute amongst the shareholders any amount standing to the credit of Company's reserve accounts or to the credit of the profit and loss account or otherwise. However, aforesaid distribution shall not be made in cash but will be applied towards payment of amounts being unpaid on any shares held by such members and for paying up in full, unissued shares or other securities of the Company.

Share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62 of the Companies Act, 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board of directors of a company may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of a company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

The Articles of Association authorise our Company to, from time to time, increase its share capital by such sum, to be divided into shares of such amount, as may be specified pursuant to a resolution. Subject to the provisions of Section 61 of the Companies Act and the Articles of Association, 2013, our Company may, by ordinary resolution, (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Companies Act; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled. The Articles of Association also provide that our Company may issue shares with differential rights as to dividend, voting or otherwise in accordance with the Companies Act.

Pre-emptive rights and issue of additional shares

The Companies Act, 2013 gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed by three-fourths of the shareholders present and voting at a general meeting. Under the Companies Act, 2013 and the Articles, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares on a fixed record date. The offer, required to be made by notice, must include:

- the right exercisable by the shareholders as on record date, to renounce the Equity Shares offered in favour of any other person;
- the number of Equity Shares offered; and
- the period of the offer, which may not be less than 15 days from the date of the offer and shall not exceed thirty days. If the offer is not accepted, it is deemed to have been declined.

The Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us in accordance with the Articles.

General meetings of shareholders

There are two types of general meetings of the shareholders:

(i) AGM; and

(ii) EGM.

Our Company must hold its AGM within six (6) months after the expiry of each fiscal year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three (3) months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's paid up share capital, in accordance with Section 100 of the Companies Act, 2013.

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

A company intending to pass a resolution relating to matters including but not limited to, amendment in the objects clause of the memorandum of association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed under the Companies Act, 2013, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Such postal ballot includes procedure for voting by electronic mode.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands, every member present in person shall have one vote; and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Companies Act, 2013.

Transfer of shares

The equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, and any related SEBI guidelines issued in connection therewith.

Liquidation rights

If a company is wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, 2013, divide amongst the members, *in specie* or in kind, the whole or any part of the assets of the company and may, with the same sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories, as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. The liquidator may set any such value upon any property to be divided as he deems fair and how such division shall be carried out between the members or different classes of members.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors
Gokaldas Exports Limited
No. 25, Second Cross,
Third Main, Industrial Suburb,
Yeshwantpur, Bangalore 560022
Karnataka, India

Sub: Statement of possible tax benefits available to Gokaldas Exports Limited and its shareholders under the Indian Tax Laws, prepared in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

1. We, MSKA & Associates ("the Firm"), Chartered Accountants, the statutory auditors of Gokaldas Exports Limited (the "Company") hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible tax benefits under Income-tax Act, 1961 ('Act') presently in force in India viz. the Income-tax Act, 1961, ('Act'), the Income-tax Rules, 1962, ('Rules'), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders face in the future, the Company & its shareholders may or may not choose to fulfil.

2. The possible tax benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

3. We do not express any opinion or provide any assurance whether:
   - The Company and its shareholders will continue to obtain these benefits in future;
   - The conditions prescribed for availing the benefits have been/would be met;
   - The revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and

documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

5. This Statement is addressed to Board of Directors and issued at specific request of the Company. This Statement is intended solely for information and for the inclusion in the preliminary placement document and the placement document proposed to be filed by the Company with the National Stock Exchange Limited, BSE Limited and the Securities and Exchange Board of India, in connection with the proposed qualified institutional placement of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **MSKA & Associates**
Chartered Accountants
Firm Registration Number: 105047W

Deepak Rao
Partner
Membership No: 113292
UDIN: 21113292AAAAOB2681

Place: Bengaluru
Date: October 4, 2021

Encl: Management Annexure detailing Possible Tax benefits

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

- Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax ('MAT') would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years subject to fulfilling the then prevailing provisions under the Act.

- The Company is eligible to claim an additional deduction of 30 per cent of additional employee cost incurred in the previous year, for three consecutive assessment years. This deduction is subject to the satisfaction of prescribed conditions under section 80JJAA of the Act while computing total income of the Company. The Company shall continue to be entitled for this deduction even if it opts for the benefit of lower rate of tax under section 115BAA of the Act as discussed above.

POSSIBLE TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

- Section 112A of the Act provides for concessional rate of tax with effect from April 1, 2019 (i.e., Assessment Year 2019-20). Any income, exceeding Rs.1,00,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

For **Gokaldas Exports Limited**

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: October 4, 2021

LEGAL PROCEEDINGS

Our Company and our Subsidiaries are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are initiated by us and also by other parties. In this regard, please note the following:

1. *This section discloses outstanding legal proceedings considered material in accordance with our Company's "Policy on Disclosure of Material Events / Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations. Additionally, our Company has, in accordance with the resolution passed by the Board, solely for the purpose of this Issue on October 4, 2021 ("**Materiality Policy**") also disclosed in this section: (i) all outstanding criminal proceedings involving our Company and / or our Subsidiaries; (ii) all outstanding actions by statutory or regulatory authorities involving our Company and / or our Subsidiaries; (iii) all claims related to direct and indirect taxes involving our Company and / or our Subsidiaries; (iv) civil litigation proceedings involving our Company and / or our Subsidiaries, which involve an amount equivalent to or above ₹ 132.46 lakhs which is approximately 5% of the consolidated profit after tax of our Company for Fiscal 2021; (v) any other civil proceedings involving our Company and / or our Subsidiaries wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (iv) above, which if results in an adverse outcome would have a material adverse effect on the financial position, business, operations, prospects or reputation of our Company; and (vi) all litigation proceedings involving the Promoters or Directors which, if result in an adverse outcome, would materially and adversely affect the financial position, business, operations, prospects or reputation of the Company, on an individual basis, or the Company and Subsidiaries, on a consolidated basis;*

2. *Further, except as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years preceding the year of issue of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there have been no inquiries, inspections or investigations initiated or conducted against our Company and/ or our Subsidiaries under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries; (iii) as on the date of this Preliminary Placement Document, our Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution (except where there is dispute under litigation); (iv) as on the date of this Preliminary Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 or the rules made thereunder; (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vi) there have been no acts of material frauds committed against our Company in the last three years preceding the year of the issue of this Preliminary Placement Document; and (vii) there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the date of this Preliminary Placement Document*

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Directors or the promoter of our Company shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company or any of its Subsidiaries or Directors or promoter of our Company, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Summaries of certain legal proceedings and certain other proceedings which may be construed as important for the purpose of this section of the preliminary placement document, are set forth below:

I. Litigation involving our Company

(a) Civil proceedings

Against our Company

(i) Our Company sold a property located at Survey No.56, Plot No. A7/1 at Industrial Park, Nacharam, Nacharam Village, Uppal Mandal, Ranga Reddy District admeasuring 36,156 square metre of plot along with factory building with built up area of 171,171 square feet for a consideration of ₹ 32 crores to AP Golden Apparels Private Limited. The Sub-registrar Uppal, Hyderabad pursuant to its order dated December 07, 2019 raised a demand for payment for additional stamp duty amounting to ₹ 1.30 crores citing that the property was undervalued while effecting sales. AP Golden Apparels Private Limited filed an appeal ("**Stamp Appeal**") against the demand order issued by Sub-registrar Uppal, Hyderabad before the Collector and Commissioner and Inspector General of Registration and Stamps, Telangana by paying 45% of stamp duty demanded amounting to ₹ 59.90 lakhs. Our Company has been impleaded as one of the parties in Stamp Appeal. The matter is currently pending before the Prl Senior Civil Judge, Telangana.

By our Company

(i) Sham Industrial Complex ("**SIC**") partnered by Shamala Jagirdar and Kishan Jagirdar was allotted property measuring 43,560 square feet, at Yeswanthapura, Bangalore ("**Property**") by City Improvement Trust Board ("**CITB**") under a lease cum sale agreement. SIC had mortgaged 33,000 square feet of the Property to Karnataka State Financial Corporation ("**KSFC**"), in relation to loans obtained from KSFC. Due to default in repayment of loans by SIC, KSFC sold the 33000 sq. ft. of the Property to our Company through auction ("**Acquired Property**"). SIC and Srinivas Jagirdar filed writ petitions before High Court of Karnataka, claiming to be managing partner, against the takeover and the sale of the property by KSFC. The High Court of Karnataka, pursuant to its order dated March 30, 1994 dismissed the writ petitions ("**HC Order**"). Shamala Jagirdar filed a special leave petition (SLP) before the Supreme Court, for setting aside the HC Order, which was subsequently dismissed by the Supreme Court, pursuant to its order dated November 3, 1995.

Subsequent to the purchase of the Acquired Property by our Company from KSFC, Srinivas Jagirdar obtained a loan from Punjab National Bank, Bhubaneswar by giving the forged sale deed as a guarantee and defaulted in repayment of loan. Punjab National Bank initiated proceedings for securing possession of the Acquired Property, and the same was challenged by our Company before the High Court of Karnataka by writ petition which was dismissed on August 05, 2009 and the High Court of Karnataka ordered the Company to deposit 50% of the value of Acquired Property, by the Company to pursue the matter ("**HC Order 2**"). Our Company has challenged the HC Order 2 before the Division Bench of the High Court of Karnataka ("**Division Bench**") pursuant to the Writ Appeal No. 3305/2009 seeking stay on HC Order 2. Division Bench pursuant to its order dated October 29, 2010 admitted the writ appeal to grant stay on HC Order 2 on a pre-condition of submission of Bank Guarantee by the Company. Our Company has, against the order Division Bench, filed a special leave petition before the Supreme Court of India. The matter is currently pending.

Further, the commissioner of Bangalore Development Authority ("BDA") ordered the rectification which was challenged by Mr.Srinivas Jagirdar, Managing Partner of SIC through a writ petition bearing number 25781 of 2000. The said writ petition was dismissed by High Court; vide order date June 9, 2005. Aggrieved by the said order, Mr.Srinivas Jagirdar filed a Writ Appeal bearing number 2944 of 2005, which is currently pending with court.

(ii) Our Company has entered into an agreement with Infor (India) Private Limited ("**IPL**") and its managing director and director (collectively called as "**Defendant**"), for purchase of 500 software licences of Infor M3, version 13.2 ("**Software**") for a consideration of ₹1.53 crores. The software was to be tailor made, as per the business requirements of Company and as per the agreement, the software had to be made operational within nine months from the date agreement entered with IPL. Trusting the capability of IPL, our Company deployed 17 officers on this project to review the functioning of the Software. To the dis-satisfaction of Company, the software allegedly lacked many capabilities to satisfy the business requirement of Company and that IPL and its directors had made lot of misrepresentations while entering into agreement with the Company. In order to make the software operational in time, our Company had invested an amount of ₹ 83.27 lakhs on purchase of Software servers as advised by IPL. Since the desired results were not forthcoming from the use of Software, our Company appointed an independent consultant to review the capabilities of the Software, who in his report dated July 30, 2015 stated that the Software developed by IPL did not address many important business requirements of the Company. Our Company thereafter issued a

legal notice against IPL on July 22, 2016 to make good the losses suffered by the Company. IPL denied the claims and accordingly a suit was filed by the Company with City Civil Court, Bengaluru to direct IPL to repay the amount of ₹ 3.09 crores, *inter-alia*, spent by the Company in the project along with court cost and interest at 18% from the date of payments made to IPL till the date of passing the decree by the Court. Further, it was also appealed to the Court to direct IPL to pay an amount of ₹ 31.00 lakhs loss and damages suffered by the Company. The matter is currently pending.

(b) *Criminal proceedings*

Against our Company

(i) Fatal accident caused by our Company driver Harish Reddy for rash and negligent driving. The complainant has filed a complaint against the Company's driver stating that the driver was driving in a rash and negligent manner and has caused an accident by dashing the pedestrian crossing the road. The police have filed a FIR based on the statement of complainant and criminal case has been filed by State police, towards rash and negligent driving under Sec-304-A and causing death. Now the matter is pending before 2nd ACMM, Bangalore.

(ii) Our Company has been impleaded as a party in a legal proceeding initiated by one of the suppliers of the Company and no legal notice, complaint or other communication has been served on the Company by any judicial forum or authority or opposite party. Our Company is not aware of facts or grounds for which such legal proceeding has been initiated and has only acknowledged the existence of such legal proceeding been initiated against the Company pursuant to voluntary search conducted by the Company through E-Court portal. For details, see "*Risk Factors - There are certain legal proceedings pending against our Company and our Subsidiaries which if determined against us, may have a material adverse effect on our business, financial results and reputation*" on page 47.

By our Company

(i) Our Company supplied ready-made garments to one of its customers Lilliput Kidswear Limited ("**LKL**") during the year 2011-12 and the LKL issued nine cheques of ₹ 10 lakhs each, with dates ranging between January 3, 2012, to January 19, 2012 amounting to ₹ 90 lakhs. When presented for payment, the cheques were returned unpaid with reason "payment stopped by Drawer'. Our Company has served the notice to LKL as per Section 138 of Negotiable Instruments Act, 1881 ("**NI Act**") on June 20, 2012. Due to non-payment of aforesaid amount, a criminal case was filed against LKL in the Court of the Additional Chief Metropolitan Magistrate, Bangalore. The matter is pending as on date.

(ii) Our Company supplied ready-made garments to one of its customers LKL during the year 2011-12 and LKL issued seven cheques of ₹ 10 lakhs each, with dates ranging between December 15, 2011 to January 2, 2012 amounting to ₹ 70 lakhs. When presented for payment, the cheques were returned unpaid with reason "payment stopped by Drawer'. Our Company has served the notice to LKL as per Section 138 of NI Act dated June 11, 2012Due to non-payment of aforesaid amount, a criminal case was filed against LKL in the Court of the Additional Chief Metropolitan Magistrate; Bangalore. The matter is pending as on date.

(iii) Our Company invested 33% of share capital of Yepme UK Limited ("**Yepme**"), a company registered in United Kingdom, amounting to £ 750,008 *i.e.*, ₹ 626.56 lakhs. Yepme is wholly owned subsidiary of VAS Data Services Private Limited ("**VAS**") having its office at New Delhi, India. VAS submitted the positive valuation report of shares of Yepme along with the projected financials for five years commencing from financial year 2017-18 to 2021-22. Pursuant to investment made by our Company in Yepme, share certificate of 22,577 Series A preference shares of Yepme at the rate of £ 33.22 per preference share was issued to our Company. In the year 2018, our Company decided to withdraw the investment in Yepme on the account of non-submission of financial reports, business transactions, utilization of fund and progress report of Yepme. However, no further action was taken by the directors of VAS Data and therefore a criminal complaint was filed against ex-directors of VAS, and the same was lodged before the ACP Yeshwanthpur Bangalore on June 29, 2021. In view of the non-committal efforts by the ACP Yeshwanthpur, and since no action was initiated from concerned authorities against the VAS and its directors, our Company filed a PCR

before the Court of the Chief Metropolitan Magistrate, Bangalore under sections, *inter-alia*, 402, 406, 417, 418, and 420 of IPC. The matter is currently pending.

(iv) The Company, Gokaldas Exports Limited filed (through Mr. R.K. Choudary ex GM-HR) complaint against few employees working in the Company's Indigo Blues Factory for theft that took place in the factory. FIR was filed and now the matter stand posted for trial. The matter is pending before 98 Prl. Civil Judge & JMFC, Doddaballapur.

(c) *Actions by statutory or regulatory authorities*

(i) Certain units of our Company, and our Subsidiaries, Vignesh Apparels Private Limited and All Colour Garments Private Limited, are in receipt of show cause notices from Employee Provident Fund Organisation **("EPFO")** alleging non-payment of certain dues *inter-alia*, contribution to Employees' Provident Fund, Employees' Pension Fund, Employees' Deposit Linked Insurance, administrative charges under Employees' Provident Fund Scheme, 1952 and Employees' Deposit Linked Insurance Scheme, 1976, for an amount aggregating to ₹ 132.15 lakhs comprising contributions to be made to EPFO, penal damages and interest on contribution. Subsequently, the EPFO started proceedings against the Company to recover the alleged outstanding amounts. The matter is currently pending in appeal before the Employee Provident Fund Appellate Tribunal. As on March 31, 2021, the outstanding dues of the Company under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 were approximately ₹ 132.15 lakhs, which has also been reflected in contingent liabilities in audited consolidated financial statements for Fiscal March 31, 2021.

II. Litigation involving our Subsidiaries

(a) Civil proceedings involving our Subsidiaries

There are no outstanding civil proceedings involving our Subsidiaries in accordance with Materiality Policy.

(b) Criminal proceedings involving our Subsidiaries

There are no outstanding criminal proceedings involving our Subsidiaries in accordance with Materiality Policy.

(c) *Actions by statutory or regulatory authorities*

Except as disclosed above in "*Legal Proceedings - Litigation involving our Company - Actions by statutory or regulatory authorities" on page* 186, there are no other actions initiated by statutory or regulatory authorities against our Subsidiaries.

III. Tax proceedings involving the Company and Subsidiaries

We have disclosed claims relating to direct and indirect taxes involving the Company and Subsidiaries in a consolidated manner, as on the date of this Preliminary Placement Document, giving details of number of cases and the total amount involved in such claims, to the extent quantifiable.

Nature of cases	Number of cases	Amount involved (in ₹ lakhs)
Company		
Direct tax	1	278.43
Indirect tax	Nil	Nil
Total	1	278.43
Subsidiary		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	Nil	Nil

IV. Litigation involving our Directors or Promoters

As on date of this Preliminary Placement Document, our Directors or Promoters are not involved in any pending legal proceedings, an adverse outcome of which, would materially and adversely affect the financial position, business, operations, prospects or reputation of the Company, on an individual basis, or the Company and Subsidiaries, on a consolidated basis

V. ***Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 against our Company in the last three years***

There have been no inquiries, inspections or investigations initiated or conducted against the Company or Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving the Company or Subsidiaries.

VI. ***Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years***

Except as disclosed in, "*Litigation involving our Directors or Promoters*", there are no litigations or legal actions pending or taken by any Ministry or Department of the Government or any statutory authority and there are no directions issued by such Ministry or Department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoters during the last three years immediately preceding the year of the issue of this Preliminary Placement Document.

VII. ***Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company***

There have been no material frauds committed against the Company in the last three years preceding the date of this Preliminary Placement Document.

VIII. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon***

The Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

IX. ***Details of defaults in annual filing of the Company under the Companies Act, 2013 and the rules made thereunder***

As on the date of this Preliminary Placement Document, the Company has not made any default in their respective annual filings under the Companies Act, 2013 and the rules made thereunder.

X. ***Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations***

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.

XI. ***Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remarks***

Except as disclosed in the section, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 74, there are no reservations, qualifications, or adverse remarks of the Statutory Auditor in their report on audited consolidated financial statements for last five Fiscals preceding the date of this Preliminary Placement Document.

STATUTORY AUDITORS

MSKA & Associates, chartered accountants, our Statutory Auditors, as required by the Companies Act, have been appointed pursuant to the Shareholders' approval at the AGM held on September 18, 2018, for five consecutive years.

The Audited Consolidated Financial Statements of Gokaldas Exports Limited as included in this Preliminary Placement Document, have been audited by MSKA & Associates, as stated in their reports appearing herein.

The Unaudited Condensed Consolidated Interim Financial Statements for the three-month ended June 30, 2021, prepared in accordance with recognition and measurement principles of Ind AS-34 prescribed under Section 133 of the Companies Act 2013 and as included in this Preliminary Placement Document, are subjected to limited review by MSKA & Associates, Chartered Accountants, in accordance with Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.

GENERAL INFORMATION

- Our Company was incorporated on March 1, 2004, as 'Gokaldas India Private Limited', under the provisions of Companies Act, 1956. The name was changed to Gokaldas Exports Private Limited pursuant to which a fresh certificate of incorporation was issued upon change of name on December 14, 2004 issued by the Registrar of Companies, Karnataka, Bangalore. Our Company became a public limited company and the name of our Company was changed to Gokaldas Exports Limited pursuant to a fresh certificate of incorporation consequent on change of name dated January 24, 2005 issued by the Registrar of Companies, Karnataka, Bangalore.

- The address of the registered office of the Company was changed from No.16/2, Prestige Dot Com, Residency Road, Bengaluru – 560 025 Karnataka, India within the local limits of Bangalore city to No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560 025 Karnataka, India; with effect from September 25, 2020, and our CIN is L18101KA2004PLC033475.

- The authorised share capital of our Company is ₹ 325,000,000 divided into 65,000,000 Equity Shares of ₹5 each.

- The Issue was authorised and approved by our Board on August 24, 2021 and approved by the shareholders dated September 17, 2021, in their annual general meeting. Our Company has been authorised to raise funds up to ₹30,000 lakhs by way of issue of securities including the Equity Shares.

- The Equity Shares are listed on BSE and NSE. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on October 4, 2021 under Regulation 28(1) of the SEBI Listing Regulations.

- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- No change in the control of the Company will occur consequent to the Issue.

- Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since March 31, 2021, the date of the audited financial statements filed with the Stock Exchanges in accordance with the requirements of the SEBI Listing Regulations.

- Except as disclosed in this Preliminary Placement Document, there are no outstanding legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which is material in terms of "Policy for determining of materiality of events and information for disclosure", as adopted by our Board. For further details, see "*Legal Proceedings*" on page 183 .

- As on the date of this Preliminary Placement Document, MSKA & Associates, Chartered Accountants firm registration no. 105047W is the statutory auditor of our Company

- Copies of the Memorandum and Articles of Association of our Company will be available for inspection between 11.00 A.M. to 1.00 P.M. any weekday (except Saturdays and public holidays) during the Bid/Issue Period at our Registered Office and Corporate Office.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations, SCRA and the SCRR.

- The Floor Price for the Equity Shares under the Issue is ₹ 194.58 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

- Our Company may offer a discount of not more than 5% on the Floor Price of ₹ 194.58 per Equity Share, in terms of Regulation 176 of the SEBI ICDR Regulations.

- The Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website www.gokaldasexports.com, would be doing so at his/her or her own risk.

FINANCIAL INFORMATION

Index to Financial Statements

Report on Review of the Unaudited Condensed Consolidated Interim Financial Statements

To the Board of Directors of Gokaldas Exports Limited

We have reviewed the accompanying Unaudited Condensed Consolidated Interim Financial Statements of Gokaldas Exports Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "the Group"), which comprise the Unaudited Condensed Consolidated Interim Balance Sheet as at June 30,2021 and the Unaudited Condensed Consolidated Interim Statement of Profit and Loss, including other comprehensive income, Unaudited Condensed Interim Consolidated Cash Flow Statement and the Unaudited Condensed Consolidated Interim Statement of Changes in Equity for the three-month period then ended and a summary of select explanatory notes (together hereinafter referred to as the "Unaudited Condensed Consolidated Interim Financial Statements"). The Unaudited Condensed Consolidated Interim Financial Statements have been prepared by the Company solely in connection with a proposed fund-raising transaction in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Responsibilities of Management for the Unaudited Condensed Consolidated Interim Financial Statement

The Holding Company's Board of Directors is responsible for the preparation of these Unaudited Condensed Consolidated Interim Financial Statements in accordance with the recognition and measurement principles laid down as per the requirements of Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Unaudited Condensed Consolidated Interim Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Unaudited Condensed Consolidated Interim Financial Statement

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity", issued by the Institute of Chartered Accountants of India. This standard require that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Condensed Consolidated Interim Financial Statements are free from material misstatement. A review is limited to primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion. Our responsibility is to express a conclusion on the Unaudited Condensed Consolidated Interim Financial Statements based on our review.

Emphasis of Matter

We draw attention to Note 11 to the Unaudited Condensed Consolidated Interim Financial Statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the quarter ended June 30, 2021 and has concluded that there is no impact which is required to be recognized in the consolidated financial results. Accordingly, no adjustments have been made to the consolidated financial results.

Our conclusion, as mentioned below, on the Unaudited Condensed Consolidated Interim Financial Statements is not modified in respect of the above matter.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements are not prepared, in all material respects, in accordance with the recognition and measurement principles of Ind AS 34 as specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Other matters

(i) We did not review Unaudited Condensed Interim Financial Statements and other financial information, in respect of three subsidiaries, whose unaudited interim Ind AS financial statements include total assets (after considering elimination) of Rs. 410.08 lakhs as at June 30, 2021, total revenues (after considering elimination) of Rs. 12.90 lakhs and net cash outflows (after considering elimination) amounting to Rs. 25.83 lakhs for the three months period then ended. These Unaudited Condensed Interim Financial Statements and other financial information have not been reviewed by the subsidiary auditors, which financial statements and other financial information have been furnished to us by the management. According to the information and explanations given to us by the Management, these unaudited interim financial statements are not material to the Group.

(ii) We have neither audited nor reviewed the comparative interim financial information relating to the period ended June 30, 2020, included in the Unaudited Condensed Interim Financial Statements, which were approved by the Board.

(iii) The Group had prepared separate Statement of Unaudited Consolidated Financial Results (the 'Consolidated Financial Results') for the quarter ended June 30, 2021, in accordance with the principles laid down in India Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting", on which we had issued a separate auditor's review report dated July 30, 2021. These Unaudited Consolidated Financial Results were prepared for submission by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Our conclusion on the Unaudited Condensed Consolidated Interim Financial Statements is not modified in respect of the above matters.

Restriction of use

The accompanying Unaudited Condensed Consolidated Interim Financial Statements have been prepared solely in connection with a proposed fund-raising transaction in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. Accordingly, this report should not be used, referred to or distributed for any other purpose.

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

Deepak Rao
Partner
Membership No. 113292

UDIN: 21113292AAAAOD6771
Date: October 4, 2021
Place: Bengaluru

Gokaldas Exports Limited

Condensed Interim Unaudited Consolidated Balance Sheet as at June 30, 2021

All amounts in Indian Rupees in lakhs, except stated otherwise

	As at June 30, 2021	As at March 31, 2021
ASSETS		
Non- current assets		
Property, plant and equipment	12,814.24	12,531.40
Capital work-in-progress	0.20	-
Right-of-use assets	11,104.19	11,016.15
Other intangible assets	187.39	190.11
Financial assets		
Investments	0.29	0.29
Other financial assets	17,813.82	17,594.34
Deferred tax assets	680.90	680.90
Income tax assets (net)	769.34	664.62
Other non-current assets	635.81	336.21
Total non-current assets	**44,006.18**	**43,014.02**
Current assets		
Inventories	33,234.45	25,920.02
Financial assets		
Investments	3,710.40	3,680.89
Trade receivables	7,301.24	17,983.76
Cash and cash equivalents	427.04	1,526.19
Other financial assets	1,113.60	1,464.14
Other current assets	6,378.00	5,402.89
Total current assets	**52,164.73**	**55,977.89**
Total assets	**96,170.91**	**98,991.91**

Gokaldas Exports Limited

Condensed Interim Unaudited Consolidated Balance Sheet as at June 30, 2021

All amounts in Indian Rupees in lakhs, except stated otherwise

	As at June 30, 2021	As at March 31, 2021
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	2,144.78	2,144.78
Other equity	26,055.66	26,861.99
Total equity	**28,200.44**	**29,006.77**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	3,031.72	1,884.27
Lease liabilities	8,636.45	8,555.17
Provision for employee benefits	527.12	527.00
Total non-current liabilities	**12,195.29**	**10,966.44**
Current liabilities		
Financial liabilities		
Borrowings	29,396.42	34,637.43
Trade payables		
Total outstanding dues of micro, small and medium enterprises	87.87	51.71
Total outstanding dues of creditors other than micro, small and medium enterprises	12,443.89	11,119.99
Lease liabilities	2,916.64	2,773.56
Other current financial liabilities	7,139.26	6,405.42
Other current liabilities	769.43	906.94
Provision for employee benefits	3,021.67	2,785.86
Current tax liability (net)	-	337.79
Total current liabilities	**55,775.18**	**59,018.70**
Total equity and liabilities	**96,170.91**	**98,991.91**

The accompanying explanatory notes are an integral part of these Condensed Interim Unaudited Consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: October 04, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: October 04, 2021

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: October 04, 2021

Gokaldas Exports Limited

Condensed Interim Unaudited Consolidated Statement of Profit and Loss for three months period ended June 30, 2021

All amounts in Indian Rupees in lakhs, except stated otherwise

		Three months ended	
		June 30, 2021	**June 30, 2020**
I	**Income**		
	Revenue from operations	24,096.66	23,391.08
	Other income	202.07	338.55
	Total income	**24,298.73**	**23,729.63**
II	**Expenses**		
	Cost of raw materials and components consumed	13,539.88	11,186.40
	Purchases of stock-in-trade	171.90	-
	Changes in inventories of finished goods and work-in-progress	(2,320.23)	(113.04)
	Employee benefits expense	8,571.00	7,402.46
	Finance costs	1,006.54	979.43
	Depreciation and amortization expenses	1,242.46	1,296.62
	Job work charges	146.20	402.32
	(Gain)/loss on account of foreign exchange fluctuations (net)	(635.87)	688.35
	Other expenses	2,832.07	2,313.06
	Total expenses	**24,553.95**	**24,155.60**
III	**Profit/(Loss) before tax (I-II)**	**(255.22)**	**(425.97)**
IV	**Tax expenses**	-	-
V	**Profit/(Loss) after tax for the period (III-IV)**	**(255.22)**	**(425.97)**
VI	**Other comprehensive income/ (loss) (net of tax)**		
	Items that will not be reclassified to profit or loss in subsequent periods:		
	Re-measurement gains/ (losses) on defined benefit plan	75.75	75.75
	Income tax effect	-	-
	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)	(650.18)	1,015.34
	Total other comprehensive income/ (loss) for the year, net of tax	**(574.43)**	**1,091.09**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**	**(829.65)**	**665.12**
X	**Earnings per equity share (EPS) [nominal value of Rs. 5 (June 30, 2020- Rs. 5)]**		
	Basic EPS	(0.59)	(0.99)
	Diluted EPS	(0.59)	(0.99)

The accompanying explanatory notes are an integral part of these Condensed Interim Unaudited Consolidated financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Deepak Rao
Partner
Membership No.: 113292

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: October 04, 2021

Place: Bengaluru
Date: October 04, 2021

Place: Bengaluru
Date: October 04, 2021

Gokaldas Exports Limited

Condensed Interim Unaudited consolidated statement of changes in equity for three months period ended June 30, 2021

All amounts in Indian Rupees in lakhs, except stated otherwise

a. Equity share capital

	No of Shares	Amount
Equity shares of Rs. 5 each issued, subscribed and fully paid		
At April 1, 2020	42,825,663	2,141.28
Add: Issued during the year	70,000	3.50
At March 31, 2021	**42,895,663**	**2,144.78**
At April 1, 2021	42,895,663	2,144.78
Add: Issued during the year	-	-
At June 30, 2021	**42,895,663**	**2,144.78**

b. Other equity

For the period ended June 30, 2021

	Attributable to equity holders of the Company							
	Share application money pending	Reserves and Surplus					Items of OCI	Total
		Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve	
As at April 1, 2021	-	20,509.74	2,192.09	9,769.12	1,601.53	(8,191.50)	981.01	26,861.99
Profit for the period	-	-	-	-	-	(255.22)	-	(255.22)
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	(650.18)	(650.18)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	75.75	-	75.75
Total comprehensive income	**-**	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**(8,370.97)**	**330.83**	**26,032.34**
Share application money received	5.13	-	-	-	-	-	-	5.13
Transfer to securities premium on exercise of equity stock options	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	18.19	-	-	18.19
At June 30, 2021	**5.13**	**20,509.74**	**2,192.09**	**9,769.12**	**1,619.72**	**(8,370.97)**	**330.83**	**26,055.66**

For the period ended June 30, 2020

	Attributable to equity holders of the Company							
	Share application money pending	Reserves and Surplus					Items of OCI	Total
		Securities premium	General reserve	Capital Reserve on Amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve	
As at April 1, 2020	-	20,459.15	2,192.09	9,769.12	1,131.81	(11,006.35)	(2,025.77)	20,520.05
Profit for the year	-	-	-	-	-	(425.97)	-	(425.97)
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	-	1,015.34	1,015.34
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	-	75.75	-	75.75
Total comprehensive income	**-**	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(11,356.57)**	**(1,010.43)**	**21,185.17**
Share application money received	-	-	-	-	-	-	-	-
Transfer to securities premium on exercise of equity stock options	-	51.97	-	-	(51.97)	-	-	-
Share based payment expense	-	-	-	-	179.49	-	-	179.49
At June 30, 2020	**-**	**20,511.12**	**2,192.09**	**9,769.12**	**1,259.33**	**(11,356.57)**	**(1,010.43)**	**21,364.66**

The accompanying explanatory notes are an integral part of these Condensed Interim Unaudited Consolidated financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Deepak Rao
Partner
Membership No.: 113292

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: October 04, 2021

Place: Bengaluru
Date: October 04, 2021

Place: Bengaluru
Date: October 04, 2021

Gokaldas Exports Limited

Condensed Interim Unaudited Consolidated cash flow statement as at June 30, 2021

All amounts in Indian Rupees in lakhs, except stated otherwise

	Three months ended	
	June 30, 2021	**June 30, 2020**
Cash flow from operating activities		
Profit before tax	**(255.22)**	**(425.97)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,242.46	1,296.62
Net loss/(gain) on disposal of property, plant and equipment	-	(4.96)
Foreign exchange loss/(gain), net unrealised	70.95	(11.90)
Gain on sale of investments in mutual fund units	(29.51)	(42.27)
Income from government grants	(115.72)	-
Share based payment expenses	18.19	179.49
Provision for doubtful debts	203.47	350.75
Interest income	(134.13)	(252.78)
Finance costs	1,006.54	979.43
Operating profit/(loss) before working capital changes	2,007.03	2,068.41
Changes in operating assets and liabilities:		
(Increase)/ decrease in other financial assets	(469.31)	(43.06)
(Increase)/ decrease in other assets	(964.47)	410.35
(Increase)/ decrease in inventories	(7,314.43)	667.29
(Increase)/ decrease in trade receivables	10,380.71	2,256.13
Increase/ (decrease) in provisions for employee benefits	311.68	226.29
Increase/ (decrease) in trade payables	1,360.06	(447.49)
Increase/ (decrease) in other financial liabilities	91.20	(526.31)
Increase/ (decrease) in other liabilities	(137.51)	(329.15)
	5,264.96	4,282.46
Direct taxes refunded/ (paid) (net of refund/payments)	(442.51)	312.26
Net cash flows from/ (used in) operating activities (A)	**4,822.45**	**4,594.72**
Cash flow from investing activities		
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)	(538.76)	(2,530.59)
Proceeds from sale of property, plant and equipment	-	8.91
Investments in bank deposits	(3,650.32)	(3,588.72)
Redemption of bank deposits	3,492.61	3,550.88
Interest income received	210.93	335.59
Net cash flows from/ (used in) investing activities (B)	**(485.54)**	**(2,223.93)**
Cash flow from financing activities		
Proceeds from issue of shares/exercise of share options	5.13	-
Proceeds of short-term borrowings	44,373.14	34,120.69
Repayment of short-term borrowings	(47,261.83)	(34,754.33)
Payment of lease liabilities	(752.69)	(788.53)
Finance costs paid	(622.33)	(324.24)
Net cash flows from/ (used in) financing activities (C)	**(4,258.58)**	**(1,746.41)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	78.33	624.38
Cash and cash equivalents at the beginning of the year	(920.62)	(946.04)
Cash and cash equivalents at the end of the year	**(842.29)**	**(321.66)**

Gokaldas Exports Limited

Condensed Interim Unaudited Consolidated cash flow statement as at June 30, 2021

All amounts in Indian Rupees in lakhs, except stated otherwise

	Three months ended	
	June 30, 2021	**June 30, 2020**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	427.04	2,461.86
Bank overdraft	(1,269.33)	(2,783.52)
Balances per statement of cash flows	**(842.29)**	**(321.66)**

Refer note 2.3 for summary of significant accounting policies.

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

The accompanying explanatory notes are an integral part of these Condensed Interim Unaudited Consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: October 04, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: October 04, 2021

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: October 04, 2021

1 Basis of preparation

i) Basis of preparation of Condensed Interim Unaudited consolidated financial statements

These Condensed Interim Unaudited Consolidated financial statements ("condensed consolidated financial statements") of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) 34, "Interim Financial Reporting" notified under section 133 of the Companies Act, 2013 ("the Act") and rules thereunder.

The accounting policies adopted in the preparation of these condensed consolidated financial statements are consistent with those followed in preparation of the annual financial statements for the year ended March 31, 2021. Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the financial position and performance since the last annual financial statements.

These condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual Ind AS financial statements.

These condensed consolidated financial statements have been prepared in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations").

All amounts in Indian Rupees in lakhs, except stated otherwise

2 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the 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:

	June 30, 2021	June 30, 2020
Face value of equity shares (Rs. per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Group	(255.22)	(425.97)
Weighted average number of equity shares used for computing earning per share (basic)	42,895,663	42,825,663
Weighted average number of equity shares used for computing earning per share (diluted) *	42,895,663	42,825,663
EPS - basic (Rs.)	(0.59)	(0.99)
EPS - diluted (Rs.) *	(0.59)	(0.99)

* Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the quarter ended June 30, 2021 and for the quarter ended June 30, 2020

3 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:

	Segment revenue*		Non current assets**	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**March 31, 2021**
India	4,594.79	8,030.45	24,741.83	24,073.87
Rest of world	19,501.87	15,360.63	-	-
Total	**24,096.66**	**23,391.08**	**24,741.83**	**24,073.87**

The revenue information above is based on the locations of the customers and includes other operating revenues.

*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.

All amounts in Indian Rupees in lakhs, except stated otherwise

4 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:

	June 30, 2021
Opening balance	11,328.73
Additions	672.51
Deletions	-
Finance cost accrued	304.54
Payment of lease liabilities	(752.69)
Closing balance	**11,553.09**
Current lease liabilities	2,916.64
Non-current lease liabilities	8,636.45
Total	**11,553.09**

II. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

	June 30, 2021	**March 31, 2021**
(a) Performance Bank Guarantees		
Sanctioned	263.00	263.00
Outstanding	171.68	171.68
(b) Outstanding letters of credit		
Sanctioned	5,249.00	4,249.00
Outstanding	3,966.00	3,167.32
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	278.43
(ii) Matters relating to other taxes under dispute	132.15	132.15

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

All amounts in Indian Rupees in lakhs, except stated otherwise

(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

	June 30, 2021	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	986.51	937.39
Commitments relating to forward contract- hedge of highly probable forecast sales	82,280.27	80,141.46

5 Related party transactions

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director) Mr. Sivaramakrishnan Ganapathi, Managing Director Mr. Mathew Cyriac (Non Executive Director) Ms. Anuradha Sharma (Independent Director) Mr. Gautham Madhavan (Non Executive Director) Mr. Prabhat Kumar Singh (Director) Mr. Sathyamurthy A, (Chief Financial Officer) Ms. Shrithee MS (Company Secretary) (appointed w.e.f November 11, 2020) Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019) (resigned w.e.f November 10, 2020)

b. Summary of transactions during the year with the above related parties are as follows:

Particulars	June 30, 2021	June 30, 2020
i) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Ganapathi	47.19	44.05
Sathyamurthy A	27.03	24.69
Prabhat Kumar Singh	12.00	9.00
Shrithee MS	2.68	-
Sameer Sudarshan R V	-	1.73
	88.90	**79.47**
b) Sitting fees paid to directors (independent and non-executive directors)		
Richard B. Saldanha	1.60	3.20
Mathew Cyriac	1.60	3.20
Anuradha Sharma	1.60	3.20
Gautham Madhavan	1.60	2.40
	6.40	**12.00**
c) Summary of compensation of key managerial personnel of the Company		
Managerial remuneration	88.90	79.47
Sitting fees	6.40	12.00
Share based payment expenses	18.19	94.25
	113.49	**185.72**

c. Summary of outstanding balances with the above related parties are as follows:

Particulars	June 30, 2021	March 31, 2021
i) Remuneration payable to Key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	150.00	150.00
Mr. Sathyamurthy A	40.00	40.00
	190.00	**190.00**

All amounts in Indian Rupees in lakhs, except stated otherwise

6 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.

(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 June 30, 2021

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,710.69	-	3,710.69
Loans	-	-	-
Trade receivables	7,301.24	-	7,301.24
Cash and cash equivalents	427.04	-	427.04
Other financials assets	18,596.59	-	18,596.59
Foreign exchange forward contracts	-	330.83	330.83
Total assets	**30,035.56**	**330.83**	**30,366.39**
Financial liabilities			
Lease liabilities	11,553.09	-	11,553.09
Borrowings	29,396.42	-	29,396.42
Trade payables	12,531.76	-	12,531.76
Other financial liabilities	7,139.26	-	7,139.26
Total liabilities	**60,620.53**	**-**	**60,620.53**

As at March 31, 2021

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,681.18	-	3,681.18
Loans	2,886.52	-	2,886.52
Trade receivables	17,983.76	-	17,983.76
Cash and cash equivalents	1,526.19	-	1,526.19
Other financials assets	15,190.95	-	15,190.95
Foreign exchange forward contracts	-	981.01	981.01
Total assets	**41,268.60**	**981.01**	**42,249.61**
Financial liabilities			
Lease liabilities	11,328.73	-	11,328.73
Borrowings	31,995.26	-	31,995.26
Trade payables	11,171.70	-	11,171.70
Other financial liabilities	9,047.59	-	9,047.59
Total liabilities	**63,543.28**	**-**	**63,543.28**

The carrying amount of cash and cash equivalents, trade receivables, trade payables, other payables and short-term borrowings are considered to be the same as their fair values. The fair values of borrowings and security deposits were calculated based on cash flows discounted using a current lending rate.

(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
June 30, 2021				
Financial assets				
Foreign exchange forward contracts	-	330.83	-	330.83
March 31, 2021				
Financial assets				
Foreign exchange forward contracts	-	981.01	-	981.01

(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 Rs. 2,949.44 lakhs as at June 30, 2021 (March 31, 2021: Rs. 2,886.52 lakhs) was Rs. 2,949.44 Lakhs (March 31, 2021: Rs. 2,886.52 lakhs).

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

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

(iv) There have been no transfers between Level 1, Level 2 and Level 3 during the period/year.

(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
June 30, 2021	50	173
March 31, 2021	50	195.82

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 Rs.30,366.39 lakhs and Rs. 42,249.61 lakhs, as at June 30, 2021 and March 31, 2021 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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

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

All amounts in Indian Rupees in lakhs, except stated otherwise

Liquidity risk
Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

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

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

Particulars	0-1 year	> 1 year	Total
June 30, 2021			
Lease liabilities	2,916.64	8,636.45	11,553.09
Borrowings	29,396.42	3,031.72	32,428.14
Trade payables	12,531.76	-	12,531.76
Other financial liabilities	7,139.26	-	7,139.26
	51,984.08	**11,668.17**	**63,652.25**
March 31, 2021			
Lease liabilities	2,773.56	8,555.17	11,328.73
Borrowings	34,637.43	-	34,637.43
Trade payables	11,171.70	-	11,171.70
Other financial liabilities	6,405.42	-	6,405.42
	54,988.11	**8,555.17**	**63,543.28**

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 Rs. Nil and Rs. Nil as on June 30, 2021 and March 31, 2021 respectively, being the carrying value (net of provisions) of investments in unquoted equity shares. The risk is arising primarily on account of the Group's investment in a foreign associate.

Gokaldas Exports Limited
Explanatory notes to the Condensed Interim Unaudited Consolidated financial statements for the three months period ended June 30, 2021
All amounts in Indian Rupees in lakhs, except stated otherwise

7 Ratio Analysis and its elements

Ratio

	Three months ended 30-Jun-21	Twelve months ended 31-Mar-21	Three months ended 30-Jun-20
Current ratio	0.94	0.95	0.80
Debt equity ratio	1.15	1.26	1.66
Debt Service Coverage ratio*	0.06	0.31	0.05
Return on Equity ratio*	-0.91%	9.13%	-1.81%
Inventory turnover ratio*	0.73	4.67	0.83
Trade receivables Turnover Ratio*	3.30	6.73	2.04
Trade Payable Turnover Ratio*	1.92	10.84	2.13
Net Capital Turnover Ratio*	0.85	4.17	1.00
Net Profit ratio*	(0.01)	0.02	(0.02)
Return on Capital Employed*	1.40%	11.18%	0.66%
Return on Investment*	0.88%	4.54%	1.47%

* is not annualized for the periods ended Jun 30, 2021 and June 30, 2020.

Elements of Ratio

Particulars	Numerator	Denominator	Three months ended 30-Jun-21		Twelve months ended 31-Mar-21		Three months ended 30-Jun-20	
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator
Current ratio	Current Assets	Current Liabilities	52,164.73	55,775.18	55,977.89	59,018.70	53,513.46	66,601.05
Debt equity ratio	Debt (Borrowing)	Total Equity	32,428.14	28,200.44	36,521.70	29,006.77	38,929.20	23,505.94
Debt Service Coverage ratio	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Debt (Borrowing)	1,993.78	32,428.14	11369.53	36,521.70	1,850.08	38,929.20
Return on Equity ratio	Profit for the period/year	Total Equity	(255.22)	28,200.44	2,649.16	29,006.77	(425.97)	23,505.94
Inventory turnover ratio	Revenue from operations	Inventory	24,096.66	33,234.45	121,072.73	25,920.02	23,391.08	28,256.76
Trade receivables Turnover Ratio	Revenue from operations	Trade receivables	24,096.66	7,301.24	121,072.73	17,983.76	23,391.08	11,469.86
Trade Payable Turnover Ratio	Revenue from operations	Trade payables	24,096.66	12,531.76	121,072.73	11,171.70	23,391.08	10,981.49
Net Capital Turnover Ratio	Revenue from operations	Total Equity	24,096.66	28,200.44	121,072.73	29,006.77	23,391.08	23,505.94
Net Profit ratio	Profit for the period/year	Revenue from operations	(255.22)	24,096.66	2,649.16	121,072.73	(425.97)	23,391.08
Return on Capital Employed	Profit Before Tax + Finance cost - Interest Income on fixed deposits - Profit on sale of investments - Profit on fair valuation of investments carried at FVTPL	Equity + Debt (Borrowings) - Current Investments - Non Current Investments - bank balances	587.68	42,068.07	5,274.07	47,155.18	295.20	44,903.45
Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Profit on fair valuation of investments carried at FVTPL	current Investments + Non current Investments + bank balances	163.64	18,560.51	833.96	18,373.29	258.26	17,531.69

8 There are no significant changes in terms of borrowings from April 1, 2021 to till the date of these Condensed Interim Unaudited Consolidated financial statements.

9 Total additions to Property, Plant and Equipment, during the period from April 1, 2021 to June 30, 2021, is Rs. 883.29 lakhs.

10 Under the Remission of Duties and Taxes on Export Products RoDTEP the Group is eligible to claim a government grant in the form of refunds of embedded taxes and duties. The scheme has been effective since January 1, 2021. However, the incentive rates are not notified by the authorities till the last day of the current quarter under review.

For the relevant period from January 1, 2021 to March 31, 2021, the Group had recognized Rs. 7.57 Crore of income towards RoDTEP and corresponding receivable basis estimated calculations and pending notification of the rates.

Subsequent to the quarter ended June 30, 2021, the Ministry of Textiles vide press release dated July 14, 2021 has given its approval for continuation of Rebate of State and Central taxes and Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide Notification dated 8th March 2019, on exports of Apparel/Garments (Chapters-61 & 62) and Made-ups (Chapters-63) in exclusion from Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for these chapters. The Ministry of Textiles has decided to continue the scheme of RoSCTL up to 31 March, 2024.

Pursuant to the notification of the rates and eligibility , the Group has recognised the ROSCTL income for the period from April 1, 2021 to June 30, 2021 in line with the rates notified and additionally also recognised the balance income to the extent previously not recognised during previous quarter ended March 31, 2021.

11 For the period/ days of the respective lockdowns imposed by the government during FY 21, the Group has evaluated the various directions, circulars and orders issued by government authorities regarding payment of wages to employees, and accordingly has paid certain ex-gratia amount to eligible employees for the period of lockdown where they have not worked.

The matter relating to validity of government orders relating to payment of wages during lockdown is pending conclusion with the Honourable Supreme Court of India (SC).

Pending conclusion of such matter, management based on the interim order of SC and advise obtained from external legal expert, has concluded that the Company is in compliance with the relevant requirement on this matter.

The Group will reassess, if necessary, any further actions, based on the final conclusion by the SC in this regard.

12 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, 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.

13 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at June 30, 2021 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial statements as at June 30, 2021 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Group has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets, the Group has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

14 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the Condensed Interim Unaudited Consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

15 Subsequent events:
The Company has evaluated all the subsequent events through the date on which these Condensed Interim Unaudited Consolidated financial statements were approved to be issued.

(a) Subsequent to June 30, 2021, the Board of Directors in their meetings held, approved:
(i) Approved for incorporation of wholly owned subsidiary, consequently the subsidiary was incorporated on August 26, 2021.

(ii) To Increase the authorised share capital of the Company, from existing Rs.275,000,000 (Rupees Twenty Seven Crores Fifty Lakhs Only) divided into 55,000,000 (Five Crores Fifty Lakhs Only) equity shares of Rs. 5/- each ("Equity Shares") to Rs. 325,000,000/- (Rupees Thirty Two Crores Fifty Lakhs Only) divided into 65,000,000 (Six Crores Fifty Lakhs Only) Equity Shares of Rs. 5/- each ranking pari-passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company, and consequent alteration of capital clause V of the Memorandum of Association of the Company.
(iii) Raising of funds for an amount aggregating up to Rs. 3,000,000,000 (Rupees Three Hundred Crores only), by way of issuance of any instrument or security including equity shares, fully or partly convertible debentures, non-convertible debenture warrants, any other equity based instruments or securities or any combination thereof in one or more tranches, including by way of a public issue, preferential allotment or a private placement (including one or more Qualified Institutions Placement ("QIP")) in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (each as amended) and any other applicable law, or through any other permissible mode and/or any combination thereof, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, subject to the receipt of necessary approvals, including the approval of the members of the Company and such other regulatory and statutory approvals as maybe required.

In order to give effect to the above, the Board has also constituted and authorized the Fund Raise Committee of the Board to, inter-alia, decide the terms and conditions of the proposed fund raise.

b) Subsequent to June, 30, 2021, the Company has commenced production at two new facilities situated at Tumkur and Bommanahalli in Bangalore respectively.

16 Previous year's/period's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's/period's classification (including the regroupings / reclassifications based on the requirements of amended Schedule III of the Companies Act, 2013).

As per our report of even date

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

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Deepak Rao
Partner
Membership No.: 113292

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: October 04, 2021

Place: Bengaluru
Date: October 04, 2021

Place: Bengaluru
Date: October 04, 2021

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, 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to the following matters in the Notes forming part of the consolidated financial statements for the year ended March 31, 2021- :

a) Note 48 to the consolidated financial statements which states that export incentives under RODTeP Scheme applicable w.e.f 1 January 2021 amounting to ₹ 757 lakhs has been recognised on the basis of certain assumptions including previous applicable rates, as the rates are yet to be notified under the said scheme.

b) Note 52 to the consolidated financial statements which states that management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31,2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of these matters.

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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Allowance for doubtful debts Refer Note 11 to the financial statements. The carrying value of Trade Receivables for goods is ₹ 17,983.76 Lakhs. The company has recognised the expected credit loss (ECL) in respect of trade receivable for goods on management's best estimate of the loss allowance. The ECL allowance is computed based on a simplified model based on judgement considering past experience. The calculation of ECL allowance is a complex area and requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the historical information and estimating the level and timing of expected future cash flows. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: • Consideration of Trade Receivables Ageing Analysis. • Consideration of probability of forward looking macro-economic factors including significant factors adversely affecting specific customers. This is considered as a Key Audit Matter as calculation and estimation of ECL is subject to significant judgement based on management estimates.	Our audit procedures in respect of this area included: 1. Obtained understanding of the Company's policy on assessment of expected credit loss against trade receivables, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls on a sample basis. 2. Assessing the recoverability of the amounts due, through inquiry with management and verifying corroborative evidence to support the conclusions drawn. 3. Assessing management's estimate and related policies w.r.t expected credit loss provision. 4. Reviewing legal and other documentation available with the Company to understand the legal position of the Company and confirm facts relating to the matter. 5. Verifying the transactions on test check basis with the underlying supporting documents including subsequent realisations. 6. Inspecting the documentation received from the customer for the settlements confirmed and claims filed. 7. Reviewed the management assessment of subsequent event. 8. Assessed the methodology applied for recognising expected credit loss against the trade receivables in the current year and compared the Company's provisioning rates against historical collection data; 9. Evaluated the appropriateness of the disclosures made in the financial statement in relation to such provision as required under applicable accounting standards

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

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS

a. We did not audit the financial statements / financial information of three subsidiaries whose financial statements reflect total assets of ₹ 478.05 lakhs as at March 31, 2021, total revenues of ₹ 170.79 lakhs and net cash flows amounting to ₹ 22.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies none of the directors of the Group companies are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of three subsidiaries as the provisions of the aforesaid section is not applicable to private companies.

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

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFU4323

Place: Bengaluru
Date: May 14, 2021

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFU4323

Place: Bengaluru
Date: May 14, 2021

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the consolidated Financial Statements for the year ended March 31, 2021]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and 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.

OPINION

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, 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 issued by the ICAI.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Deepak Rao
Partner
Membership No. 113292
UDIN: 21113292AAAAFU4323

Place: Bengaluru
Date: May 14, 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ in lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non- current assets			
Property, plant and equipment	3(a)	12,531.40	12,713.18
Capital work-in-progress	3(a)	-	78.98
Right-of-use assets	3(b)	11,016.15	4,308.06
Other intangible assets	4	190.11	220.06
Financial assets			
Investments	5(a)	0.29	0.29
Loans	6	2,886.52	3,472.76
Other financial assets	7(a)	14,707.82	13,907.58
Deferred tax assets	8(a)	680.90	74.19
Income tax assets (net)	8(b)	664.62	1,206.28
Other non-current assets	9	336.21	204.01
Total non-current assets		**43,014.02**	**36,185.39**
Current assets			
Inventories	10	25,920.02	28,924.05
Financial assets			
Investments	5(b)	3,680.89	3,551.45
Trade receivables	11	17,983.76	14,353.04
Cash and cash equivalents	12	1,526.19	1,229.28
Other financial assets	7(b)	1,464.14	671.65
Other current assets	9	5,402.89	7,557.00
Total current assets		**55,977.89**	**56,286.47**
Total assets		**98,991.91**	**92,471.86**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,144.78	2,141.28
Other equity	14	26,861.99	20,520.05
Total equity		**29,006.77**	**22,661.33**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	15	1,884.27	-
Lease liabilities	16	8,555.17	2,946.02
Provision for employee benefits	17	527.00	455.30
Total non-current liabilities		**10,966.44**	**3,401.32**
Current liabilities			
Financial liabilities			
Borrowings	15	31,995.26	39,095.07
Trade payables	18		
Total outstanding dues of micro, small and medium enterprises		51.71	24.39
Total outstanding dues of creditors other than micro, small and medium enterprises		11,119.99	11,404.59
Lease liabilities	16	2,773.56	2,120.45
Other current financial liabilities	19	9,047.59	9,711.83
Other current liabilities	20	906.94	1,008.93
Provision for employee benefits	17	2,785.86	3,043.95
Current tax liability (net)	21	337.79	-
Total current liabilities		**59,018.70**	**66,409.21**
Total equity and liabilities		**98,991.91**	**92,471.86**
Summary of significant accounting policies.	2.3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ in lakhs

	Particulars	Note No.	March 31, 2021	March 31, 2020
I	**Income**			
	Revenue from operations	22	1,21,072.73	1,37,094.85
	Other income	23	1,220.96	1,627.77
	Total income		**1,22,293.69**	**1,38,722.62**
II	**Expenses**			
	Cost of raw materials and components consumed	24	56,562.36	69,609.75
	Changes in inventories of finished goods and work-in-progress	25	3,941.80	(414.71)
	Employee benefits expense	26	37,156.38	46,742.44
	Finance costs	27	3,446.23	3,682.47
	Depreciation and amortization expenses	28	5,261.50	5,481.92
	Job work charges		1,203.70	1,063.87
	(Gain)/loss on account of foreign exchange fluctuations (net)		155.96	(1,292.81)
	Other expenses	29	11,903.96	12,804.92
	Total expenses		**1,19,631.89**	**1,37,677.85**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**2,661.80**	**1,044.77**
IV	**Exceptional items**	**30**	-	(1,993.94)
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**2,661.80**	**3,038.71**
VI	**Tax expenses**			
	Current tax		685.90	74.19
	Adjustment of tax relating to earlier years		7.64	-
	Deferred tax (credit)/charge		(680.90)	(74.19)
			12.64	**-**
VII	**Profit/(Loss) after tax for the period (V-VI)**		**2,649.16**	**3,038.71**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plan		165.69	(196.65)
	Income tax effect		-	-
	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)		3,006.78	(3,401.95)
	Total other comprehensive income/ (loss) for the year, net of tax		**3,172.47**	**(3,598.60)**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**5,821.63**	**(559.89)**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2020- ₹ 5)]**	**30**		
	Basic EPS		6.18	7.10
	Diluted EPS		5.83	6.67
	Summary of significant accounting policies	2.3		
	The accompanying notes are an integral part of these consolidated financial statements.			

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
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Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 14, 2021

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2019	4,28,15,663	2,140.78
Add: Issued during the year	10,000	0.50
At March 31, 2020	**4,28,25,663**	**2,141.28**
At April 1, 2020	4,28,25,663	2,141.28
Add: Issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**

B. OTHER EQUITY

For the year ended March 31, 2021

₹ in lakhs

Particulars	Reserves and Surplus					Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2020	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(11,006.35)**	**(2,025.77)**	**20,520.05**
Profit for the year	-	-	-	-	2,649.16	-	2,649.16
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	3,006.78	3,006.78
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	165.69	-	165.69
Total comprehensive income	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(8,191.50)**	**981.01**	**26,341.68**
Additions on account of shares issued during the year	-	-	-	-	-	-	-
Change in accounting policy on adoption of Ind AS 116	-	-	-	-	-	-	-
Transfer to securities premium on exercise of equity stock options	50.59	-	-	(50.59)	-	-	-
Share based payment expense	-	-	-	520.31	-	-	520.31
At March 31, 2021	**20,509.74**	**2,192.09**	**9,769.12**	**1,601.53**	**(8,191.50)**	**981.01**	**26,861.99**

For the year ended March 31, 2020

₹ in lakhs

Particulars	Reserves and Surplus					Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2019	20,404.46	2,192.09	9,769.12	479.87	(12,324.23)	1,376.18	21,897.49
Profit for the year	-	-	-	-	3,038.71	-	3,038.71
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net)	-	-	-	-	-	(3,401.95)	(3,401.95)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	(196.65)	-	(196.65)
Total comprehensive income	**20,404.46**	**2,192.09**	**9,769.12**	**479.87**	**(9,482.17)**	**(2,025.77)**	**21,337.60**
Additions on account of shares issued during the year	2.72	-	-	-	-	-	2.72
Change in accounting policy on adoption of Ind AS 116	-	-	-	-	(1,524.18)	-	(1,524.18)
Transfer to securities premium on exercise of equity stock options	51.97	-	-	(51.97)	-	-	-
Share based payment expense	-	-	-	703.91	-	-	703.91
At March 31, 2020	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(11,006.35)**	**(2,025.77)**	**20,520.05**

Refer note 2.3 for summary of significant accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
Date: May 14, 2021

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Consolidated Cash Flow Statement

for the year ended March 31, 2021

₹ in lakhs

Particulars	Note No.	March 31, 2021	March 31, 2020
Cash flow from operating activities			
Profit before exceptional items and tax		**2,661.80**	**1,044.77**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		5,261.50	5,481.92
Net loss/(gain) on disposal of property, plant and equipment		(61.39)	(43.47)
Foreign exchange loss/(gain), net unrealised		(189.10)	232.37
Gain on sale of investments in mutual fund units		(143.76)	(168.24)
Income from government grants		(158.17)	(570.37)
Share based payment expenses		520.31	703.91
Provision no longer required, written back		-	(5.17)
Irrecoverable balances written off		84.00	-
Provision for doubtful debts		813.77	514.01
Export Incentives Receivables written off		-	(610.84)
Interest income		(744.66)	(973.32)
Finance costs		3,446.23	3,682.47
Operating profit/(loss) before working capital changes		**11,490.53**	**9,288.04**
Changes in operating assets and liabilities:			
(Increase)/ decrease in loans		(103.03)	(1,136.58)
(Increase)/ decrease in other financial assets		(38.42)	0.48
(Increase)/ decrease in other assets		1,707.71	(1,397.36)
(Increase)/ decrease in inventories		3,004.03	(2,655.33)
(Increase)/ decrease in trade receivables		(4,665.08)	1,666.33
Increase/ (decrease) in provisions for employee benefits		(20.70)	297.50
Increase/ (decrease) in trade payables		(32.39)	2,847.65
Increase/ (decrease) in other financial liabilities		325.59	820.60
Increase/ (decrease) in other liabilities		(57.50)	93.62
		11,610.74	9,824.95
Direct taxes refunded/ (paid) (net of refund/payments)		260.10	35.31
Net cash flows from/ (used in) operating activities (A)		**11,870.84**	**9,860.26**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(3,622.12)	(3,775.39)
Proceeds from sale of property, plant and equipment		214.25	2,994.88
Investments in bank deposits		(14,703.28)	(13,684.42)
Redemption of bank deposits		13,911.01	13,022.50
Investment in mutual funds		(1,599.92)	(8,800.00)
Proceeds from sale of investment in mutual funds		1,614.24	5,416.79
Interest income received		963.63	966.25
Net cash flows from/ (used in) investing activities (B)		**(3,222.19)**	**(3,859.39)**
Cash flow from financing activities			
Proceeds from issue of shares/exercise of share options		3.50	3.22
Proceeds of short-term borrowings		1,68,326.26	1,98,223.23
Repayment of short-term borrowings		(1,71,088.69)	(1,95,973.11)
Payment of lease liabilities		(3,008.25)	(3,860.41)
Finance costs paid		(2,856.05)	(2,860.35)
Net cash flows from/ (used in) financing activities (C)		**(8,623.23)**	**(4,467.42)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		25.42	1,533.45
Cash and cash equivalents at the beginning of the year	12	(946.04)	(2,479.49)
Cash and cash equivalents at the end of the year		**(920.62)**	**(946.04)**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents		1,526.19	1,229.28
Bank overdraft		(2,446.81)	(2,175.32)
Balances per statement of cash flows		**(920.62)**	**(946.04)**

Refer note 2.3 for summary of significant accounting policies.

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

EXPLANATORY NOTES TO STATEMENT OF CASH FLOWS

1. Changes in liabilities arising from financial activities:

₹ in lakhs

Particulars	**March 31, 2021**	**March 31, 2020**
Liabilities arising from financing activities		
Short term borrowings		
Opening balance	**36,919.75**	**34,471.83**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(7,453.73)	2,250.12
Non-cash changes		
Foreign exchange fluctuations	82.43	197.80
Closing balance	**29,548.45**	**36,919.75**

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

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Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

1 CORPORATE INFORMATION

Gokaldas Exports Limited ('GEL' or 'the Company') (having Corporate Identity Number(CIN): L18101KA2004PLC033475) and its subsidiaries ('the Group') are mainly engaged in the business of design, manufacture, and sale of a wide range of garments for men, women, and children and caters to the needs of several leading international fashion brands and retailers. The principal source of revenue for the Group is from manufacture and sale of garments and related products, both domestic and overseas.

The Company is a public company domiciled in India and its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The registered office of the Company is located in Bengaluru.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

2.1 STATEMENT OF COMPLIANCE

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

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

These consolidated financial statements are presented in Indian Rupees("₹"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. 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 right

- 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.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

• Derecognises the assets (including goodwill) and liabilities of the subsidiary

• Derecognises the carrying amount of any non-controlling interests

• Derecognises the cumulative translation differences recorded in equity

• Recognises the fair value of the consideration received

• Recognises the fair value of any investment retained

• Recognises any surplus or deficit in profit or loss

• Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Current versus non-current classification

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

• Expected to be realised or intended to be sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period, or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period, or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

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

The Group has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

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

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

• In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

c. Foreign currencies

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

Exchange differences arising on the retranslation or settlement of other monetary items are included in the Consolidated Statement of Profit and Loss for the year.

d. Revenue recognition

i. Revenue from Contracts with Customers:

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Performance obligations and timing of revenue recognition:

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

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

- once physical delivery of the products has occurred to the location as per agreement,

- the Company no longer has physical possession,

- usually will have a present right to payment (as a single payment on delivery) and

- retains none of the significant risks and rewards of the goods in question

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

Determining the transaction price:

The 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:

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet."

f. Government grants

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

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

g. Taxes on income

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The

Group's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred income tax

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

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

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

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

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

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

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

h. Property, plant and equipment (PPE)

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

Freehold land is carried at historical cost and is not depreciated. Capital work-in-progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

Depreciation is provided using the written down value method ('WDV') as per the useful lives of the assets estimated by the management with residual value at 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 equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalised at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less on a straight line basis.

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal 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 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 cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

j. Leases

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

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

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

Group as a lessee

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

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

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

The Group's lease asset classes primarily consist of leases for Buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

k. Inventories

Inventories are valued as follows:

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

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

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

l. Provisions and contingent liabilities

i. Provisions:

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

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

ii. Contingent liabilities:

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

Provisions and contingent liabilities are reviewed at each balance sheet.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

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

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

The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

a. The date of the plan amendment or curtailment, and

b. The date that the Group recognises related restructuring costs

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

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

n. Share- based payments

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

Equity-settled transactions:

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

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

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

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

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

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

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Effective interest method

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

(a) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

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

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the consolidated statement of profit and loss.

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

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

De-recognition of financial assets

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

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

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

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

(b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

i. Financial guarantee contracts

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

ii. De-recognition

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

Off-setting of financial instruments

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

p. Derivative financial instruments

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

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

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

b. Cash flow hedge accounting

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

q. Impairment of non-financial assets

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

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

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at 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.

2.4 THE ENTITIES CONSOLIDATED IN THE CONSOLIDATED FINANCIAL STATEMENTS ARE LISTED BELOW:

₹ in lakhs

Particulars	Gokaldas Exports Limited		All Colour Garments Private Limited		SNS Clothing Private Limited		Vignesh Apparels Private Limited		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Country of incorporation	India		India		India		India			
Relationship as at the year end	Holding Company		Subsidiary		Subsidiary		Subsidiary			
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%		
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%		
Net assets i.e. total assets minus total liabilities [1]										
- As a % of consolidated net assets	100.62%	100.90%	1.28%	1.64%	4.60%	5.77%	0.33%	0.43%	106.83%	108.74%
- ₹ in lakhs (A)	29,186.92	22,866.33	369.96	370.76	1,333.14	1,306.75	96.91	97.65	30,986.93	24,641.49
Consolidation adjustments/eliminations (B) [2]									(1,980.16)	(1,980.16)
Total (A-B)									29,006.77	22,661.33
Share in total comprehensive income										
- As a % of total comprehensive income	99.57%	65.17%	-0.01%	0.05%	0.45%	34.71%	-0.01%	0.06%	100.00%	100.00%
- ₹ in lakhs (C)	5,796.78	(364.90)	(0.80)	(0.30)	26.39	(194.31)	(0.74)	(0.36)	5,821.63	(559.87)
Consolidation adjustments/eliminations (D) [2]									(0.00)	(0.02)
Total (C-D)									**5,821.63**	**(559.89)**

[1] The figures have been considered from the respective standalone financial statements and the consolidated net asset figure has been arrived after consolidation adjustments/ eliminations.

[2] Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidaries have been drawn upto the same reporting date as of the Company.

3 (a). PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

₹ in lakhs

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value [1]												
At April 1, 2019	**734.78**	**1,609.55**	**779.49**	**10,928.48**	**386.12**	**265.71**	**376.31**	**372.82**	**74.26**	**15,527.52**	**144.76**	**144.76**
Additions	-	34.02	664.88	3,486.09	164.98	99.01	45.80	91.04	-	4,585.82	78.98	78.98
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(144.76)	(144.76)
Disposals	-	-	-	(126.60)	-	-	-	(1.39)	-	(127.99)	-	-
At March 31, 2020	**734.78**	**1,643.57**	**1,444.37**	**14,287.97**	**551.10**	**364.72**	**422.11**	**462.47**	**74.26**	**19,985.35**	**78.98**	**78.98**
Additions	-	21.87	703.87	1,131.61	152.06	241.99	158.58	143.90	-	2,553.88	6.72	6.72
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(85.70)	(85.70)
Disposals	-	-	-	(368.80)	-	(0.16)	-	-	(2.61)	(371.57)	-	-
At March 31, 2021	**734.78**	**1,665.44**	**2,148.24**	**15,050.78**	**703.16**	**606.55**	**580.69**	**606.37**	**71.65**	**22,167.66**	**-**	**-**
Depreciation												
At April 1, 2019	**-**	**374.97**	**241.37**	**3,675.11**	**111.17**	**137.99**	**152.19**	**252.57**	**28.23**	**4,973.60**	**-**	**-**
Charge for the year	-	254.30	279.85	1,540.89	62.85	78.17	40.43	90.25	9.03	2,355.77	-	-
Disposals	-	-	-	(56.03)	-	-	-	(1.17)	-	(57.20)	-	-
At March 31, 2020	**-**	**629.27**	**521.22**	**5,159.97**	**174.02**	**216.16**	**192.62**	**341.65**	**37.26**	**7,272.17**	**-**	**-**
Charge for the year	-	92.11	417.91	1,728.37	80.03	109.01	52.57	96.58	6.21	2,582.79	-	-
Disposals	-	-	-	(216.67)	-	(0.09)	-	-	(1.94)	(218.70)	-	-
At March 31, 2021	**-**	**721.38**	**939.13**	**6,671.67**	**254.05**	**325.08**	**245.19**	**438.23**	**41.53**	**9,636.26**	**-**	**-**
Net book value												
At March 31, 2021	**734.78**	**944.06**	**1,209.11**	**8,379.11**	**449.11**	**281.47**	**335.50**	**168.14**	**30.12**	**12,531.40**	**-**	**-**
At March 31, 2020	**734.78**	**1,014.30**	**923.15**	**9,128.00**	**377.08**	**148.56**	**229.49**	**120.82**	**37.00**	**12,713.18**	**78.98**	**78.98**

[1] The Group has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

Refer note 15 for information on property, plant and equipment pledged as security by the Company.

Capital work-in-progress mainly comprises of leasehold improvements under construction.

3 (b) RIGHT-OF-USE ASSETS

₹ in lakhs

Particulars	Right-of-use Buildings	Total
Right-of-use assets		
At April 1, 2019	6,498.80	6,498.80
Additions	790.90	790.90
Deletions/Modifications	-	-
At March 31, 2020	**7,289.70**	**7,289.70**
Additions	10,260.54	10,260.54
Deletions/Modifications	(1,615.21)	(1,615.21)
At March 31, 2021	**15,935.03**	**15,935.03**
Amortisation		
At April 1, 2019	-	-
Additions	2,981.64	2,981.64
Deletions/Modifications	-	-
At March 31, 2020	**2,981.64**	**2,981.64**
Additions	2,515.98	2,515.98
Deletions/Modifications	(578.74)	(578.74)
At March 31, 2021	**4,918.88**	**4,918.88**
Net Book value		
At March 31, 2021	**11,016.15**	**11,016.15**
At March 31, 2020	**4,308.06**	**4,308.06**

4 OTHER INTANGIBLE ASSETS

₹ in lakhs

Particulars	Computer Software	Total
Gross carrying value [1]		
At April 1, 2019	383.60	383.60
Additions	179.88	179.88
At March 31, 2020	**563.48**	**563.48**
Additions	132.78	132.78
At March 31, 2021	**696.26**	**696.26**
Amortisation and impairment		
At April 1, 2019	198.91	198.91
Amortisation for the year	144.51	144.51
At March 31, 2020	**343.42**	**343.42**
Amortisation for the year	162.73	162.73
At March 31, 2021	**506.15**	**506.15**
Net book value		
At March 31, 2021	**190.11**	**190.11**
At March 31, 2020	**220.06**	**220.06**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of intangible assets as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

5 (a) NON CURRENT INVESTMENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments carried at amortised cost		
(i) Investment in unquoted Government securities		
Investment in National Savings Certificates	0.29	0.29
Total investment in unquoted government securities	**0.29**	**0.29**
Investments carried at cost		
(ii) Unquoted investment in preference shares in body corporates (carried at amortised cost)		
Yepme UK Limited	626.56	626.56
[22,577 (March 31, 2020: 22,577) 0.1% preference shares of GBP 1 each fully paid up]		
Less: Provision for diminution in value of investment (Refer note 1 below)	(626.56)	(626.56)
Total investment in unquoted equity shares in a body corporates	-	-
Total (i+ii)	**0.29**	**0.29**

Note 1:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment	(626.56)	(626.56)
	-	-

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Aggregate amount of quoted investments and market value there of	Not Applicable	Not Applicable
Aggregate amount of unquoted investments	0.29	0.29
Aggregate amount of impairment in value of investments	626.56	626.56

5 (b) CURRENT INVESTMENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Investments carried at fair value through profit and loss		
Investment in liquid mutual fund units		
Quoted		
6,21,513 (March 31, 2020: 6,21,513) units ICICI Pru Liquid Direct-G	1,893.98	1,825.89
44,170 (March 31, 2020: 44,170) units HDFC Liquid Direct-G	1,786.91	1,725.56
Total Investment in mutual fund units	**3,680.89**	**3,551.45**
Aggregate carrying amount and market value of mutual fund investments	3,680.89	3,551.45

6 FINANCIAL ASSETS - LOANS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Non-current		
Unsecured, considered good		
Security and other deposits	2,886.52	3,472.76
Total Financial assets - Loans	**2,886.52**	**3,472.76**

Security and other deposits are primarily in relation to public utility services and rental agreements.

7 FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
Carried at amortised cost			
Unsecured, considered good			
(a) Non-current			
Bank balance held as security against the borrowings		14,692.11	13,899.84
Loans to employees		15.71	7.74
Total other financial assets - non current		**14,707.82**	**13,907.58**
(b) Current			
Derivative instruments at fair value through OCI			
Cash flow hedges - foreign exchange forward contracts		981.01	-
Other financial assets at amortised cost			
Interest accrued on bank deposits		417.70	636.67
Loans to employees		65.43	34.98
Total other financial assets - current		**1,464.14**	**671.65**
Total other financial assets	**(a+b)**	**16,171.96**	**14,579.23**

8 (a) DEFERRED TAX ASSETS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
MAT credit entitlement	680.90	74.19
Total Deferred tax assets	**680.90**	**74.19**

Movement in deferred tax is as below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening balance	74.19	-
Recognised in profit and loss during the year	680.90	74.19
Recognised in other comprehensive income during the year	-	-
Reversed in profit and loss during the year	(74.19)	-
Closing balance	**680.90**	**74.19**

8 (b) NON-CURRENT TAX ASSETS (NET)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Advance payment of income tax (including tax paid under protest)	664.62	1,206.28
Total non-current tax assets (net)	**664.62**	**1,206.28**

9 OTHER CURRENT / NON-CURRENT ASSETS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Non current		
(a) Unsecured, considered good		
Capital advances	102.93	192.25
Prepaid expenses	113.39	11.76
Export incentives receivable	119.89	
	336.21	**204.01**
(b) Unsecured, considered doubtful		
Advance to suppliers	272.63	272.63
Export incentives receivable	30.00	30.00

Less: Provision for doubtful advances and receivables		(302.63)	(302.63)
		-	-
Total non-current assets	**(a+b)**	**336.21**	**204.01**
Current			
(c) Unsecured, considered good			
Prepaid expenses		693.64	519.27
Balances with statutory / government authorities		1,230.73	1,145.26
Advance to suppliers		1,793.79	2,018.67
Export Incentives receivable		1,684.73	3,873.80
Total current assets		**5,402.89**	**7,557.00**
Total current / non-current assets	**(a+b+c)**	**5,739.10**	**7,761.01**

10 INVENTORIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Raw materials (including packing materials) and components	9,200.50	8,321.11
Work-in-progress	11,736.31	15,473.90
Finished goods (readymade garments)	4,347.59	4,551.80
Consumables, stores and spares parts	635.62	577.24
Total inventories	**25,920.02**	**28,924.05**
Included above, goods-in-transit:		
Raw materials (including packing materials) and components	319.62	175.50
Finished goods (readymade garments)	1,055.43	770.66
	1,375.05	**946.16**

(a) For method of valuation for each class of inventories, refer note 2.2(k)

(b) The value of inventores above is stated net of writedown of ₹ 4,505.98 Lakhs as at March 31, 2021 (as at March 31, 2020: ₹ 3,412.24 lakhs)

(c) The carrying value of inventories as at March 31, 2021 and March 31, 2020 is pledged as security against the borrowings (refer note 15)

11 FINANCIAL ASSETS - TRADE RECEIVABLES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Trade receivables:		
From related parties	-	-
From others	17,983.76	14,353.04
Total	**17,983.76**	**14,353.04**
(a) Breakup of trade receivables		
Secured, considered good		
Unsecured, considered good	17,983.76	14,353.04
Trade Receivables which have significant increase in credit Risk	2,185.26	1,374.01
Trade Receivables - credit impaired	-	-
	20,169.02	**15,727.05**

(b) Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good			
Trade Receivables which have significant increase in credit Risk		(2,185.26)	(1,374.01)
Trade Receivables - credit impaired		-	-
		(2,185.26)	**(1,374.01)**
Total Financial assets - Trade receivables	**(a+b)**	**17,983.76**	**14,353.04**

Notes:

i. The Group follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

ii. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

iii. Trade receivables are non-interest bearing.

12 FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [1,2]	1,518.12	1,218.51
Cash on hand	8.07	10.77
Total Financial assets - Cash and cash equivalents (Current)	**1,526.19**	**1,229.28**
Non-current		
Bank balances other than cash and cash equivalents		
Held as security against the borrowings		
Bank deposits with remaining maturity for more than 12 months	386.94	226.00
Bank deposits with original maturity of more than 3 months but less than/equal to 12 months	14,305.17	13,673.84
	14,692.11	13,899.84
Amount disclosed under other financial assets	(14,692.11)	(13,899.84)
Total Financial assets - Cash and cash equivalents (Non current)	**-**	**-**

Note:

[1] Balances with bank on current accounts does not earn interest.

[2] includes balances in Exchange Earner's Foreign Currency Accounts.

[3] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Balances with banks		
On current accounts	1,518.12	1,218.51
Cash on hand	8.07	10.77
	1,526.19	1,229.28
Less : Bank overdraft*	(2,446.81)	(2,175.32)
Net debt	**(920.62)**	**(946.04)**

Net debt reconciliation:

₹ in lakhs

Particulars	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 01, 2019	**1,118.75**	**(3,598.24)**	**(2,479.49)**
Cash flows	110.53	1,695.52	1,806.05
Interest charge	-	(272.60)	(272.60)
Net debt as at March 31, 2020	**1,229.28**	**(2,175.32)**	**(946.04)**
Cash flows	296.91	(64.12)	232.79
Interest charge	-	(207.37)	(207.37)
Net debt as at March 31, 2021	**1,526.19**	**(2,446.81)**	**(920.62)**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

13 EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Number of shares	Amount
Authorised share capital		
At April 1, 2019	5,50,00,000	2,750.00
Increase during the year	-	-
At March 31, 2020	**5,50,00,000**	**2,750.00**
Increase during the year	-	-
At March 31, 2021	**5,50,00,000**	**2,750.00**

(a) Issued equity capital

₹ in lakhs

Particulars	Number of shares	Amount
Equity shares of ₹5 each issued, subscribed and fully paid		
At April 1, 2019	4,28,15,663	2,140.78
Add: ESOP's issued during the year	10,000	0.50
At March 31, 2020	4,28,25,663	2,141.28
Add: RSU's issued during the year	70,000	3.50
At March 31, 2021	**4,28,95,663**	**2,144.78**

(b)Terms/ rights attached to equity shares

The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

(i) The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity is entitled to one vote per share.

(ii) The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend.

(iii) In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Clear Wealth Consultancy Services LLP:		
Number of shares	1,39,55,957	1,39,55,957
% holding in the class	32.53%	32.59%
Teesta Retail Private Limited:		
Number of shares	22,80,513	22,80,513
% holding in the class	5.32%	5.33%

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

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 40.

14 OTHER EQUITY

₹ in lakhs

	Particulars	March 31, 2021	March 31, 2020
	Reserves and Surplus		
(A)	**Securities premium reserve**		
	Balance at the beginning of the year	20,459.15	20,404.46
	Add: received during the year on account of exercise of ESOP's	-	2.72
	Add: transfer from share-based payments reserve	50.59	51.97
	Balance at the end of the year	**20,509.74**	**20,459.15**
	This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.		
(B)	**General reserve**		
	Balance at the end of the year	**2,192.09**	**2,192.09**
	Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.		
(C)	**Capital Reserve on Amalgamation**		
	Balance at the end of the year	**9,769.12**	**9,769.12**
	Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor company.		
(D)	**Share-based payments reserve**		
	Balance at the beginning of the year	1,131.81	479.87
	Add: addition during the year	520.31	703.91
	Less: transfer to securities premium reserve	(50.59)	(51.97)
	Balance at the end of the year	**1,601.53**	**1,131.81**
	Share based payment reserve is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in Share based payment reserve are transferred to securities premium upon exercise of stock options by employees. Further, the amounts recorded in Share based payment reserve are transferred to securities premium reserve when stock options lapsed after the vesting period.		
(E)	**Retained earnings**		
	Balance at the beginning of the year	(11,006.35)	(12,324.23)
	Change in accounting policy on adoption of Ind AS 116	-	(1,524.18)
	Restated balance	(11,006.35)	(13,848.41)
	Profit / (Loss) for the year	2,649.16	3,038.71

	Add: Remeasurement of post employment benefits obligations (net of deferred tax)	165.69	(196.65)
	Balance at the end of the year	**(8,191.50)**	**(11,006.35)**
	Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
(F)	**Cash flow hedging reserve**		
	Balance at the beginning of the year	(2,025.77)	1,376.18
	Add: gain/(loss) for the year	3,006.78	(3,401.95)
	Balance at the end of the year	**981.01**	**(2,025.77)**
	When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss when related forecasted transaction (hedged item) affects the profit or loss.		
	Total other equity (A+B+C+D+E+F+G)	**26,861.99**	**20,520.05**

15 FINANCIAL LIABILITIES - BORROWINGS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Non-current borrowings		
Term loans from banks (Secured)		
Indian rupee term loan from bank	1,884.27	-
Total non-current borrowings (Secured) (Refer Note 15(A))	**1,884.27**	**-**
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan	22,337.89	28,572.90
Indian rupee loan from bank	-	322.78
Bill discounting from banks	7,210.56	5,524.07
Bank overdraft	2,446.81	2,175.32
Total current borrowings (Secured)	**31,995.26**	**36,595.07**
Loans repayable on demand from banks (Unsecured)		
Indian rupee loan from bank	-	2,500.00
Total current borrowings (Unsecured)	**-**	**2,500.00**
Total current borrowings (Secured+Unsecured) (Refer Note 15(B))	**31,995.26**	**39,095.07**
Total Financial liabilities - Borrowings	**33,879.53**	**39,095.07**
The above amount includes		
Secured non-current borrowings	1,884.27	-
Secured current borrowings	31,995.26	36,595.07
Unsecured current borrowings	-	2,500.00
	33,879.53	**39,095.07**

Note 15(A): Notes on non-current Borrowings
Indian rupee term loan from bank (Secured)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Gross amount of indian rupee term loan taken	5,013.10	-
Outstanding balance:		
Non current borrowings	1,884.27	-
Current maturities of long-term borrowings	2,642.17	-
Total outstanding balance	4,526.44	-
Applicable Interest rate	8% to 8.45%	-

The above loan includes the term loan taken from the banks under COVID emergency line of credit (CELC) scheme.

Terms of repayment:

Indian rupee term loan from banks is repayable in 24 to 48 equal monthly instalments with a morotorium period of 6 months.

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Number of instalments due as at Balance sheet date (months)	14 to 42	-
Maturity profile including current maturities:		
Not later than one year	2,642.17	-
Later than one year but not later than two years	1,106.60	-
Later than two years but not later than three years	466.60	-
Later than three years but not later than four years	311.07	-
Later than four years but not later than five years	-	-
More than five years	-	-
	4,526.44	**-**

Repayment of non-current borrowings and Interest:

During the year and as on the balance sheet date, the Company has not defaulted in repayment of non-current borrowings and interest there on.

Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any non-current borrowings from related parties.

Disclosure about the nature of security:

The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) Current assets (including trade receivables) of the Company (iii) hypothication of Plant & Machinery and Equipments and Land & Buildings (iv) fixed deposits.

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 38) 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.

Note 15 (B):Notes on current Borrowings:

[1] Indian rupee packing credit loan from a bank of ₹ 6,000 lakhs (March 31, 2020: ₹ 8,000 lakhs) carries interest @ MCLR + 0.75% (March 31, 2020: one year MCLR + 0.60%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 5,634.06 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 6,886.59 lakhs). Also refer note 15(B) 10 and 11 below.

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs (March 31, 2020: ₹ 21,000 lakhs) carries interest @ Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2020: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 15,829.96 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 20,201.55 lakhs). Also refer note 15(B) 10 and 11 below.

[3] Indian rupee packing credit loan from a bank of ₹ 3,000 lakhs (March 31, 2020: ₹ 2,000) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2020: MCLR) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 873.87 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 1,484.76). Also refer note 15(B) 10 and 11 below.

[4] Indian rupee loan from a bank of ₹ Nil lakhs (March 31, 2020: ₹ 2,700 lakhs) carries interest @pledged fixed deposit interest rate plus applicable spread of 1% p.a. (March 31, 2020:pledged fixed deposit interest rate plus applicable spread of 1 % p.a) and interest is payable monthly. The loan is secured by pledge of fixed deposits. Out of the above, ₹ Nil is outstanding as at March 31, 2021 (March 31, 2020: ₹ 322.78 lakhs). Also refer note 15(B) 10 and 11 below.

[5] Bill discounting from a bank of ₹ 4,000 lakhs (March 31, 2020: ₹ 2,000 lakhs) carries interest @LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and @ MCLR plus 0.75% for Indian Rupee bills discounting (March 31, 2020: LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.60% for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 1,073.12 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 1,086.75 lakhs). Also refer note 15(B) 10 and 11 below.

[6] Bill discounting from a bank of ₹ 10,850 lakhs (March 31, 2020: ₹ 10,850 lakhs) carries interest @6 months LIBOR plus applicable spread of 2.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2020:@6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 4,753.37 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 4,009.35 lakhs). Also refer note 15(B) 10 and 11 below.

[7] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2020: ₹ 500 lakhs) carries interest @Marginal cost of funds based lending rate ('MCLR') for Indian Rupee bills discounting (March 31, 2020: @MCLR for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 1,384.07 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 427.97). Also refer note 15(B) 10 and 11 below.

[8] Bank overdraft from banks carries interest @one year MCLR plus applicable spreads of 2.50% p.a. (March 31, 2020:@one year MCLR plus applicable spreads of 4.50%) and interest is payable on monthly basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/ goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ 2,446.81 lakhs is outstanding as at March 31, 2021 (March 31, 2020: ₹ 2,175.32 lakhs). Also refer note 15(B) 10 and 11 below.

[9] Indian rupee loan from a bank of ₹ Nil (March 31, 2020: ₹ 2,500 lakhs) carries interest @ MCLR plus applicable spread of 0.20% (March 31, 2020: @ MCLR plus applicable spread of 0.20%) and interest is payable monthly. The loan is unsecured. Out of the above, ₹ Nil is outstanding as at March 31, 2021 (March 31, 2020: ₹ 2,500 lakhs)

[10] The Company has further provided the following as the collateral to the consortium lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 15(B).

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Group,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

c) Pari passu charge on certain fixed deposits made by the Company

[11] The Company has availed the interest subvention @3% during the years ended March 31, 2021 and March 31, 2020 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

[12] The Reserve Bank of India has announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. Accordingly, as per the said guidelines, the company has availed three months moratorium of the working capital interest on the balance outstanding as on March 01, 2020. However, the Company has accrued the interest on the outstanding balances.

[13] 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 38) have given any personal guarantee or personal security for any borrowings taken by the Company and is outstanding as at balance sheet date.

[14] 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.

[15] Loans from related parties:

During the year and as on the balance sheet date, the Company has not taken any borrowings from related parties.

16 LEASE LIABILITIES

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Non current			
Lease Liabilities		8,555.17	2,946.02
		8,555.17	**2,946.02**
(b) Current			
Lease Liabilities		2,773.56	2,120.45
		2,773.56	**2,120.45**
Total Lease Liabilities	**(a+b)**	**11,328.73**	**5,066.47**

Refer Note 35 (I) for maturity profile and other details.

17 PROVISION FOR EMPLOYEE BENEFITS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Non-current			
Gratuity		527.00	455.30
		527.00	**455.30**
(b) Current			
Gratuity		1,924.60	2,137.00
Leave benefits		861.26	906.95
		2,785.86	**3,043.95**
Total provision for employee benefits	**(a+b)**	**3,357.86**	**3,499.25**

18 FINANCIAL LIABILITIES - TRADE PAYABLES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current		
Total outstanding dues of micro, small and medium enterprises	51.71	24.39
Total outstanding dues of creditors other than micro, small and medium enterprises	11,119.99	11,404.59
Total Financial liabilities - Trade payables	**11,171.70**	**11,428.98**

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 41.

19 FINANCIAL LIABILITIES - OTHER CURRENT FINANCIAL LIABILITIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts	-	2,308.54
Other financial liabilities at amortised cost		
Current maturities of long-term borrowings	2,642.17	-
Interest accrued and not due on loans	100.93	162.45
Employee related payables	6,034.40	5,708.82
Liability for capital assets	270.09	1,532.02
Total financial liabilities - other current financial liabilities	**9,047.59**	**9,711.83**

20 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Advances received from customers	144.47	188.96
Statutory liabilities payable*	762.47	819.97
Total Other current liabilities	**906.94**	**1,008.93**

*Statutory liabilities primarily relate to payables in respect of Employee state insurance, provident fund, professional tax and tax deducted at source.

21 CURRENT TAX LIABILITY (NET)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current tax liability (net)	337.79	-
Total Current tax liability (net)	**337.79**	**-**

22 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars		March 31, 2021	March 31, 2020
(a) Sale of finished goods			
Exports		94,173.84	1,03,212.67
Domestic		20,372.42	24,973.08
		1,14,546.26	**1,28,185.75**
(b) Other operating revenues			
Export incentives and others*		4,712.80	6,686.28
Sale of accessories, fabrics, scrap and others		1,574.70	1,886.39
Job work income		238.97	336.43
		6,526.47	**8,909.10**
Total Revenue from operations	**(a+b)**	**1,21,072.73**	**1,37,094.85**

* 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, 2021 and March 31, 2020.

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 34.

₹ in lakhs

Primary Geographic Markets (Name of the country)	Sale of finished goods	
	March 31, 2021	March 31, 2020
United States of America	76,754.26	76,412.38
Canada	3,612.89	3,745.55
Spain	1,561.73	3,401.77
France	1,554.71	1,768.32
United Kingdom	1,344.44	811.39
Denmark	1,185.77	1,137.49
Netherlands	1,149.33	1,451.40
China	1,056.04	1,992.40
Germany	731.94	1,803.98
Japan	669.51	1,455.16
Other Overseas Countries	4,553.22	9,232.83
India	20,372.42	24,973.08
Total	**1,14,546.26**	**1,28,185.75**

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

Except as disclosed in note 48, there are no significant estimates and assumptions.

iv. Contract balances

₹ in lakhs

Particulars	Contract liabilities	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	188.96	169.54
Less: Amount included in contract liabilities that was recognised as revenue during the period	(188.96)	(169.54)
Add: Cash received in advance of performance and not recognised as revenue during the period	144.47	188.96
Balance at the end of the year	**144.47**	**188.96**

23 OTHER INCOME

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Interest income on:		
Bank deposits	690.20	935.47
Security deposits	196.22	235.86
Income tax refunds	54.46	36.66
Others	-	1.19
Other non-operating income :		
Net gain on disposal of property, plant and equipment	61.39	43.47
Gain on sale of investments in mutual fund units	14.32	131.67
Fair value gain on Investment in mutual funds	129.44	36.57
Provisions no longer required, written back	-	5.17
Miscellaneous income	74.93	201.71
Total Other income	**1,220.96**	**1,627.77**

24 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	8,321.11	6,214.70
Add: Purchases	57,441.75	71,716.16
	65,762.86	77,930.86
Less: inventory at the end of the year	(9,200.50)	(8,321.11)
Total cost of raw materials and components consumed	**56,562.36**	**69,609.75**

25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Inventories at the beginning of the year		
Work-in-progress	15,473.90	13,246.64
Finished goods (Readymade garments)	4,551.80	6,364.35
	20,025.70	19,610.99
Inventories at the end of the year		
Work-in-progress	11,736.31	15,473.90
Finished goods (Readymade garments)	4,347.59	4,551.80
	16,083.90	20,025.70
Total changes in inventories of finished goods and work-in-progress	**3,941.80**	**(414.71)**

26 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Salaries and wages	32,277.23	39,730.11
Contribution to provident and other funds	3,132.16	4,273.85
Share based payment expenses	520.31	703.91
Gratuity expense (net)	722.98	734.91
Staff welfare expense	503.70	1,299.66
Total employee benefit expenses	**37,156.38**	**46,742.44**

Note: The Indian Parliament had approved the Code on Social Security, 2020 ('the Code'). The Ministry of Labour and Employment has notified the draft rules under the Code on November 13, 2020 inviting objections and suggestions, if any, from the stakeholders. The draft rules provide for operationalization of provisions in the Code 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 is in the process of assessing the impact and will give appropriate accounting treatment in its financial statements in the period in which the Code (including the related rules framed thereunder) becomes effective.

27 FINANCE COSTS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	1,910.90	2,081.66
on bill discounting and others	281.75	446.25
on lease liabilities	651.70	693.66
Bank charges and other borrowing costs	601.88	460.90
Total finance costs	**3,446.23**	**3,682.47**

28 DEPRECIATION AND AMORTIZATION EXPENSE

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment	2,582.79	2,355.77
Amortisation of other intangible assets	162.73	144.51
Amortisation on right-of-use assets	2,515.98	2,981.64
Total depreciation and amortisation expense	**5,261.50**	**5,481.92**

29 OTHER EXPENSES

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Consumption of consumables, stores and spares	632.14	966.71
Power and fuel	1,906.57	2,358.76
Other manufacturing expenses	212.55	261.86
Rent	1,459.05	435.95
Rates and taxes	369.41	263.51
Insurance	515.43	427.93
Repairs and maintenance		
Plant and machinery	474.84	608.14
Buildings	186.49	136.96
Others	398.77	529.08
Legal and professional fees	745.41	979.37
Printing and stationery	339.59	403.18

Communication costs	157.54	149.04
Travelling and conveyance	364.65	632.32
Payment to auditors*	34.03	31.35
Sitting fees	50.40	52.00
Freight and forwarding expenses	1,652.34	1,900.37
CSR expenditure	9.05	-
Irrecoverable balances written off	84.00	-
Provision for doubtful debts	813.77	514.01
Miscellaneous expenses **	1,497.93	2,154.38
Total other expenses	**11,903.96**	**12,804.92**

** Includes contributions amounting ₹ Nil (March 31, 2020: ₹ 200 Lakhs) made under section 182 of the Companies Act, 2013

*** Payment to auditors (exclusive of GST)**

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Audit fees (including fees for audit of consolidated and standalone financial statements and quaterly limited reviews)	33.00	30.00
Out of pocket expenses	1.03	1.35
Total payment to auditors (exclusive of GST)	**34.03**	**31.35**

30 EXCEPTIONAL ITEMS

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Export Incentives Receivables written off	-	(610.84)
Net gain on disposal of land and building	-	2,604.78
Total exceptional items	**-**	**1,993.94**

31 INCOME TAX

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. These companies can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Companies are liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
(a) Adjustment of tax relating to earlier periods	7.64	-
(b) Current tax	685.90	74.19
(c) Deferred tax	(680.90)	(74.19)
Total taxes	**12.64**	**-**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Profit/(Loss) after exceptional items and before tax	2,661.80	3,038.71
Applicable tax rates in India	34.944%	34.944%
Computed tax expense	930.14	1,061.85
Tax effect of:		
Exempted income	(2,923.60)	(3,647.76)
Expenses disallowed	3,224.50	3,624.78
Carried forwarded tax losses	(1,218.40)	(1,038.87)
Total current tax expenses	**12.64**	**-**

The Group has accumulated tax losses which arose in India of ₹ 2,995.39 lakhs (March 31, 2020:₹ 10,767.98 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2024.

The Company has unabsorbed depreciation of ₹ 3,593.58 lakhs (March 31, 2020: ₹ 3,588.15 lakhs) that are available for offsetting for indefinite period.

Deferred tax assets have not been recognised in respect of these losses due to uncertainity surrounding availability of future taxable income against which such loss can be offset.

32 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the 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:

Particulars	March 31, 2021	March 31, 2020
Face value of equity shares (₹ per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Group (₹ lakhs)	2,649.16	3,038.71
Weighted average number of equity shares used for computing earning per share (basic)	4,28,55,005	4,28,20,197
Weighted average number of equity shares used for computing earning per share (diluted)	4,54,10,985	4,55,33,704
EPS - basic (₹)	6.18	7.10
EPS - diluted (₹)	5.83	6.67

33 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

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

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Right-of-use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

d. Impairment of non-current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions, etc.

e. Fair value measurement of financial instruments

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

f. Contingencies

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

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

g. Defined benefit obligations

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

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

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

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.

34 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 Company mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

₹ in lakhs

Particulars	Segment revenue*		Non current assets**	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
India	26,236.26	33,116.35	24,073.87	17,524.29
Rest of world	94,836.47	1,03,978.50	-	-
Total	**1,21,072.73**	**1,37,094.85**	**24,073.87**	**17,524.29**

The revenue information above is based on the locations of the customers and includes other operating revenues.

Revenue from three (March 31, 2020: Three) customer amounted to ₹ 70,975.61 lakhs (March 31, 2020: ₹ 73,630.93 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.

35 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:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening balance	5,066.47	7,412.73
Additions	10,054.42	820.49
Deletions	(1,435.61)	-
Finance cost accrued	651.70	693.66
Payment of lease liabilities	(3,008.25)	(3,860.41)
Closing balance	**11,328.73**	**5,066.47**

The break-up of current and non-current lease liabilities is as follows

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current lease liabilities	8,555.17	2,946.02
Non-current lease liabilities	2,773.56	2,120.45
Total	**11,328.73**	**5,066.47**

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Less than one year	3,944.74	2,502.73
One to five years	11,330.08	3,547.12
More than five years	997.14	648.61
Total	**16,271.96**	**6,698.46**

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 ₹ 1,459.05 Lakhs (31 March 2020: ₹ 435.95 Lakhs).

II. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
(a) Performance Bank Guarantees		
Sanctioned	263.00	500.00
Outstanding	171.68	138.92
(b) Outstanding letters of credit		
Sanctioned	4,249.00	4,822.00
Outstanding	3,167.32	2,398.00
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	838.37
(ii) Matters relating to other taxes under dispute	132.15	132.15

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(ii) The Group is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Group's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the consolidated financial statements.

III. Capital and other commitments

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	937.39	185.33
Commitments relating to forward contract- hedge of highly probable forecast sales	80,141.46	55,944.37

36 HEDGING ACTIVITIES

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount in lakhs	Average Strike rate
March 31, 2021	US$	1,052.30	76.16
March 31, 2021	INR	80,141.46	
March 31, 2020	US$	761.73	73.44
March 31, 2020	INR	55,944.37	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Nominal amount of hedging instrument	80,141.46	55,944.37
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	981.01	-
Liabilities	-	2,308.54
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:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	981.01	(2,025.77)
For hedges no longer applied	-	-
Total balance	**981.01**	**(2,025.77)**

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, 2021 and March 31, 2020 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, 2021 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ended March 31, 2022.

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 :

₹ in lakhs

Cash flow hedge reserve	March 31, 2021	March 31, 2020
Opening balance	(2,025.77)	1,376.18
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	3,442.13	(2,692.39)
Less: amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	(435.35)	(709.56)
Less: amount reclassified to consolidated statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	3,006.78	(3,401.95)
Less: amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**981.01**	**(2,025.77)**

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.

37 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)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Current service cost	585.76	618.38
Net interest cost on defined benefit obligations / (assets)	137.22	116.53
Net benefit expenses	**722.98**	**734.91**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	(13.44)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	5.63	103.53
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(171.43)	105.79
Actuarial (gain)/loss arising during the year	**(165.80)**	**195.89**
Return on plan assets (greater)/less than discount rate	0.11	0.76
Actuarial (gain)/ loss recognised in other comprehensive income	**(165.69)**	**196.65**

(c) Net defined benefit asset / (liability)

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Defined benefit obligation	2,477.48	2,616.30
Fair value of plan assets	(25.88)	(24.00)
Plan liability/ (asset)	**2,451.60**	**2,592.30**

(d) Changes in the present value of defined benefit obligation are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	2,616.30	2,161.40
Current service cost	585.76	618.38
Interest cost on the defined benefit obligation	138.70	118.57
Benefits paid	(697.48)	(477.93)
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	-	(13.44)
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	5.63	103.53
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(171.43)	105.79
Closing defined benefit obligation	2,477.48	2,616.30

(e) Changes in the fair value of plan assets are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Opening fair value of plan assets	24.00	43.38
Interest income on plan assets	1.48	2.04
Contributions by employer	697.99	457.29
Benefits paid	(697.48)	(477.93)
Return on plan assets (lesser)/greater than discount rate	(0.11)	(0.78)
Closing fair value of plan assets	**25.88**	**24.00**

The Group expects to contribute ₹ 1,924.60 lakhs (March 31, 2020: ₹ 2,137.00 lakhs) towards gratuity fund.

(f) The following benefit payments (undiscounted) are expected in future years:

₹ in lakhs

Particulars	March 31, 2021
March 31, 2022	491.33
March 31, 2023	363.46
March 31, 2024	278.81
March 31, 2025	206.48
March 31, 2026	183.45
March 31, 2027 to March 31, 2031	1,810.74

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2021	March 31, 2020
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, 2021	March 31, 2020
Discount rate (in %)	6.12%	6.17%
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	Refer note 4 below

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.
5. Refer note 17 for current and non current classification.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(100.76)	(106.91)
Impact of defined benefit obligation due to 1% decrease in discount rate	109.57	116.34

Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	94.14	100.08
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(87.96)	(93.68)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(19.66)	(21.46)
Impact of defined benefit obligation due to 1% decrease in attrition rate	20.07	21.90

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.

38 RELATED PARTY TRANSACTIONS

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Sivaramakrishnan Vilayur Ganapathi, Managing Director
	Mr. Mathew Cyriac (Non Executive Director)
	Mr. Arun K Thiagarajan (Independent Director) (resigned w.e.f July 29, 2019)
	Mr. Jitendrakumar H.Mehta (Independent Director) (resigned w.e.f July 18, 2019)
	Ms. Anuradha Sharma (Independent Director)
	Mr. Gautham Madhavan (Non Executive Director)
	Mr. Prabhat Kumar Singh (Director)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Shrithee MS (Company Secretary) (appointed w.e.f November 11, 2020)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019) (resigned w.e.f November 10, 2020)

b. Summary of transactions during the year with the above related parties are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Vilayur Ganapathi [1]	241.48	388.76
Sathyamurthy A [2]	115.63	141.24
Prabhat Kumar Singh	40.00	65.00
Shrithee MS	3.47	-
Sameer Sudarshan R V	7.25	13.34
	407.83	**608.34**
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Richard B. Saldanha	13.60	12.00
Mathew Cyriac	12.80	13.60
Anuradha Sharma	13.60	11.20
Gautham Madhavan	10.40	8.00
Arun K Thiagarajan	-	4.80
Jitendrakumar H Mehta	-	2.40
	50.40	**52.00**

c) Summary of compensation of key managerial personnel of the Company [1]		
Managerial remuneration	407.83	608.34
Sitting fees	50.40	52.00
Share based payment expenses	376.98	399.44
	835.21	**1,059.78**

[1] Previous year remuneration includes variable pay of ₹ 150 Lakhs pertaining to the FY 2018-19 and paid during the previous year.

[2] Remuneration includes variable pay of ₹ 15 Lakhs pertaining to 2019-20 and paid during 2020-21 (March 31, 2020: ₹ 30 Lakhs, pertaining to 2018-19 and paid during 2019-20).

c. Summary of outstanding balances with the above related parties are as follows:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i) Remuneration payable to Key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	150.00	150.00
Mr. Sathyamurthy A	40.00	40.00
	190.00	**190.00**

[1] As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Group as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

39 DISCLOSURES OF DUES/PAYMENTS TO MICRO, SMALL AND MEDIUM ENTERPRISES TO THE EXTENT SUCH ENTERPRISES ARE IDENTIFIED BY THE GROUP

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
i. The principal amount due thereon remaining unpaid as at the year end	51.71	24.39
Interest amount due and remaining unpaid as at the year end	-	-
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	-	-

40 SHARE- BASED PAYMENTS

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Group approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries and directors and provided for the issue of 17,18,800 shares of ₹ 5 each.

Further, the shareholders of the Group by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Group and provided for the issue of 21,33,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The 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:

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Expense arising from equity-settled share based payment transactions	520.31	703.91
	520.31	**703.91**

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, 2021		March 31, 2020	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	5,41,667	78.30	5,85,001	76.53
Granted during the year	-	-	-	-
Exercised during the year	-	-	(10,000)	32.25
Lapsed during the year	-	-	(33,334)	61.02
Closing balance	5,41,667	78.30	5,41,667	78.30
Exercisable as at year end	4,81,667		4,21,667	

The weighted average share price at the date of exercise of the options during the period is not applicable (March 31, 2020 : ₹ 79.4).

The weighted average remaining contractual life for the share options outstanding is 5.64 years (March 31, 2020: 6.64 years)

The range of exercise prices for options outstanding at the end of the year was ₹ 32.25 to ₹ 85.96 (March 31, 2020: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:
The activity in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2021		March 31, 2020	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	20,98,040	5.00	21,33,040	5.00
Granted during the year	-	-	-	-
Exercised during the year	(70,000)	5.00	-	-
Lapsed during the year	(2,23,040)	5.00	(35,000)	5.00
Closing balance	18,05,000	5.00	20,98,040	5.00
Exercisable as at year end	15,55,000		-	

The weighted average remaining contractual life for the share options outstanding is 5.14 years (March 31, 2020: 6.12 years)

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2020: ₹ Nil)

The range of exercise prices for options outstanding at the end of the year was ₹ 5 (March 31, 2020: ₹ 5).

The following table list the inputs to the models used for the ESOP 2010 plan:

Particulars	March 31, 2021	March 31, 2020
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under ESOP 2010 during the year ended March 31, 2021 and March 31, 2020.

The following table list the inputs to the models used for the RSU 2018 plan :

Particulars	March 31, 2021	March 31, 2020
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under RSU 2018 during the year ended March 31, 2021 and March 31, 2020.

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.

41 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 2.3(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, 2021

₹ in lakhs

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,681.18	-	3,681.18
Loans	2,886.52	-	2,886.52
Trade receivables	17,983.76	-	17,983.76
Cash and cash equivalents	1,526.19	-	1,526.19
Other financials assets	15,190.95	-	15,190.95
Foreign exchange forward contracts	-	981.01	981.01
Total assets	**41,268.60**	**981.01**	**42,249.61**

Financial liabilities			
Lease liabilities	11,328.73	-	11,328.73
Borrowings	31,995.26	-	31,995.26
Trade payables	11,171.70	-	11,171.70
Other financial liabilities	9,047.59	-	9,047.59
Foreign exchange forward contracts	-	-	-
Total liabilities	**63,543.28**	**-**	**63,543.28**

As at March 31, 2020

₹ in lakhs

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,551.74	-	3,551.74
Loans	3,472.76	-	3,472.76
Trade receivables	14,353.04	-	14,353.04
Cash and cash equivalents	1,229.28	-	1,229.28
Other financials assets	14,579.23	-	14,579.23
Foreign exchange forward contracts	-	-	-
Total assets	**37,186.05**	**-**	**37,186.05**
Financial liabilities			
Lease liabilities	5,066.47	-	5,066.47
Borrowings	39,095.07	-	39,095.07
Trade payables	11,428.98	-	11,428.98
Other financial liabilities	7,403.29	-	7,403.29
Foreign exchange forward contracts	-	2,308.54	2,308.54
Total liabilities	**62,993.81**	**2,308.54**	**65,302.35**

(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.

₹ in lakhs

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2021				
Financial assets				
Foreign exchange forward contracts	-	981.01	-	981.01
March 31, 2020				
Financial liabilities				
Foreign exchange forward contracts	-	2,308.54	-	2,308.54

(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 ₹ 2,886.52 lakhs as at March 31, 2021 (March 31, 2020: ₹ 3,472.76 lakhs) was ₹ 2,886.52 Lakhs (March 31, 2020: ₹ 3,472.76 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, 2021 and March 31, 2020.

(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:

₹ in lakhs

Particulars	Increase/(decrease) in basis points	Effect on profit before tax
March 31, 2021	50	182.61
March 31, 2020	50	195.48

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from investing activities is not material.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2021 and March 31, 2020, the Group hedged ₹ 80,141.46 lakhs (US$ 1,052.30 lakhs) and ₹ 55,944.37 lakhs (US$ 761.73 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2021 and March 31, 2020

in lakhs

Particulars	Currency	March 31, 2021	March 31, 2020
Assets			
Trade receivables	US$	133.55	84.98
Trade receivables	EUR	4.99	0.37
Advance to suppliers	US$	13.37	14.48
Capital advances	US$	0.57	0.73
Capital advances	EUR	0.09	-
Cash and cash equivalents	US$	0.95	0.01
Liabilities			
Trade payables	US$	7.26	4.60
Liability for capital assets	US$	1.45	12.25
Liability for capital assets	EUR	-	0.18
Advances received from customers	US$	0.30	0.61

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in US$ 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 US$ rate	Effect on profit before tax
March 31, 2021		
₹ in lakhs	5%	512.75
March 31, 2020		
₹ in lakhs	5%	311.97

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2021 and March 31, 2020. 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 ₹ 42,249.16 lakhs, ₹ 37,186.05 lakhs, as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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

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

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

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

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

₹ in lakhs

Particulars	0-1 year	> 1 year	Total
March 31, 2021			
Lease liabilities	2,773.56	8,555.17	11,328.73
Borrowings	31,995.26	1,884.27	33,879.53
Trade payables	11,171.70	-	11,171.70
Other financial liabilities	9,047.59	-	9,047.59
	54,988.11	**10,439.44**	**65,427.55**
March 31, 2020			
Lease liabilities	2,120.45	2,946.02	5,066.47
Borrowings	39,095.07	-	39,095.07
Trade payables	11,428.98	-	11,428.98
Other financial liabilities	9,711.83	-	9,711.83
	62,356.33	**2,946.02**	**65,302.35**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Group's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ Nil as on March 31, 2021 and March 31, 2020 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.

42 CAPITAL MANAGEMENT

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

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

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

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

₹ in lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings including current maturities	36,521.70	39,095.07
Total debts	**36,521.70**	**39,095.07**
Capital components		
Equity share capital	2,144.78	2,141.28
Other equity	26,861.99	20,520.05
Total capital	**29,006.77**	**22,661.33**
Capital and borrowings	**65,528.47**	**61,756.40**
Gearing ratio (%)	**55.73%**	**63.31%**

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, 2021 and March 31, 2020.

43 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, 2021. 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.

44 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'.

45 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.

46 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting Company). Consequently, the Director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Group is confident to receive a favourable order and that there will not be a material impact on the Consolidated Ind AS financial statements of the Company.

47 During the year ended March 31, 2019, certain foreign customers had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on recommendation of legal counsel, the Group had filed a claim for the balances outstanding with the relevant authorities, including for some claims which were eligible for preferential payment. Based on final negotiation and settlement under the reorganization plan by the court appointed administrative claims manager and also realisations made during the year, the Group carries 100% provision on account of expected credit loss towards this customer.

During the quarter ended June 30, 2020 another foreign customer of the Group had filed for bankruptcy and for a plan for reorganization of its business and creditors in the court. The customer has filed a creditor claim for the outstanding for ₹ 250 Lakhs as at the date of such filing. The Group had partially collected the amount subsequent to the year end March 31, 2021. The Company carries 100% provision on account of expected credit loss towards this customer for the balance amount.

48 Under the Remission of Duties and Taxes on Export Products RoDTEP the Group is eligible to claim a government grant in the form of refunds of embedded taxes and duties All the items previously under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme

The scheme has been effective since January 1, 2021 However, the incentive rates are yet to be notified by the authorities For the textile/garment industry sector, the RoSCTL scheme was introduced with effect from March 7, 2019 Later, for the textile/garment manufacturing sector, the Government retrospectively withdrew 4% MEIS w.e. f. March 7, 2019 through a notification issued on January 14, 2020.

For the relevant period January 1 2021 onwards, the Group has recognized INR 7.57 Crore of income towards RoDTEP and corresponding receivable which is lower than the rates applicable up to December 31, 2020.

For measurement of income from the aforementioned government grants, significant estimates and judgments are made by the management The estimates, inputs, and judgments used by the management include, eligibility of the export transaction for the claim, the timing of processing such claim and its subsequent realization and also the rate expected to be notified by the government authorities, the estimation on the rate involves a high level of uncertainty considering the delay in notification of the rate, the Group has performed sensitivity analysis on the sources of estimation uncertainty and appropriately considered the same while recognizing the income from government grants.

49 In view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E 15012020-215423 dated January 14, 2020, the Group had reversed the Merchandise Export from India Scheme (MEIS) benefit relating to previous year and same is disclosed as an exceptional item.

50 During the quarter ended March 31, 2020, pursuant to the approval of the Board of Directors, the Company has concluded the sale of one of its lands, alongwith building constructed thereon. The transaction resulted in a gain of ₹ 2,604.78 lakhs, which has been recognised as an exceptional item.

51 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

Gross amount required to be spent by the Group on Corporate Social Responsibility as per Section 135 of the Companies Act 2013 for the year ended March 31, 2021 is ₹ 9.05 lakhs (March 31, 2020: ₹ Nil). For the year ended March 31, 2021, the Group had spent ₹ 9.05 lakhs. There is no unspent amount to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

52 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the quarter and year ended March 31, 2021 and has concluded that the impact is primarily on the operational aspects of the business. Management has been able to address and counter the potential impact on the financial results as at March 31, 2021 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

In assessing the recoverability of receivables including receivables, investments, and other assets, the Group has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets, the Group has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

53 For the period/ days of the respective lockdowns imposed by the government, the Group has evaluated the various directions, circulars and orders issued by government authorities regarding payment of wages to employees, and accordingly has paid certain ex-gratia amount to eligible employees for the period of lockdown where they have not worked.

The matter relating to validity of government orders relating to payment of wages during lockdown is pending conclusion with the Honourable Supreme Court of India (SC).

Pending conclusion of such matter, management based on the interim order of SC and advise obtained from external legal expert, has concluded that the Group is in compliance with the relevant requirement on this matter.

The Group will reassess, if necessary, any further actions, based on the final conclusion by the SC in this regard.

Additionally, Employee benefit expenses is lower during the current year compared to the previous year on account of optimization including structuring of compensation and manpower due to impact on Group's operations on account of COVID-19.

54 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.

55 Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's classification.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 14, 2021

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Shrithee MS
Company Secretary
Membership No: A56563

Place: Bengaluru
Date: May 14, 2021

Place: Bengaluru
Date: May 14, 2021

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, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

a) Note 48 to the audited financial statements which states that certain foreign customers with an aggregate outstanding balance of ₹357 Lakhs as on March 31, 2020 had filed a plan for reorganization of its business and creditors in the court ('the reorganization plan'). Consequently, based on recommendation of legal counsel, the Holding Company has filed a claim with the relevant authorities. Based on the settlement by the Administrative Expense Claims Consent Program negotiated under the reorganization plan, subsequent realisation and expected recovery the Holding Company has created a provision on account of expected loss amounting to ₹523 Lakhs towards these claims. Further, subsequent to the year ended March 31, 2020, another foreign customer has filed for a plan for reorganization of its business and creditors in the court. The Holding company has filed a creditor claim and based on the assessment of recovery has created a provision on account of expected loss amounting to ₹125 Lakhs.

b) Note 53 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that primarily the operational aspects of the business have been affected substantially only subsequent to year end. Management has considered the mitigating actions taken and results of its assessment on subsequent events and concluded that there is no significant impact which is required to be recognized in the financial statements.

Our opinion is not modified in respect of these matters.

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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Allowance for Doubtful Debts:** Refer Note 48 to the Consolidated Financial Statements Certain foreign customers with an aggregate outstanding balance of ₹357 Lakhs as on March 31, 2020 had filed a plan for reorganization of its business and creditors in respective jurisdictional courts. Consequently, based on recommendation of its legal counsel, the Holding Company had filed a claim with the relevant authorities for the aforesaid receivable. Based on further development and final settlement confirmed by the court appointed claim administrative manager, the Holding Company has made a total expected credit loss provision of ₹523 Lakhs on these receivables till date. The Holding Company has received one tranche of payments during the year from the confirmed settlement and the balance is expected to be settled in two tranches which Management is confident of recovery. Additionally, subsequent to the year ended March 31, 2020, another foreign customer with an outstanding receivable balance of ₹815 Lakhs as at March 31, 2020, has filed a plan for reorganization of its business and creditors in the court, the Holding Company has filed a creditor claim for the balances outstanding and remaining unrealised as at date of such filing i.e. ₹250 Lakhs. Based on the expected recovery the Holding Company has created a provision on account of expected loss amounting to ₹125 Lakhs. The eventual outcome of the above matter is uncertain, and the position taken by the Holding Company are based on the application of significant estimation and judgement, due to which we have determined this to be a key audit matter.	Our audit procedures in respect of this area included: 1. Understanding and evaluating process and controls designed and implemented by the Management including testing of relevant controls on accounts receivable and provision assessment. 2. Assessing the recoverability of the amounts due, through inquiry with management and verifying corroborative evidence to support the conclusions drawn. 3. Assessing management's estimate and related policies w.r.t expected credit loss provision. 4. Reviewing legal and other documentation available with the Holding Company to understand the legal position of the Holding Company and confirm facts relating to the matter. 5. Verifying a transaction on a test check basis with underlying supporting documents including subsequent relaisations. 6. Inspecting the documentation received from the customer for the settlements confirmed and claims filed. 7. Reviewed the management assessment of subsequent event. 8. Verifying the adequacy of the disclosure made by the Holding Company in the financial statements.
2	**Recognition, Measurement and Presentation as per 'Ind AS 105 – Non-Current Assets Held for Sale and Discontinued Operations'.** Refer Note 44 to the Consolidated Financial Statements. During the year ended March 31, 2018, the Holding Company had acquired compulsorily convertible preference shares (CCPS) in Yepme UK Limited ('the investment' or 'Yepme'). This investment was classified as 'held for sale' upto March 31, 2019 pursuant to the approval of Board of Directors for disposal of the investment.	Our audit procedures in respect of this areas included: 1. Reviewing the agreement for purchase of compulsorily convertible preference shares in Yepme to assess on the nature of investments. 2. Reviewing supporting evidence w.r.t management's actions towards recovery and communications with Yepme. 3. Evaluating the conditions stated in 'Ind AS 105-Non-Current Assets Held for Sale and Discontinued Operations' to the said transaction.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	Post classification, circumstances arose that were previously considered unlikely and as a result, the investment was not sold as on March 31, 2019. The Holding Company has continued to classify the investment as 'held for sale' as on March 31, 2019 as the management remains committed to the plan of selling the investment in near future and is taking necessary actions to identify and evaluate potential buyers. The Holding Company was not in the possession of relevant financial information relating to Yepme, and accordingly, the management had fully provided for the value of investment and had disclosed the same as an exceptional item. During the year pursuant to further developments in the matter including litigation filed by the Holding Company against Yepme and its Holding Company of Yepme, and insolvency application filed by the Holding Company of Yepme, there have been significant restriction on the Holding Company's ability to exercise significant influence and also drive economic benefit from the Investment in Yepme. Considering that Management has reassessed the classification of the balance and reclassified it from "Investment in Associate" to "Investment in Others". Further, the Holding Company has become eligible, and subsequent to year end invoked its option to require Yepme and its holding company to buyback the CCPS from the Holding Company. The management has assessed the Nil fair value of these and therefore no adjustments made to the financial statements. Due to the significance of the above matter, we have considered this as a key audit matter.	4. Discussion with the Management and verification of evidence available to evaluate the Holding Company's actions to obtain the financial statements / financial information of Yepme and also correspondences with legal counsel, external foreign regulators and court appointed insolvency professional. 5. Evaluation of classification of the investment and management assessment for concluding lack of significant influence. 6. Reviewed the results of managements assessments of subsequent events. 7. Review of adequacy of disclosures in respect of the said transaction.

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹538 Lakhs as at 31st March, 2020, total revenues of ₹586 Lakhs and net cash flows amounting to ₹ (2.69) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. Due to the COVID – 19 related lockdown we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to the audit of existence of inventory as per the guidance provided in SA 501 – "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Consolidated Financial Statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us.

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   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.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of three subsidiaries, as the provisions of the aforesaid section is not applicable to private companies.

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

Deepak Rao
Partner
Membership No.: 113292
UDIN: 20113292AAAALC6950

Place: Bengaluru
Date: June 26, 2020

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

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

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

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

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Deepak Rao
Partner
Membership No.: 113292
UDIN: 20113292AAAALC6950

Place: Bengaluru
Date: June 26, 2020

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the consolidated Financial Statements for the year ended March 31, 2020]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and 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.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, 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 issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Deepak Rao
Partner
Membership No.: 113292
UDIN: 20113292AAAALC6950

Place: Bengaluru
Date: June 26, 2020

Consolidated Balance Sheet as at March 31, 2020

All amounts in Indian ₹ in lakhs, except stated otherwise

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non- current assets			
Property, plant and equipment	3(a)	12,713.18	10,553.92
Right-of-use assets	3(b)	4,308.06	-
Capital work-in-progress	3(a)	78.98	144.76
Other intangible assets	4	220.06	184.69
Financial assets			
Investments	5	0.29	0.29
Loans	6	3,472.76	2,306.59
Other financial assets	7	13,907.58	13,246.57
Deferred tax assets	8(a)	74.19	-
Non-current tax assets (net)	8(b)	1,206.28	1,315.78
Other non-current assets	9	204.01	428.56
Total non-current assets		**36,185.39**	**28,181.16**
Current assets			
Inventories	10	28,924.05	26,268.72
Financial assets			
Investments	5	3,551.45	-
Trade receivables	11	14,353.04	16,170.02
Cash and cash equivalents	12	1,229.28	1,118.75
Other financial assets	7	671.65	2,122.01
Other current assets	9	7,557.00	6,477.05
Total current assets		**56,286.47**	**52,156.55**
Assets classified as held for sale		-	595.22
Total assets		**92,471.86**	**80,932.93**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,141.28	2,140.78
Other equity	14	20,520.05	21,897.49
Total equity		**22,661.33**	**24,038.27**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	33(I)	2,946.02	-
Provision for employee benefits	15	455.30	412.32
Total non-current liabilities		**3,401.32**	**412.32**
Current liabilities			
Financial liabilities			
Borrowings	16	39,095.07	38,070.07
Trade payables	17		
Total outstanding dues of micro, small and medium enterprises		24.39	18.62
Total outstanding dues of creditors other than micro, small and medium enterprises		11,404.59	8,553.82
Lease liabilities	33(I)	2,120.45	-
Other current financial liabilities	18	9,711.83	6,031.16
Other current liabilities	19	1,008.93	895.89
Provision for employee benefits	15	3,043.95	2,592.78
Total current liabilities		**66,409.21**	**56,162.34**
Liabilities directly associated with assets classified as held for sale		-	320.00
Total equity and liabilities		**92,471.86**	**80,932.93**
Summary of significant accounting policies.	2.3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029

Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
June 26, 2020

Sameer Sudarshan R V
Company Secretary
Membership No.: A48679

Place: Bengaluru
June 26, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

All amounts in Indian ₹ in lakhs, except stated otherwise

		Notes	March 31, 2020	March 31, 2019
I	**Income**			
	Revenue from operations	20	136,524.48	117,451.91
	Other income	21	3,490.95	2,167.71
	Total income		**140,015.43**	**119,619.62**
II	**Expenses**			
	Cost of raw materials and components consumed	22	69,609.75	59,053.49
	Changes in inventories of finished goods and work-in-progress	23	(414.71)	(6,727.61)
	Employee benefits expense	24	46,742.44	39,495.52
	Finance costs	25	3,682.47	3,290.94
	Depreciation and amortization expenses	26	5,481.92	1,922.36
	Job work charges		1,063.87	1,549.87
	Other expenses	27	12,804.92	17,900.58
	Total expenses		**138,970.66**	**116,485.15**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**1,044.77**	**3,134.47**
IV	**Exceptional items**	28	(1,993.94)	626.56
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**3,038.71**	**2,507.91**
VI	**Tax expenses**			
	Current tax		74.19	-
	Adjustment of tax relating to earlier years		-	(50.05)
	Deferred tax (credit)/charge		(74.19)	-
			-	**(50.05)**
VII	**Profit/(Loss) after tax for the period (V-VI)**		**3,038.71**	**2,557.96**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plan		(196.65)	(175.31)
	Income tax effect		-	-
	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)		(3,401.95)	1,450.71
	Total other comprehensive income/ (loss) for the year, net of tax		**(3,598.60)**	**1,275.40**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**(559.89)**	**3,833.36**
X	**Earnings per equity share (EPS) [nominal value of ₹5 (March 31, 2019- ₹5)]**	30		
	Basic EPS		7.10	6.08
	Diluted EPS		6.67	5.92

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029

Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
June 26, 2020

Sameer Sudarshan R V
Company Secretary
Membership No.: A48679

Place: Bengaluru
June 26, 2020

Consolidated statement of changes in equity for the year ended March 31, 2020

All amounts in Indian ₹ 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 1, 2018	34,952,829	1,747.64
Add: Issued during the year	7,862,834	393.14
At March 31, 2019	**42,815,663**	**2,140.78**
At April 1, 2019	42,815,663	2,140.78
Add: Issued during the year	10,000	0.50
At March 31, 2020	**42,825,663**	**2,141.28**

b. Other equity

For the year ended March 31, 2020

	Reserves and Surplus					Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2019	20,404.46	2,192.09	9,769.12	479.87	(12,324.23)	1,376.18	21,897.49
Profit for the year	-	-	-	-	3,038.71	-	3,038.71
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net) (refer note 34)	-	-	-	-	-	(3,401.95)	(3,401.95)
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	(196.65)	-	(196.65)
Total comprehensive income	**20,404.46**	**2,192.09**	**9,769.12**	**479.87**	**(9,482.17)**	**(2,025.77)**	**21,337.60**
Additions on account of shares issued during the year	2.72	-	-	-	-	-	2.72
Change in accounting policy on adoption of Ind AS 116 (refer note 33(I))	-	-	-	-	(1,524.18)	-	(1,524.18)
Transfer to securities premium on exercise of equity stock options	51.97	-	-	(51.97)	-	-	-
Share based payment expense (Refer note 38)	-	-	-	703.91	-	-	703.91
At March 31, 2020	**20,459.15**	**2,192.09**	**9,769.12**	**1,131.81**	**(11,006.35)**	**(2,025.77)**	**20,520.05**

Consolidated statement of changes in equity for the year ended March 31, 2020

All amounts in Indian ₹ in lakhs, except stated otherwise

For the year ended March 31, 2019

	Reserves and Surplus					Items of OCI	Total
	Securities premium	General reserve	Capital Reserve on amalgamation	Share based payments reserve	Retained earnings	Cash flow hedge reserve	
As at April 1, 2018	13,899.90	2,192.09	9,769.12	263.05	(14,706.88)	(74.53)	11,342.75
Profit for the year	-	-	-	-	2,557.96	-	2,557.96
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net) (refer note 34)	-	-	-	-	-	1,450.71	1,450.71
Remeasurement of post employment benefits obligations, net of tax	-	-	-	-	(175.31)	-	(175.31)
Total comprehensive income	**13,899.90**	**2,192.09**	**9,769.12**	**263.05**	**(12,324.23)**	**1,376.18**	**15,176.11**
Additions on account of shares issued during the year [1]	6,436.33	-	-	-	-	-	6,436.33
Transfer to securities premium on exercise of equity stock options	68.23	-	-	(68.23)	-	-	-
Share based payment expense (Refer note 38)	-	-	-	285.05	-	-	285.05
At March 31, 2019	**20,404.46**	**2,192.09**	**9,769.12**	**479.87**	**(12,324.23)**	**1,376.18**	**21,897.49**

[1] net off of share issue expenses of ₹195.96 lakhs

Refer note 2.3 for summary of significant accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
June 26, 2020

Sameer Sudarshan R V
Company Secretary
Membership No.: A48679

Place: Bengaluru
June 26, 2020

Consolidated cash flow statement for the year ended March 31, 2020

All amounts in Indian ₹ in lakhs, except stated otherwise

	Notes	March 31, 2020	March 31, 2019
Cash flow from operating activities			
Profit/(Loss) before exceptional items and tax		**1,044.77**	**3,134.47**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		5,481.92	1,922.36
Net loss/(gain) on disposal of property, plant and equipment		(43.47)	(59.27)
Foreign exchange loss/(gain), net unrealised		232.37	(74.19)
Gain on sale of investments in mutual fund units		(168.24)	(173.18)
Income from government grants		(570.37)	(300.18)
Share based payment expenses		703.91	285.06
Provision no longer required, written back		(5.17)	(173.10)
Irrecoverable balances written off		-	565.93
Provision for doubtful deposits and advances		-	30.00
Provision for doubtful debts		514.01	327.73
Provision For Export Incentives Receivables		(610.84)	-
Interest income		(973.32)	(1,135.29)
Finance costs		3,682.47	3,290.94
Operating profit/(loss) before working capital changes		9,288.04	7,641.28
Changes in operating assets and liabilities:			
(Increase)/ decrease in loans		(1,136.58)	339.35
(Increase)/ decrease in other financial assets		0.48	15.05
(Increase)/ decrease in other assets		(1,397.36)	121.98
(Increase)/ decrease in inventories		(2,655.33)	(8,466.34)
(Increase)/ decrease in trade receivables		1,666.33	5,018.35
Increase/ (decrease) in provisions for employee benefits		297.50	384.63
Increase/ (decrease) in trade payables		2,847.65	(1,015.68)
Increase/ (decrease) in other financial liabilities		820.60	662.21
Increase/ (decrease) in other liabilities		93.62	20.01
		9,824.95	4,720.84
Direct taxes refunded/ (paid) (net of refund/payments)		35.31	393.15
Net cash flows from/ (used in) operating activities (A)		**9,860.26**	**5,113.99**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(3,775.39)	(2,442.06)
Proceeds from sale of property, plant and equipment		2,994.88	209.71
Investments in bank deposits		(13,684.42)	(13,220.78)
Redemption of bank deposits		13,022.50	14,093.84
Investment in mutual funds		(8,800.00)	(6,700.00)
Proceeds from sale of investment in mutual funds		5,416.79	6,873.18
Interest income received		966.25	1,190.44
Net cash flows from/ (used in) investing activities (B)		**(3,859.39)**	**4.33**
Cash flow from financing activities			
Proceeds from issue of shares/exercise of share options including share application money		3.22	6,829.47
Proceeds of short-term borrowings		198,223.23	173,724.71
Repayment of short-term borrowings		(195,973.11)	(182,795.97)
Payment of lease liabilities		(3,860.41)	-
Finance costs paid		(2,860.35)	(3,450.04)
Net cash flows from/ (used in) financing activities (C)		**(4,467.42)**	**(5,691.83)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		1,533.45	(573.51)
Cash and cash equivalents at the beginning of the year	12	(2,479.49)	(1,905.98)
Cash and cash equivalents at the end of the year		**(946.04)**	**(2,479.49)**

Consolidated cash flow statement for the year ended March 31, 2020

All amounts in Indian ₹ in lakhs, except stated otherwise

	Notes	March 31, 2020	March 31, 2019
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents (refer note 12)		1,229.28	1,118.75
Bank overdraft		(2,175.32)	(3,598.24)
Balances per statement of cash flows		**(946.04)**	**(2,479.49)**

Refer note 2.3 for summary of significant accounting policies.

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financial activities:

Particulars	March 31, 2020	March 31, 2019
Liabilities arising from financing activities		
Short-term borrowings (Refer note 16)		
Opening balance	**34,471.83**	**43,624.55**
Cash flow changes:		
Proceeds / (repayment of borrowings)	2,250.12	(9,071.26)
Non-cash changes		
Foreign exchange fluctuations	197.80	(81.46)
Closing balance	**36,919.75**	**34,471.83**

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
June 26, 2020

Sameer Sudarshan R V
Company Secretary
Membership No.: A48679

Place: Bengaluru
June 26, 2020

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.

These consolidated financial statements were approved by the Board of Directors and authorised for issue on June 26, 2020.

2 Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

2.1 Statement of Compliance

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

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

These consolidated financial statements are presented in Indian Rupees("₹"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2020. 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.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received

- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

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

The Group has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

c. Foreign currencies

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

Exchange differences arising on the retranslation or settlement of other monetary items are included in the Consolidated Statement of Profit and Loss for the year.

d. Revenue recognition

i. Revenue from Contracts with Customers:

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Performance obligations and timing of revenue recognition:

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

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

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

Determining the transaction price:

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

Allocating amounts to performance obligations

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

Costs of fulfilling contracts:

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

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

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

ii. Revenue from export incentives:

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

iii. Interest income:

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

iv. Dividends:

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

v. Others:

Insurance / other claims are recognised on acceptance basis.

e. Non-current assets held for sale

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

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

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

f. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the Consolidated Statement of Profit and Loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the Consolidated Balance Sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

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

g. Taxes on income

Current income tax

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

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

Deferred income tax

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

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

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

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

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

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

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

h. Property, plant and equipment (PPE)

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

Freehold land is carried at historical cost and is not depreciated. Capital work-in-progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

Depreciation is provided using the written down value method ('WDV') as per the useful lives of the assets estimated by the management with residual value at 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 equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalised at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less on a straight line basis.

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

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

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

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

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

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

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

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

i. Borrowing cost

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

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

j. Leases

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

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

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

Group as a lessee

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

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

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

The Group's lease asset classes primarily consist of leases for Buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-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.

Transition to Ind AS 116

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. The Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised,in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

Adoption of Ind AS 116 did not have a significant impact on the consolidated financial statements for the year ended March 31, 2020.

k. Inventories

Inventories are valued as follows:

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

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

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

l. Provisions and contingent liabilities

i. Provisions:

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

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

ii. Contingent liabilities:

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

Provisions and contingent liabilities are reviewed at each balance sheet.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

15 days' salary (last drawn salary) of each completed year of service. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

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

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

The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

n. Share- based payments

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

Equity-settled transactions:

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

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

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

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

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

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

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Effective interest method

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

(a) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

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

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the consolidated statement of profit and loss.

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

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

De-recognition of financial assets

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

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

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

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

(b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated statement of profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

i. Financial guarantee contracts

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

ii. De-recognition

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

Off-setting of financial instruments

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

p. Derivative financial instruments

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

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

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

b. Cash flow hedge accounting

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

q. Impairment of non-financial assets

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

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

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at 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.

2.4 The entities consolidated in the consolidated financial statements are listed below:

Particulars	Gokaldas Exports Limited		All Colour Garments Private Limited		SNS Clothing Private Limited		Vignesh Apparels Private Limited		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Country of incorporation	India		India		India		India			
Relationship as at the year end	Holding Company		Subsidiary		Subsidiary		Subsidiary			
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%		
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%		
Net assets i.e. total assets minus total liabilities [1]										
- As a % of consolidated net assets	100.90%	99.66%	1.64%	1.54%	5.77%	6.63%	0.43%	0.41%	108.74%	108.24%
- ₹ in lakhs (A)	22,866.33	23,955.34	370.76	371.06	1,306.75	1,594.00	97.65	98.02	24,641.49	26,018.42
Consolidation adjustments/ eliminations (B) [2]									(1,980.16)	(1,980.15)
Total (A-B)									22,661.33	24,038.27
Share in total comprehensive income										
- As a % of total comprehensive income	65.17%	100.10%	0.05%	-0.35%	34.71%	0.22%	0.06%	0.03%	99.99%	100.00%
- ₹ in lakhs (C)	(364.90)	3,837.17	(0.30)	(13.50)	(194.31)	8.54	(0.36)	1.16	(559.87)	3,833.37
Consolidation adjustments/ eliminations (D) [2]									(0.02)	(0.01)
Total (C-D)									(559.89)	3,833.36

[1] The figures have been considered from the respective standalone financial statements and the consolidated net asset figure has been arrived after consolidation adjustments/eliminations.

[2] Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidaries have been drawn upto the same reporting date as of the Company i.e. March 31, 2020.

All amounts in Indian ₹ 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	Capital work-in-progress	Total
Gross carrying value [1]												
At April 1, 2018	954.01	2,045.16	339.83	8,338.00	275.85	184.70	309.75	284.66	70.80	12,802.76	7.00	7.00
Additions	37.01	45.24	439.66	2,810.26	110.33	81.01	66.56	88.16	8.67	3,686.90	137.76	137.76
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Classified as held for sale [2]	(256.24)	(480.85)	-	-	-	-	-	-	-	(737.09)	-	-
Disposals	-	-	-	(219.78)	(0.06)	-	-	-	(5.21)	(225.05)	-	-
At March 31, 2019	**734.78**	**1,609.55**	**779.49**	**10,928.48**	**386.12**	**265.71**	**376.31**	**372.82**	**74.26**	**15,527.52**	**144.76**	**144.76**
Additions	-	34.02	664.88	3,486.09	164.98	99.01	45.80	91.04	-	4,585.82	78.98	78.98
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(144.76)	(144.76)
Disposals	-	-	-	(126.60)	-	-	-	(1.39)	-	(127.99)	-	-
At March 31, 2020	**734.78**	**1,643.57**	**1,444.37**	**14,287.97**	**551.10**	**364.72**	**422.11**	**462.47**	**74.26**	**19,985.35**	**78.98**	**78.98**
Depreciation												
At April 1, 2018	**-**	**359.21**	**102.93**	**2,429.52**	**68.21**	**87.05**	**114.28**	**186.16**	**18.10**	**3,365.46**	**-**	**-**
Charge for the year	-	157.63	138.44	1,317.34	42.96	50.94	37.91	66.41	12.99	1,824.62	-	-
Classified as held for sale [2]	-	(141.87)	-	-	-	-	-	-	-	(141.87)	-	-
Disposals	-	-	-	(71.75)	-	-	-	-	(2.86)	(74.61)	-	-
At March 31, 2019	**-**	**374.97**	**241.37**	**3,675.11**	**111.17**	**137.99**	**152.19**	**252.57**	**28.23**	**4,973.60**	**-**	**-**
Charge for the year	-	254.30	279.85	1,540.89	62.85	78.17	40.43	90.25	9.03	2,355.77	-	-
Disposals	-	-	-	(56.03)	-	-	-	(1.17)	-	(57.20)	-	-
At March 31, 2020	**-**	**629.27**	**521.22**	**5,159.97**	**174.02**	**216.16**	**192.62**	**341.65**	**37.26**	**7,272.17**	**-**	**-**
Net book value												
At March 31, 2020	**734.78**	**1,014.30**	**923.15**	**9,128.00**	**377.08**	**148.56**	**229.49**	**120.82**	**37.00**	**12,713.18**	**78.98**	**78.98**
At March 31, 2019	**734.78**	**1,234.58**	**538.12**	**7,253.37**	**274.95**	**127.72**	**224.12**	**120.25**	**46.03**	**10,553.92**	**144.76**	**144.76**

[1] The Group has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

[2] Pursuant to the approval of Board of Directors, during the year ended March 31, 2019, the Group initiated identification and evaluation of potential buyers for one of its land and building. Accordingly these assets have been classified as 'held for sale'. During the year end March 31, 2020, the Group has entered into an agreement to sell the aforementioned land and building for values higher than the carrying value.

Refer note 16(10) for information on property, plant and equipment pledged as security by the Company.

Capital work-in-progress mainly comprises of leasehold improvements under construction.

All amounts in Indian ₹ in lakhs, except stated otherwise

3 (b) Right-of-use assets

	Buildings	Total
Right-of-use assets		
At April 1, 2019	6,498.80	6,498.80
Additions	790.90	790.90
At March 31, 2020	**7,289.70**	**7,289.70**
Amortisation		
At April 1, 2019	-	-
Additions	2,981.64	2,981.64
At March 31, 2020	**2,981.64**	**2,981.64**
Net Book value		
At March 31, 2020	**4,308.06**	**4,308.06**

Refer Note 33(I) for details on Right-of-use assets.

4 Other intangible assets

	Computer Software	Total
Gross carrying value [1]		
At April 1, 2018	226.88	226.88
Additions	156.72	156.72
At March 31, 2019	**383.60**	**383.60**
Additions	179.88	179.88
At March 31, 2020	**563.48**	**563.48**
Amortisation and impairment		
At April 1, 2018	101.17	101.17
Amortisation for the year	97.74	97.74
At March 31, 2019	**198.91**	**198.91**
Amortisation for the year	144.51	144.51
At March 31, 2020	**343.42**	**343.42**
Net book value		
At March 31, 2020	**220.06**	**220.06**
At March 31, 2019	**184.69**	**184.69**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of intangible assets as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

5 (a) Non Current Investments

	March 31, 2020	March 31, 2019
Investments carried at amortised cost		
(i) Investment in unquoted Government securities		
Investment in National Savings Certificates and Indira Vikas Patra	0.29	0.29
Total investment in unquoted government securities	**0.29**	**0.29**
Investments carried at cost		
(ii) Unquoted equity shares in a body corporate		
Yepme UK Limited (refer note 44)	626.56	626.56
[22,577 (March 31, 2019: 22,577) 0.1% preference shares of GBP 1 each fully paid up]		
Less: Investments classified as held for sale	-	(626.56)
Less: Provision for diminution in value of investment (Refer note 1 below)	(626.56)	-
Total investment in unquoted equity shares in a body corporates	**-**	**-**
Total (i+ii)	**0.29**	**0.29**

All amounts in Indian ₹ in lakhs, except stated otherwise

5 (a) Non Current Investments (contd.)

Note 1:

	Mar 31, 2020	March 31, 2019
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment (refer note 44)	(626.56)	(626.56)
	-	-

	Mar 31, 2020	March 31, 2019
Aggregate amount of unquoted investments	0.29	0.29
Aggregate amount of impairment in value of investments	626.56	626.56
Investments classified as held for sale (net) - Refer note 1 above	-	-

5 (b) Current Investments

	Mar 31, 2020	March 31, 2019
(i) Investment in liquid mutual fund units		
Quoted		
621,513 (March 31, 2019: Nil) units ICICI Pru Liquid Direct-G	1,825.89	-
44,170 (March 31, 2019: Nil) units HDFC Liquid Direct-G	1,725.56	-
Total Investment in mutual fund units	**3,551.45**	**-**
Aggregate amount of quoted investments	3,551.45	-

6 Financial assets - Loans

	March 31, 2020	March 31, 2019
Non-current		
Unsecured, considered good		
Security and other deposits	3,472.76	2,306.59
Total Financial assets - Loans	**3,472.76**	**2,306.59**

7 Financial assets - Other financial assets

		March 31, 2020	March 31, 2019
Carried at amortised cost			
Unsecured, considered good			
(a) Non-current			
Bank balance		13,899.84	13,237.92
Loans to employees		7.74	8.65
Total other financial assets - non current	(A)	**13,907.58**	**13,246.57**
(b) Current			
Derivative instruments at fair value through OCI			
Cash flow hedges - foreign exchange forward contracts (refer note 34)		-	1,457.86
Other financial assets at amortised cost			
Interest accrued on bank deposits		636.67	629.60
Loans to employees		34.98	34.55
Total other financial assets - current	(B)	**671.65**	**2,122.01**
Total other financial assets	(A+B)	**14,579.23**	**15,368.58**

8 (a) Deferred tax assets

	Mar 31, 2020	March 31, 2019
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	74.19	-
Total Deferred tax assets	**74.19**	**-**

8 (b) Non current tax assets (net)

	Mar 31, 2020	March 31, 2019
Advance tax (including tax paid under protest)	1,206.28	1,315.78
Total non-current tax assets (net)	**1,206.28**	**1,315.78**

9 Other current / non-current assets

		March 31, 2020	March 31, 2019
Non current			
Unsecured, considered good			
Capital advances		192.25	123.96
Prepaid expenses		11.76	304.60
	(A)	**204.01**	**428.56**
Unsecured, considered doubtful			
Advance to suppliers		272.63	272.63
Export incentives receivable		30.00	30.00
Less: Provision for doubtful advances and receivables		(302.63)	(302.63)
	(B)	**-**	**-**
Total non-current assets	**(A+B)**	**204.01**	**428.56**
Current			
Unsecured, considered good			
Prepaid expenses		519.27	735.44
Balances with statutory / government authorities		1,145.26	1,958.87
Advance to suppliers		2,018.67	1,604.13
Export Incentives receivable		3,873.80	2,178.61
Total current assets	**(C)**	**7,557.00**	**6,477.05**
Total current / non-current assets	**(A+B+C)**	**7,761.01**	**6,905.61**

10 Inventories

	March 31, 2020	March 31, 2019
Raw materials (including packing materials) and components	8,321.11	6,214.70
(includes goods in transit ₹199.16 lakhs (March 31, 2019 : ₹199.16 lakhs)) (refer note 22)		
Work-in-progress (refer note 23)	15,473.90	13,246.64
Finished goods (readymade garments)	4,551.80	6,364.35
(includes goods in transit ₹770.66 lakhs (March 31, 2019: ₹1,937.87 lakhs) (refer note 23)		
Consumables, stores and spares parts	577.24	443.03
Total inventories*	**28,924.05**	**26,268.72**

* net of writedowns of inventories amounting to ₹3,412.24 Lakhs as at March 31, 2020 (as at March 31, 2019: ₹5,458.25 lakhs)

11 Financial assets - Trade receivables

		March 31, 2020	March 31, 2019
Trade receivables:			
From related parties		-	-
From others		14,353.04	16,170.02
Total		**14,353.04**	**16,170.02**
(A) Breakup of trade receivables			
Secured, considered good			
Unsecured, considered good		14,353.04	16,170.02
Trade Receivables which have significant increase in credit Risk		1,374.01	1,510.47
Trade Receivables - credit impaired		-	-
		15,727.05	**17,680.49**
(B) Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good			
Trade Receivables which have significant increase in credit Risk		(1,374.01)	(1,510.47)
Trade Receivables - credit impaired		-	-
		(1,374.01)	**(1,510.47)**
Total Financial assets - Trade receivables	(A+B)	**14,353.04**	**16,170.02**

Notes:

i. The Group follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

ii. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any Director is a partner, a Director or a member.

iii. Trade receivables are non-interest bearing.

12 Financial assets - Cash and cash equivalents

	March 31, 2020	March 31, 2019
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [1,2,6]	1,218.51	1,104.24
Cash on hand [6]	10.77	14.51
Total Financial assets - Cash and cash equivalents (Current)	**1,229.28**	**1,118.75**
Non-current		
Financial assets - Bank balances other than cash and cash equivalents		
Bank deposits with remaining maturity for more than 12 months [3,4,5]	226.00	226.00
Bank deposits with original maturity of more than 3 months but less than/equal to 12 months [3,4,5]	13,673.84	13,011.92
	13,899.84	13,237.92
Amount disclosed under other financial assets (refer note 7)	(13,899.84)	(13,237.92)
Total Financial assets - Cash and cash equivalents (Non current)	**-**	**-**

Note:

1 Balances with bank on current accounts does not earn interest.

2 includes balances in Exchange Earner's Foreign Currency Accounts.

3 A charge has been created over the deposits of ₹3,089.21 lakhs (March 31, 2019: ₹3,083.34 lakhs) for loans against deposits availed by the Company (refer note 16)

4 A charge has been created over the deposits of ₹10,190.86 lakhs (March 31, 2019: ₹9,564.22 lakhs) as collateral towards borrowing facility availed by the Company (refer note 16)

12 Financial assets - Cash and cash equivalents (contd.)

[5] A charge has been created over the deposits of ₹619.77 lakhs (March 31, 2019: ₹590.36 lakhs) as collateral towards bank guarantee facility availed by the Company (refer note 33)

[6] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

	March 31, 2020	March 31, 2019
Balances with banks		
On current accounts	1,218.51	1,104.24
Cash on hand	10.77	14.51
	1,229.28	1,118.75
Less : Bank overdraft * (refer note 16)	(2,175.32)	(3,598.24)
Net debt	**(946.04)**	**(2,479.49)**

Net debt reconciliation:

	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 01, 2018	**1,714.43**	**(3,620.41)**	**(1,905.98)**
Cash flows	(595.68)	368.27	(227.41)
Interest charge	-	(346.10)	(346.10)
Net debt as at March 31, 2019	**1,118.75**	**(3,598.24)**	**(2,479.49)**
Cash flows	110.53	1,769.02	1,879.55
Interest charge	-	(346.10)	(346.10)
Net debt as at March 31, 2020	**1,229.28**	**(2,175.32)**	**(946.04)**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

13 Equity share Capital

	Number of shares	Amount
Authorised share capital		
At April 1, 2018	55,000,000	2,750.00
Increase during the year	-	-
At March 31, 2019	**55,000,000**	**2,750.00**
Increase during the year	-	-
At March 31, 2020	**55,000,000**	**2,750.00**

(a) Issued equity capital

	Number of shares	Amount
Equity shares of ₹5 each issued, subscribed and fully paid		
At April 1, 2018	34,952,829	1,747.64
Add: Equity shares issued during the year (refer note 45)	7,708,000	385.40
Add: ESOP's issued during the year (refer note 13(d))	154,834	7.74
At March 31, 2019	42,815,663	2,140.78
Add: ESOP's issued during the year (refer note 13(d))	10,000	0.50
At March 31, 2020	**42,825,663**	**2,141.28**

All amounts in Indian ₹ in lakhs, except stated otherwise

13 Equity share Capital (contd.)

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 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.

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

(c) Details of shareholders holding more than 5% shares in the Company

	March 31, 2020	March 31, 2019
Clear Wealth Consultancy Services LLP:		
Number of shares	13,955,957	13,955,957
% holding in the class	32.59%	32.60%
Teesta Retail Private Limited:		
Number of shares	2,280,513	2,280,513
% holding in the class	5.33%	5.33%

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

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 38

14 Other equity

		March 31, 2020	March 31, 2019
	Reserves and Surplus		
(A)	**Securities premium**		
	Balance at the beginning of the year	20,404.46	13,899.90
	Add: received during the year upon issue of equity shares	-	6,355.84
	Add: received during the year upon ESOP's exercised	2.72	80.49
	Add: transfer from share-based payments reserve	51.97	68.23
	Balance at the end of the year	**20,459.15**	**20,404.46**
	This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.		
(B)	**General reserve**		
	Balance at the end of the year	2,192.09	2,192.09
	The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another.		
(C)	**Capital Reserve on Amalgamation**		
	Balance at the end of the year	9,769.12	9,769.12
	Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor company.		
(D)	**Share-based payments reserve**		
	Balance at the beginning of the year	479.87	263.05
	Add: addition during the year	703.91	285.05
	Less: transfer to securities premium reserve	(51.97)	(68.23)
	Balance at the end of the year	**1,131.81**	**479.87**

All amounts in Indian ₹ in lakhs, except stated otherwise

14 Other equity (contd.)

		March 31, 2020	March 31, 2019
	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 and transferred to general reserve on account of stock options not exercised by employees.		
(E)	**Retained earnings**		
	Balance at the beginning of the year	(12,324.23)	(14,706.88)
	Change in accounting policy on adoption of Ind AS 116 (Refer note 33 (I))	(1,524.18)	-
	Restated balance	**(13,848.41)**	**(14,706.88)**
	Profit / (Loss) for the year	3,038.71	2,557.96
	Add: Remeasurement of post employment benefits obligations (net of deferred tax)	(196.65)	(175.31)
	Balance at the end of the year	**(11,006.35)**	**(12,324.23)**
	Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.		
(F)	**Cash flow hedging reserve**		
	Balance at the beginning of the year	1,376.18	(74.53)
	Add: gain/(loss) for the year	(3,401.95)	1,450.71
	Balance at the end of the year	**(2,025.77)**	**1,376.18**
	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 upon the occurence of the related forecasted transaction. Also refer note 34.		
	Total other equity (A+B+C+D+E+F+G)	**20,520.05**	**21,897.49**

15 Provision for employee benefits

		March 31, 2020	March 31, 2019
(a) Non-current			
Gratuity (refer note 35)		455.30	412.32
Total Provision for employee benefits - non-current	(A)	**455.30**	**412.32**
(b) Current			
Gratuity (refer note 35)		2,137.00	1,705.70
Leave benefits		906.95	887.08
Total Provision for employee benefits - current	(B)	**3,043.95**	**2,592.78**

16 Financial liabilities - Borrowings

	March 31, 2020	March 31, 2019
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan [1,2,3]	28,572.90	28,623.76
Indian rupee loan from bank [4]	322.78	497.63
Bill discounting from banks [5,6,7]	5,524.07	5,350.44
Bank overdraft [8]	2,175.32	3,598.24
Total Financial liabilities - Borrowings	**36,595.07**	**38,070.07**
Loans repayable on demand from banks (Unsecured)		
Indian rupee loan from bank [9]	2,500.00	-
Total current borrowings (Unsecured)	**2,500.00**	**-**
Total Financial liabilities - Borrowings	**39,095.07**	**38,070.07**

16 Financial liabilities - Borrowings (contd.)

	March 31, 2020	March 31, 2019
The above amount includes		
Secured borrowings	36,595.07	38,070.07
Unsecured borrowings	2,500.00	-

Notes:

[1] Indian rupee packing credit loan from a bank of ₹7,000 lakhs (March 31, 2019: ₹8,000 lakhs) carries interest @ one year MCLR + 0.60% (March 31, 2019: one year MCLR + 0.60%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹6,886.59 lakhs is outstanding as at March 31, 2020 (March 31, 2019: ₹7,624.67 lakhs). Also refer note 16 [10] and [11] below.

[2] Indian rupee packing credit loan from a bank of ₹21,000 lakhs (March 31, 2019: ₹21,000 lakhs) carries interest @ Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2019: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹20,201.55 lakhs is outstanding as at March 31, 2020 (March 31, 2019:₹20,999.09 lakhs). Also refer note 16 [10] and [11] below.

[3] Indian rupee packing credit loan from a bank of ₹2,000 lakhs (March 31, 2019: ₹ Nil) carries interest @Marginal cost of funds based lending rate ('MCLR') (March 31, 2019: Nil) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹1,484.76 lakhs is outstanding as at March 31, 2020 (March 31, 2019:₹ Nil). Also refer note 16 [10] and [11] below.

[4] Indian rupee loan from a bank of ₹2,700 lakhs (March 31, 2019: ₹2,700 lakhs) carries interest @pledged fixed deposit interest rate plus applicable spread of 1% p.a. (March 31, 2019:pledged fixed deposit interest rate plus applicable spread of 1 % p.a) and interest is payable monthly. The loan is secured by pledge of fixed deposits. Out of the above, ₹322.78 lakhs is outstanding as at March 31, 2020 (March 31, 2019:₹497.63 lakhs). Also refer note 16 [10] and [11] below.

[5] Bill discounting from a bank of ₹3,000 lakhs (March 31, 2019: ₹2,000 lakhs) carries interest @LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.60% for Indian Rupee bills discounting (March 31, 2019: LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.60% for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹1,086.75 lakhs is outstanding as at March 31, 2020 (March 31, 2019: ₹855.76 lakhs). Also refer note 16 [10] and [11] below.

[6] Bill discounting from a bank of ₹10,850 lakhs carries interest @6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2019:@6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹4,009.35 lakhs is outstanding as at March 31, 2020 (March 31, 2019: ₹4,494.68 lakhs). Also refer note 16 [10] and [11] below.

[7] Bill discounting from a bank of ₹500 lakhs carries interest @Marginal cost of funds based lending rate ('MCLR') for Indian Rupee bills discounting (March 31, 2019: Nil) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹427.97 lakhs is outstanding as at March 31, 2020 (March 31, 2019: ₹ Nil). Also refer note 16 [10] and [11] below.

16 Financial liabilities - Borrowings (contd.)

[8] Bank overdraft from banks carries interest @one year MCLR plus applicable spreads of 4.50% p.a. (March 31, 2019:@one year MCLR plus applicable spreads of 4.50%) and interest is payable on monthly basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹2,175.32 lakhs is outstanding as at March 31, 2020 (March 31, 2019:₹3,598.24 lakhs). Also refer note 16 [10] and [11] below.

[9] Indian rupee loan from a bank of ₹2,500 lakhs (March 31, 2019:₹Nil) carries interest @ MCLR plus applicable spread of 0.20% (March 31, 2019: Nil) and interest is payable monthly. The loan is unsecured. Out of the above, ₹2,500 lakhs is outstanding as at March 31, 2020 (March 31, 2019:₹ Nil)

[10] The Group has further provided the following as the collateral to the consortium lenders towards the borrowings availed by the Group and as mentioned in the aforesaid note 16.

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Group,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

c) Pari passu charge on certain fixed deposits made by the Company

[11] The Group has availed the interest subvention @3% during the years ended March 31, 2020 and March 31, 2019 under Interest Equalisation Scheme for pre and post shipment rupee export credit of Reserve Bank of India.

[12] The Reserve Bank of India has announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. Accordingly, as per the said guidelines, the company has availed three months moratorium of the working capital interest on the balance outstanding as on March 01, 2020. However, the Company has accrued the interest on the outstanding balances.

17 Financial liabilities - Trade payables

	March 31, 2020	March 31, 2019
Current		
Total outstanding dues of micro, small and medium enterprises (Refer note 37)	24.39	18.62
Total outstanding dues of creditors other than micro, small and medium enterprises	11,404.59	8,553.82
Total Financial liabilities - Trade payables	**11,428.98**	**8,572.44**

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 39.

18 Financial liabilities - Other current financial liabilities

	March 31, 2020	March 31, 2019
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts (refer note 34)	2,308.54	-
Other financial liabilities at amortised cost		
Interest accrued and not due on loans	162.45	33.99
Employee related payables (refer note 36)	5,708.82	4,888.22
Liability for capital assets	1,532.02	1,108.95
Total financial liabilities - other current financial liabilities	**9,711.83**	**6,031.16**

All amounts in Indian ₹ in lakhs, except stated otherwise

19 Other current liabilities

	March 31, 2020	March 31, 2019
Advance from customers	188.96	169.54
Statutory liabilities payables	819.97	726.35
Total Other current liabilities	**1,008.93**	**895.89**

20 Revenue from operations

	March 31, 2020	March 31, 2019
(a) Sale of finished goods		
Exports	103,212.67	90,787.79
Domestic	24,973.08	17,596.06
	128,185.75	**108,383.85**
(b) Other operating revenues		
Sale of accessories, fabrics, etc	1,631.56	969.35
Job work income	336.43	1,280.99
Export incentives	6,115.91	6,566.56
Scrap sales and others	254.83	251.16
	8,338.73	**9,068.06**
Total Revenue from operations	**136,524.48**	**117,451.91**

21 Other income

	March 31, 2020	March 31, 2019
Interest income on:		
Bank deposits	935.47	908.43
Security deposits	235.86	134.15
Income tax refunds	36.66	226.20
Others	1.19	0.66
Other non-operating income :		
Gain on account of foreign exchange fluctuations (net)	1,292.81	-
Freight recovered from customers	-	-
Net gain on disposal of property, plant and equipment	43.47	59.27
Gain on sale of investments in mutual fund units	131.67	173.18
Fair value gain on Investment in mutual funds	36.57	-
Government grants *	570.37	300.18
Provisions no longer required, written back	5.17	173.10
Miscellaneous income	201.71	192.54
Total Other income	**3,490.95**	**2,167.71**

* Government grants 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, 2020 and March 31, 2019.

22 Cost of raw materials and components consumed

	March 31, 2020	March 31, 2019
Inventory at the beginning of the year	6,214.70	4,592.99
Add: Purchases	71,716.16	60,675.20
	77,930.86	65,268.19
Less: inventory at the end of the year	(8,321.11)	(6,214.70)
Total cost of raw materials and components consumed	**69,609.75**	**59,053.49**

All amounts in Indian ₹ in lakhs, except stated otherwise

23 Changes in inventories of finished goods and work-in-progress

	March 31, 2020	March 31, 2019
Inventories at the beginning of the year		
Work-in-progress	13,246.64	8,468.90
Finished goods (Readymade garments)	6,364.35	4,414.48
	19,610.99	12,883.38
Inventories at the end of the year		
Work-in-progress	15,473.90	13,246.64
Finished goods (Readymade garments)	4,551.80	6,364.35
	20,025.70	19,610.99
Total changes in inventories of finished goods and work-in-progress	**(414.71)**	**(6,727.61)**

24 Employee benefits expense

	March 31, 2020	March 31, 2019
Salaries and wages (Refer note 36)	39,730.11	33,867.80
Contribution to provident and other funds	4,273.85	3,602.24
Share based payment expenses (Refer note 36 and 38)	703.91	285.06
Gratuity expense (net) (Refer note 35)	734.91	654.92
Staff welfare expense	1,299.66	1,085.50
Total employee benefit expenses	**46,742.44**	**39,495.52**

25 Finance costs

	March 31, 2020	March 31, 2019
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	2,081.66	2,232.20
on bill discounting and others	446.25	497.16
on lease liabilities	693.66	-
Bank charges and other borrowing costs	460.90	561.58
Total finance costs	**3,682.47**	**3,290.94**

26 Depreciation and amortization expense

	March 31, 2020	March 31, 2019
Depreciation of property, plant and equipment (Refer note 3)	2,355.77	1,824.62
Amortisation of other intangible assets (Refer note 4)	144.51	97.74
Amortisation on right-of-use assets (Refer note 3(b) and 33(I))	2,981.64	-
Total depreciation and amortisation expense	**5,481.92**	**1,922.36**

27 Other expenses

	March 31, 2020	March 31, 2019
Consumption of consumables, stores and spares	966.71	973.40
Power and fuel	2,358.76	2,413.32
Other manufacturing expenses	261.86	189.63
Rent (Refer note 33(I))	435.95	4,130.84
Rates and taxes	263.51	173.15
Insurance	427.93	409.66
Repairs and maintenance		
Plant and machinery	608.14	516.35
Buildings	136.96	103.06
Others	529.08	643.72
Legal and professional fees	979.37	910.55
Printing and stationery	403.18	392.68
Communication costs	149.04	190.61
Travelling and conveyance	632.32	469.56

27 Other expenses (contd.)

	March 31, 2020	March 31, 2019
Payment to auditors*	31.35	36.67
Sitting fees	52.00	81.60
Freight and forwarding expenses	1,900.37	2,259.60
Provision for doubtful deposits and advances	-	30.00
Irrecoverable balances written off	-	565.93
Provision for doubtful debts**	514.01	327.73
Exchange differences loss (net)	-	1,565.53
Miscellaneous expenses ***	2,154.38	1,516.99
Total other expenses	**12,804.92**	**17,900.58**

** Net of ₹591.50 adjusted against opening provision

*** Includes contributions amounting ₹200 Lakhs (March 31, 2019: ₹ Nil) made under section 182 of the Companies Act, 2013

*** Payment to auditors (exclusive of GST)**

	March 31, 2020	March 31, 2019
Audit fees (including fees for consolidated financial statements and quaterly limited reviews)	30.00	35.00
Out of pocket expenses	1.35	1.67
Total payment to auditors (exclusive of GST)	**31.35**	**36.67**

28 Exceptional items

	March 31, 2020	March 31, 2019
Provision for diminution in value of investment (Refer note 44)	-	626.56
Provision For Export Incentives Receivables (refer note 50)	(610.84)	-
Net gain on disposal of land and building (refer note 51)	2,604.78	-
Total exceptional items	**1,993.94**	**626.56**

29 Income tax

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. As per the Income Tax Act, these entities are liable to pay income tax which is the 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 15 years and can be offset against future tax liabilities.

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

	March 31, 2020	March 31, 2019
(a) Adjustment of tax relating to earlier periods	-	(50.05)
(b) Current tax	74.19	-
(c) Deferred tax	(74.19)	-
Total taxes	**-**	**(50.05)**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

	March 31, 2020	March 31, 2019
Profit/(Loss) after exceptional items and before tax	3,038.71	2,507.91
Applicable tax rates in India	34.944%	34.944%
Computed tax charge	1,061.85	876.36
Tax effect on permanent non deductible expenses		

29 Income tax (contd.)

	March 31, 2020	March 31, 2019
(i) Tax effect of expenses which are disallowed in calculating taxable income:		
Taxable losses	-	-
Employee related expenses	173.33	94.98
Depreciation expense	253.98	160.04
Provision for diminution in value of investment	-	218.95
Others	(1,212.03)	34.70
(ii) Amount of current tax not payable on account of brought forward losses:	(202.94)	(1,385.03)
Total current tax expenses	**74.19**	**-**

The Group has tax losses which arose in India of ₹16,518.39 lakhs (March 31, 2019:₹17,099.16 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2022.

The Company has unabsorbed depreciation of ₹6,578.55 lakhs (March 31, 2019: ₹6,578.55 lakhs) that are available for offsetting for indefinite period.

Deferred tax assets have not been recognised in respect of these losses as the Group has been loss-making for some time.

30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the 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, 2020	March 31, 2019
Face value of equity shares (₹ per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Group	3,038.71	2,557.96
Weighted average number of equity shares used for computing earning per share (basic)	42,820,197	42,071,938
Weighted average number of equity shares used for computing earning per share (diluted)	45,533,704	43,236,986
EPS - basic (₹)	7.10	6.08
EPS - diluted (₹)	6.67	5.92

31 Significant accounting estimates and assumptions

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

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

a. Impairment of non-current asset including investments

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions, etc.

b. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the 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. Refer note 39 for further disclosures.

c. 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. Refer note 33 for further disclosure.

d. Defined benefit plans (gratuity benefits)

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

31 Significant accounting estimates and assumptions (contd.)

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 35.

e. 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. Also refer note 10.

f. 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.

g. 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.

h. 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.

32 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.

32 Segment information- Disclosure pursuant to Ind AS 108 'Operating Segment' (contd.)

(c) Geographic information

The Group mainly operates in two geographical areas of the world, i.e., India and Rest of World, the details of which are as below:

	Segment revenue**		Non current assets***	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
India	32,545.98	26,212.11	17,524.29	11,311.93
Rest of world	103,978.50	91,239.80	-	-
Total	**136,524.48**	**117,451.91**	**17,524.29**	**11,311.93**

The revenue information above is based on the locations of the customers.

Revenue from three (March 31, 2019: Three) customer amounted to ₹73,630.93 lakhs (March 31, 2019: ₹70,123.31 lakhs), arising from sales of readymade garments.

**Revenues 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.

33 Commitments and contingencies

I. Leases

The Group has adopted Ind AS 116 retrospectively from 1 April 2019, but has not restated comparatives for the year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in 2.3 (j).

On adoption of Ind AS 116, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 11%.

In the financial statements, the nature of expense for leasing arrangements has changed from lease rent in prior years to amortization on the Right of use assets and finance cost on the corresponding lease liabilties.

Practical expedients applied

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

a) applying a single discount rate to a portfolio of leases with reasonably similar characteristics

b) relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review there were no onerous contracts as at 1 April 2019

c) accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short term leases

d) excluding the initial direct costs for the measurement of the right of use asset at the date of initial application, and

e) using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, determining whether an arrangement contains a lease.

33 Commitments and contingencies (contd.)

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

	Amount (₹)
Balance as at 1 April 2019	7,412.73
Additions	820.49
Finance cost accrued during the period	693.66
Payment of lease liabilities	(3,860.41)
Balance as at 31 March 2020	**5,066.47**

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows

	March 31, 2020
Current lease liabilities	2,120.45
Non-current lease liabilities	2,946.02
Total	**5,066.47**

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

	March 31, 2020
Less than one year	2,502.73
One to five years	3,547.12
More than five years	648.61
Total	**6,698.46**

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 is ₹435.95 Lakhs for the year ended March 31, 2020.

II. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

	March 31, 2020	March 31, 2019
(a) Performance Bank Guarantees		
Sanctioned	500.00	1,300.00
Outstanding	138.92	1,182.24
(b) Outstanding letters of credit		
Sanctioned	4,822.00	4,022.00
Outstanding	2,398.00	2,293.10
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	838.37	278.43
(ii) Matters relating to other taxes under dispute	132.15	132.15

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

All amounts in Indian ₹ in lakhs, except stated otherwise

33 Commitments and contingencies (contd.)

(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, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	185.33	272.79
Commitments relating to forward contract- hedge of highly probable forecast sales	55,944.37	42,357.55

Refer note 33 (I) for lease commitments.

34 Hedging activities

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

	Currency	Amount	Average Strike rate
March 31, 2020	USD	761.73	73.44
March 31, 2020	INR	55,944.37	
March 31, 2019	USD	584.5	72.47
March 31, 2019	INR	42,357.55	

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

Financial year	March 31, 2020	March 31, 2019
Nominal amount of hedging instrument	55,944.37	42,357.55
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	-	1,457.86
Liabilities	2,308.54	-
Line item in balance sheet where hedging instrument is disclosed	Refer Note 18	Refer Note 7
Changes in fair value for calculating hedge ineffectiveness	-	-

All amounts in Indian ₹ in lakhs, except stated otherwise

34 Hedging activities (contd.)

Details relating to hedged item with respect to foreign currency risk arising from sales:

Financial year	March 31, 2020	March 31, 2019
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	(2,025.77)	1,376.18
For hedges no longer applied	-	-
Total balance	**(2,025.77)**	**1,376.18**

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, 2020 and March 31, 2019 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, 2020 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ended March 31, 2021.

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, 2020	March 31, 2019
Opening balance	1,376.18	(74.53)
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	(2,692.39)	47.43
Less: amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	(709.56)	1,403.28
Less: amount reclassified to consolidated statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	(3,401.95)	1,450.71
Less: amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**(2,025.77)**	**1,376.18**

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.

35 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.

35 Gratuity and other post-employment benefit plans (contd.)

(a) Net benefit expenses (recognised in the consolidated statement of profit and loss)

Particulars	March 31, 2020	March 31, 2019
Current service cost	618.38	559.35
Net interest cost on defined benefit obligations / (assets)	116.53	95.56
Net benefit expenses	734.91	654.92

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2020	March 31, 2019
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	(13.44)	265.09
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	103.53	(185.23)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	105.79	19.01
Actuarial (gain)/loss arising during the year	195.89	98.87
Return on plan assets (greater)/less than discount rate	0.76	76.44
Actuarial (gain)/ loss recognised in other comprehensive income	196.65	175.31

(c) Net defined benefit asset / (liability)

Particulars	March 31, 2020	March 31, 2019
Defined benefit obligation	2,616.30	2,161.40
Fair value of plan assets	(24.00)	(43.38)
Plan liability/ (asset)	**2,592.30**	**2,118.02**

(d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2020	March 31, 2019
Opening defined benefit obligation	2,161.40	2,023.96
Current service cost	618.38	559.35
Interest cost on the defined benefit obligation	118.57	123.38
Benefits paid	(477.93)	(644.17)
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	(13.44)	265.09
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	103.53	(185.23)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	105.79	19.01
Closing defined benefit obligation	**2,616.30**	**2,161.40**

(e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
Opening fair value of plan assets	43.38	675.34
Interest income on plan assets	2.04	27.82
Contributions by employer	457.29	60.83
Benefits paid	(477.93)	(644.17)
Return on plan assets (lesser)/greater than discount rate	(0.78)	(76.44)
Closing fair value of plan assets	**24.00**	**43.38**

The Group expects to contribute ₹2,137.00 lakhs (March 31, 2018: ₹1,705.70 lakhs) towards gratuity fund.

All amounts in Indian ₹ in lakhs, except stated otherwise

35 Gratuity and other post-employment benefit plans (contd.)

(f) The following benefit payments (undiscounted) are expected in future years:

Particulars	March 31, 2020
March 31, 2021	524.80
March 31, 2022	395.29
March 31, 2023	297.62
March 31, 2024	230.87
March 31, 2025	193.45
March 31, 2026 to March 31, 2030	1,895.56

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
Discount rate (in %)	6.17%	7.25%
Salary escalation (in %)	5% to 8%	5% to 8%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.
5. Refer note 15 for current and non current classification.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2020	March 31, 2019
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(106.91)	(101.16)
Impact of defined benefit obligation due to 1% decrease in discount rate	116.34	111.52
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	100.08	102.00
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(93.68)	(93.72)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(21.46)	(10.63)
Impact of defined benefit obligation due to 1% decrease in attrition rate	21.90	10.41

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.

36 Related party transactions

a. Names of related parties and description of relationships:

Description of relationship	Name of related parties
Key management personnel and their relatives	Mr. Richard B Saldanha, (Chairman and Independent Director) Mr. Sivaramakrishnan Vilayur Ganapathi, Managing Director Mr. Mathew Cyriac (Non Executive Director) Mr. Arun K Thiagarajan (Independent Director) (resigned w.e.f July 29, 2019) Ms. Smita Aggarwal (Independent Director) (resigned w.e.f June 9, 2018) Mr. Jitendrakumar H.Mehta (Independent Director) (resigned w.e.f July 18, 2019) Ms. Anuradha Sharma (Independent Director) Mr. Palaniappan Chidambaram (Additional Director) (appointed w.e.f October 30, 2017) (resigned w.e.f November 12, 2018) Mr. Gautham Madhavan (Non Executive Director) (appointed w.e.f November 12, 2018) Mr. Prabhat Kumar Singh (Director) (appointed as additional director w.e.f November 12, 2018) (Regularised from additional director to director w.e.f January 03, 2019) Mr. Sathyamurthy A, (Chief Financial Officer) Ms. Ramya Kannan (Company Secretary) (resigned w.e.f January 14, 2019) Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019)

b. Summary of transactions during the year with the above related parties are as follows:

Particulars	March 31, 2020	March 31, 2019
i) Managerial remuneration to		
a) Key managerial personnel		
Sivaramakrishnan Vilayur Ganapathi [1]	388.76	221.60
Sathyamurthy A [2]	141.24	127.93
Prabhat Kumar Singh	65.00	38.27
Ramya Kannan	-	10.71
Sameer Sudarshan R V	13.34	-
	608.34	**398.51**
[1] Current year remuneration includes variable pay of ₹150 Lakhs pertaining to FY 2018-19 paid during the current year.		
[2] Remuneration includes variable pay of ₹30 Lakhs (March 31, 2019: ₹15 Lakhs) pertaining to the previous year paid during the current year.		
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Richard B. Saldanha	12.00	15.20
Mathew Cyriac	13.60	15.20
Anuradha Sharma	11.20	12.80
Gautham Madhavan	8.00	1.60
Arun K Thiagarajan	4.80	13.60
Jitendrakumar H Mehta	2.40	10.40
Palaniappan Chidambaram	-	8.00
Smita Aggarwal	-	4.80
	52.00	**81.60**
c) Summary of compensation of key managerial personnel of the Company [1]		
Managerial remuneration	608.34	398.51
Sitting fees	52.00	81.60
Share based payment expenses	399.44	185.14
	1,059.78	**665.25**

All amounts in Indian ₹ in lakhs, except stated otherwise

36 Related party transactions (contd.)

c. Summary of outstanding balances with the above related parties are as follows:

Particulars	March 31, 2020	March 31, 2019
i) Remuneration payable to Key managerial personnel		
Mr. Sivaramakrishnan Vilayur Ganapathi	150.00	150.00
Mr. Sathyamurthy A	40.00	30.00
	190.00	**180.00**

[1] As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Group as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

37 Disclosures of dues/payments to Micro, Small and Medium Enterprises to the extent such enterprises are identified by the Group

Particulars	March 31, 2020	March 31, 2019
i. The principal amount due thereon remaining unpaid as at the year end	24.39	18.62
Interest amount due and remaining unpaid as at the year end	-	-
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	-	-

38 Share- based payments

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Group approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries and directors and provided for the issue of 1,718,800 shares of ₹5 each.

Further, the shareholders of the Group by way of special resolution dated August 26, 2018 approved Employee Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Group and provided for the issue of 2,133,040 shares of ₹5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Group recognises share based compensation cost as expense over the requisite service period.

All amounts in Indian ₹ in lakhs, except stated otherwise

38 Share- based payments (contd.)

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, 2020	March 31, 2019
Expense arising from equity-settled share based payment transactions	703.91	285.06
	703.91	**285.06**

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, 2020		March 31, 2019	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	585,001	76.53	819,835	72.45
Granted during the year	-	-	-	-
Exercised during the year	(10,000)	32.25	(154,834)	56.98
Lapsed during the year	(33,334)	61.02	(80,000)	72.55
Closing balance	**541,667**	**76.53**	**585,001**	**72.45**
Exercisable as at year end	421,667		345,003	

The weighted average share price at the date of exercise of the options during the period was ₹79.40 (March 31, 2019 : ₹82).

The weighted average remaining contractual life for the share options outstanding is 6.64 years (March 31, 2019: 7.42 years)

The range of exercise prices for options outstanding at the end of the year was ₹32.25 to ₹85.96 (March 31, 2019: ₹32.25 to ₹85.96).

Movement during the year for RSU 2018 Plan:

The activity in the RSU 2018 Plan for equity-settled share based payment transactions is set out below:

Particulars	March 31, 2020		March 31, 2019	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	2,133,040	5.00	-	-
Granted during the year	-	-	2,133,040	5.00
Exercised during the year	-	-	-	-
Lapsed during the year	(35,000)	-	-	-
Closing balance	**2,098,040**	**5.00**	**2,133,040**	**5.00**
Exercisable as at year end	NIL		NIL	

The weighted average remaining contractual life for the share options outstanding is 6.12 years (March 31, 2019: 7.12 years)

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2019: ₹72.31)

The range of exercise prices for options outstanding at the end of the year was ₹5 (March 31, 2019: ₹5).

All amounts in Indian ₹ in lakhs, except stated otherwise

38 Share- based payments (contd.)

The following table list the inputs to the models used for the ESOP 2010 plan:

Particulars	March 31, 2020	March 31, 2019
Dividend yield (%)	-	-
Expected volatility (%)	-	-
Risk-free interest rate (%)	-	-
Expected life of share options (years)	-	-
Weighted average exercise price (₹)	-	-
Model used	-	-

* No options were granted under ESOP 2010 during the year ended March 31, 2020 and March 31, 2019.

The following table list the inputs to the models used for the RSU 2018 plan:

Particulars	March 31, 2020	March 31, 2019
Dividend yield (%)	-	0.00%
Expected volatility (%)	-	60.40% to 60.47%
Risk-free interest rate (%)	-	7.29% to 7.36%
Expected life of share options (years)	-	7 to 8
Weighted average exercise price (₹)	-	-
Model used	-	Black-Scholes-Merton ('BSM') option pricing model.

* No options were granted under RSU 2018 during the year ended March 31, 2020.

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.

39 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 2.3 (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, 2020 and March 31, 2019

As at March 31, 2020

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	3,551.74	-	3,551.74
Loans	3,472.76	-	3,472.76
Trade receivables	14,353.04	-	14,353.04
Cash and cash equivalents	1,229.28	-	1,229.28
Other financials assets	14,579.23	-	14,579.23
Foreign exchange forward contracts	-	-	-
Total assets	**37,186.05**	**-**	**37,186.05**
Financial liabilities			

All amounts in Indian ₹ in lakhs, except stated otherwise

39 Disclosures on Financial instruments (contd.)

Particulars	Amortised cost	Fair value through OCI	Total
Lease liabilities	5,066.47	-	5,066.47
Borrowings	39,095.07	-	39,095.07
Trade payables	11,428.98	-	11,428.98
Other financial liabilities	7,403.29	-	7,403.29
Foreign exchange forward contracts	-	2,308.54	2,308.54
Total liabilities	**62,993.81**	**2,308.54**	**65,302.35**

As at March 31, 2019

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	0.29	-	0.29
Loans	2,306.59	-	2,306.59
Trade receivables	16,170.02	-	16,170.02
Cash and cash equivalents	1,118.75	-	1,118.75
Other financials assets	13,910.72	-	13,910.72
Foreign exchange forward contracts	-	1,457.86	1,457.86
Total assets	**33,506.37**	**1,457.86**	**34,964.23**
Financial liabilities			
Borrowings	38,070.07	-	38,070.07
Trade payables	8,572.44	-	8,572.44
Other financial liabilities	6,031.16	-	6,031.16
Foreign exchange forward contracts	-	-	-
Total liabilities	**52,673.67**	**-**	**52,673.67**

(b) Fair value hierarchy

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

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

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

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

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2020				
Financial assets				
Foreign exchange forward contracts	-	2,308.54	-	2,308.54
March 31, 2019				
Financial assets				
Foreign exchange forward contracts	-	1,457.86	-	1,457.86

39 Disclosures on Financial instruments (contd.)

(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 ₹3,472.76 lakhs as at March 31, 2020 (March 31, 2019: ₹2,306.59 lakhs) was ₹3,472.76 Lakhs (March 31, 2019: ₹2,139.31 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, 2020 and March 31, 2019

(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, 2020	50	182.98
March 31, 2019	50	190.35

39 Disclosures on Financial instruments (contd.)

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from investing activities is not material.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2020 and March 31, 2019, the Group hedged ₹55,944.37 lakhs (USD 761.73 lakhs) and ₹42,357.55 lakhs (USD 584.50 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2020 and March 31, 2019

Particulars	Currency	March 31, 2020	March 31, 2019
Assets			
Trade receivables	USD	84.98	117.71
Trade receivables	EUR	0.37	1.21
Advance to suppliers	USD	14.48	-
Capital advances	USD	0.73	-
Cash and cash equivalents	USD	0.01	0.05
Liabilities			
Trade payables	USD	4.60	6.90
Liability for capital assets	USD	12.25	10.29
Liability for capital assets	EUR	0.18	1.99
Advances received from customers	USD	0.61	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2020		
USD	5%	311.97
March 31, 2019		
USD	5%	347.28

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2020 and March 31, 2019. 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.

39 Disclosures on Financial instruments (contd.)

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹37,186.05 lakhs, ₹34,964.23 lakhs, as at March 31, 2020 and March 31, 2019 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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

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

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

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

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

Particulars	0-1 year	> 1 year	Total
March 31, 2020			
Lease liabilities	2,120.45	2,946.02	5,066.47
Borrowings	39,095.07	-	39,095.07
Trade payables	11,428.98	-	11,428.98
Other financial liabilities	9,711.83	-	9,711.83
	62,356.33	**2,946.02**	**65,302.35**
March 31, 2019			
Lease liabilities	-	-	-
Borrowings	38,070.07	-	38,070.07
Trade payables	8,572.44	-	8,572.44
Other financial liabilities	6,031.16	-	6,031.16
	52,673.67	**-**	**52,673.67**

39 Disclosures on Financial instruments (contd.)

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Group's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ Nil lakhs as on March 31, 2020 and March 31, 2019 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 (refer note 44).

40 Capital management

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

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

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

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

Particulars	March 31, 2020	March 31, 2019
Borrowings (Refer note 16)	39,095.07	38,070.07
Total debts	**39,095.07**	**38,070.07**
Capital components		
Equity share capital (Refer note 13)	2,141.28	2,140.78
Other equity (Refer note 14)	20,520.05	21,897.49
Total capital	**22,661.33**	**24,038.27**
Capital and borrowings	**61,756.40**	**62,108.34**
Gearing ratio (%)	**63.31%**	**61.30%**

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, 2020 and March 31, 2019.

41 Standards issued but yet not effective

The MCA has carried out amendments to the following accounting standards. The effect on adoption of following mentioned amendments were insignificant on the standalone Ind AS financial statements. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

(i) Ind AS 109: Prepayment Features with Negative Compensation

(ii) Ind AS 19: Plan Amendment, Curtailment or Settlement

(iii) Ind AS 103 Business Combinations

41 Standards issued but yet not effective (contd.)

(iv) Ind AS 12 Income Taxes

(v) Ind AS 23 Borrowing Costs

(vi) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

(vii) Ind AS 111 Joint Arrangements

42 The Group is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Group during financial year ended March 31, 2020. 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.

43 The Company had applied for a scheme of amalgamation (the Scheme) of 9 wholly owned subsidiary companies with the Company. The appointed date of amalgamation is April 01, 2016. The application was filed with the Hon'ble National Company Law Tribunal ("NCLT") on February 23, 2017. The NCLT has passed an order dated September 25, 2017 instructing the Company to conduct Secured Creditors Meeting and shareholders meeting in November 2017. Necessary approval has been obtained from the Secured Creditors (Canara Bank and Corporation Bank) on November 24, 2017 and shareholders of the Company on November 29, 2017 and the Report of the Chairman along with necessary petition has been filed with the NCLT. The approval from NCLT was received by the Company on March 11, 2019. The financial statements for the year ended March 31, 2019 comply with the accounting treatment described in the Scheme. This resulted in restatement of financial statements with effect from the appointed date i.e. April 01, 2016. Accounting for the amalgamation does not have an impact in the consolidated financial statements.

In view of the aforesaid matter and to facilitate ease of business operations, majority of the employees have been transferred from the subsidiary companies to the Company with effect from July 1, 2017.

44 The Group assessed the fair value less cost of sale of the investment in an associate held for sale as at March 31, 2020. 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'.

45 During the year ended March 31, 2019, pursuant to the approval of the committee of the Board of Directors dated May 3, 2018, the Group had issued 77.08 lakh equity shares of ₹5 each, at an issue price of ₹90.00 per equity share (including ₹85.00 per share towards securities premium) aggregating to ₹6,937.20 lakh to qualified institutional buyers under chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "SEBI Regulations") and provisions of all other applicable laws. The Shareholders had approved the aforesaid issue of equity shares by way of special resolution dated February 8, 2018.

The amount raised from the above issue of shares has been utilised for the purposes for which it was raised.

46 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.

47 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting Company). Consequently, the Director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Group is confident to receive a favourable order and that there will not be a material impact on the Consolidated Ind AS financial statements of the Company.

48 During the previous year certain foreign customers had filed a plan for reorganisation of its business and creditors in the court (' the reorganisation plan'). Consequently, based on recommendation of legal counsel, the Group had filed a claim for the balances outstanding with the relevant authorities, including for some claims which were eligible for preferential payment. Based on final negotiation and settlement under the reorganization plan by the court appointed administrative claims manager and also realisations made during the year, the Group carries an aggregate provision on account of expected credit loss towards this customer amounting to ₹523 lakhs (including provision recognised in the current year ₹390 lakhs) towards these claims. The aggregate outstanding balance as at March 31, 2020 from this customer is ₹357 lakhs (March 31, 2019: ₹308 lakhs) after adjusting the aforementioned provision and realisations of ₹220 lakhs received during the year.

Subsequent to the year ended March 31, 2020 another foreign customer with an outstanding receivable balance of ₹815 lakhs as at March 31, 2020, has filed for a plan for reorganisation of its business and creditors in the court, the Group has filed a creditor claim for the balances outstanding for ₹250 lakhs as at the date of such filing (after considering subsequent realisations to March 31, 2020). Based on the assessment of expected recovery the Group has created a provision on account of expected credit loss amounting to ₹125 lakhs. The Group is confident of recovery of the balance amounts.

49 Revenue from contracts with customers

a. Disaggregation of Revenue

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 32.

Primary Geographic Markets (Name of the country)	Sale of finished goods	
	31-Mar-20	31-Mar-19
United States of America	76,412.38	59,492.72
Canada	3,745.55	3,927.09
Spain	3,401.77	2,660.69
China	1,992.40	2,804.09
Germany	1,803.98	3,771.43
France	1,768.32	1,883.75
Japan	1,455.16	1,868.79
Netherlands	1,451.40	2,590.21
Other Overseas Countries	11,181.71	11,789.02
India	24,973.08	17,596.06
Total	**128,185.75**	**108,383.85**

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.

49 Revenue from contracts with customers (contd.)

b. Remaining performance Obligations

All of the Group'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 Group has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

c. Estimates and assumptions

Except as disclosed in note 50, there are no significant estimates and assumptions.

d. Contract balances

	Contract liabilities	
	31-Mar-20	31-Mar-19
Balance at the beginning of the year	169.54	209.04
Less: Amount included in contract liabilities that was recognised as revenue during the period	(169.54)	(209.04)
Add: Cash received in advance of performance and not recognised as revenue during the period	188.96	169.54
Balance at the end of the year	**188.96**	**169.54**

e. Transition to Ind AS 115

The Group has applied Ind AS 115 under modified retrospective approach as per paragraph C3(B) of Appendix C of Ind AS 115. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements for the year ended March 31, 2020.

50 In view of Ministry of Textiles, Government of India's Gazette Notification number CG-DL-E 15012020-215423 dated January 14, 2020, the Group had, during the year ended March 31, 2020, reversed the Export incentives receivables of ₹610.84 Lakhs for the period from March 07, 2019 to March 31, 2019 and is disclosed as an exceptional item. Further, the Group has not recognised the Merchandise Export from India Scheme (MEIS) benefit during the current year in view of the said notification.

51 During the quarter ended March 31, 2020, pursuant to the approval of the Board of Directors, the Company has concluded the sale of one of its lands, alongwith building constructed thereon. The transaction resulted in a gain of ₹2,604.78 lakhs, which has been recognised as an exceptional item.

52 For the year ended March 31, 2020, the Group is not required to spent amounts on Corporate Social Responsibility as per Section 135 of the Companies Act 2013.

53 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that the impact is primarily the operational aspects of the business and as the lock down was for a substantial period only subsequent to year end. Management has been able to address and counter the potential impact on the financial statements as at March 31, 2020 such as enhancing borrowing limits, strengthening liquidity, optimisation of resource utilisation, etc.

53 (contd.)

In assessing the recoverability of receivables including receivables, investments, and other assets, the Group has considered internal and external information up to the date of approval of these financial statements including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets, the Group has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial statements. Accordingly, no further adjustments have been made to the financial statements.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

54 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.

55 Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's classification.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
June 26, 2020

For and on behalf of the Board of Directors of
Gokaldas Exports Limited
CIN: L18101KA2004PLC033475

Richard B Saldanha
Chairman of Board
of Directors
DIN: 00189029
Place: Hyderabad

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Place: Bengaluru
June 26, 2020

Sameer Sudarshan R V
Company Secretary
Membership No.: A48679

Place: Bengaluru
June 26, 2020

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, 2019, and the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 50 to the consolidated financial statements which states that one of the foreign customers with an aggregate outstanding balance of ₹ 441 lakhs as on March 31, 2019 has filed a plan for reorganisation of its business and creditors in the court. Consequently, based on the recommendation of legal counsel, the Group has filed a claim with the relevant authorities for the amount due from the said customer. Further, the Group has created a provision on account of expected loss amounting to ₹ 133 lakhs on the balance due from the Customer.

Subsequent to the reorganisation plan filed by the customer, the Group has made further dispatch of goods amounting to ₹ 845 lakhs to the said Customer based on updated purchase orders. In accordance with the provisions of 'Ind AS 115 Revenue from Contracts with Customers', the Group has postponed recognition of revenue towards the said goods as there is significant uncertainty with respect to collectability.

Our opinion is not modified in respect of this matter.

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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. no.	Key Audit Matter (Risk)	How was the Key Audit Matter Addressed in the Audit
1.	Recoverability of Trade receivables, Revenue recognition Refer Note 50 to the Consolidated Financial Statements. During the year ended March 31, 2019, one of the foreign customers with an aggregate outstanding balance of ₹441 lakhs has filed a plan for reorganisation of its business and creditors in respective jurisdictional court. Consequently, based on recommendation of its legal counsel, the Group	Our audit procedures in respect of this area included: 1. Understanding and evaluating process and controls designed and implemented by the Management including testing of relevant controls w.r.t to revenue recognition and impairment 2. Assessing the recoverability of the amounts due, through inquiry with management and verifying corroborative evidence to support the conclusions drawn.

Sr. no.	Key Audit Matter (Risk)	How was the Key Audit Matter Addressed in the Audit
	had filed a claim with the relevant authorities for the aforesaid receivable. In this regard the Group has made an expected credit loss provision of ₹133 lakhs on these receivables. Subsequent to the reorganisation plan filed by the customer, the Group has made further dispatch of goods to the Customer based on updated purchase orders. The Group has postponed recognition of revenue of ₹ 845 lakhs towards the said goods in accordance with IndAS-115 due to significant uncertainty of collectability. As the supplies post the reorganisation plan are covered by a foreign court administered scheme, which provides certain protections to the vendors of the customers, Management is confident of recovery of the amounts towards the dispatches made. The eventual outcome of the above matter is uncertain and the positions taken by the Group are based on application of significant estimation and judgement, due to which we have determined this to be a key audit matter.	3. Assessing management's estimate and related policies w.r.t expected credit loss provision. 4. Obtaining legal consultation from the Group's legal counsel to understand the legal position of the Group in the above matter. 5. Verifying the transactions on test check basis with the underlying supporting documents to evidence dispatch of goods to Customer 6. Inspecting the balance confirmation obtained by the Group from the customer for the balances outstanding 7. Verifying the adequacy of the disclosures made by the Group in the financial statement.
2.	Recognition, Measurement and Presentation as per 'Ind AS 105 -Non-current Assets Held for Sale and Discontinued Operations'. Refer Note 45 to the consolidated financial statement During the year ended March 31, 2018, the Group had acquired compulsorily convertible preference shares in Yepme UK Limited ('the investment' or 'Yepme'). This investment was classified as 'held for sale' as on March 31, 2018 pursuant to the approval of Board of Directors for disposal of the investment. Post classification, circumstances arose that were previously considered unlikely and, as a result, the investment was not sold as on March 31, 2019. The Group has continued to classify the investment as 'held for sale' as on March 31, 2019 as the management remains committed to the plan of selling the investment in near future and is taking necessary actions to identify and evaluate potential buyers. Change in the regulatory environment and the market conditions affecting the associate has adversely affected the fair value of the Group's investment and accordingly, the management has fully provided for the value of investment and has disclosed the same as an exceptional item. Due to significance of the above matter, we have considered this as a key audit matter.	Our audit procedures in respect of this area included: 1. Reviewing the agreement for purchase of compulsorily convertible preference shares in Yepme to assess on the nature of investment. 2. Reviewing supporting evidence w.r.t to managements commitment to the plan of selling the investment in near future and necessary actions taken by them to identify and evaluate potential buyers. 3. Evaluating the conditions stated in 'Ind AS 105 -Non-current Assets Held for Sale and Discontinued Operations' to the said transaction. 4. Discussion with the Management and verification of evidence available to evaluate the Group's actions to obtain the financial statements/ financial information of Yepme. 5. Evaluation of provision for impairment in light of the available information. 6. Review of adequacy of disclosures in respect of the said transaction

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

a. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 2,115 lakhs as at 31st March, 2019, total revenues of ₹ 366 lakhs and net cash flows amounting to ₹ (8.9) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. The consolidated Ind AS financial statements of the Group for the year ended 31st March, 2018, were audited by another auditor whose report dated May 24, 2018 expressed an unmodified opinion on those statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 33 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   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.

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

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Gokaldas Exports Limited on the consolidated Financial Statements for the year ended March 31, 2019]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Gokaldas Exports Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and 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.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an 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, 2019, 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 issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Deepak Rao
Partner
Membership No. 113292

Place: Bengaluru
Date: May 17, 2019

Consolidated Balance Sheet as at March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non- current assets			
Property, plant and equipment	3	10,553.92	9,437.30
Capital work-in-progress	3	144.76	7.00
Other intangible assets	4	184.69	125.71
Financial assets			
Investments	5	0.29	0.29
Loans	6	2,306.59	2,645.94
Other financial assets	7	13,246.57	14,096.23
Non-current tax assets (net)	8	1,315.78	1,658.88
Other non-current assets	9	428.56	437.40
Total non-current assets		**28,181.16**	**28,408.75**
Current assets			
Inventories	10	26,268.72	17,802.38
Financial assets			
Trade receivables	11	16,170.02	21,616.45
Cash and cash equivalents	12 A	1,118.75	1,714.43
Bank balances other than cash and cash equivalents	12 B	-	27.13
Other financial assets	7	2,122.01	730.62
Other current assets	9	6,477.05	7,183.29
Total current assets		**52,156.55**	**49,074.30**
Assets classified as held for sale		595.22	626.56
Total assets		**80,932.93**	**78,109.61**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	2,140.78	1,747.64
Other equity	14	21,897.49	11,342.75
Total equity		**24,038.27**	**13,090.39**
LIABILITIES			
Non-current liabilities			
Provision for employee benefits	15	412.32	369.81
Total non-current liabilities		**412.32**	**369.81**
Current liabilities			
Financial liabilities			
Borrowings	16	38,070.07	47,244.96
Trade payables	17		
Total outstanding dues of micro, small and medium enterprises		18.62	16.64
Total outstanding dues of creditors other than micro, small and medium enterprises		8,553.82	9,782.61
Other current financial liabilities	18	6,031.16	4,653.97
Other current liabilities	19	895.89	875.88
Provision for employee benefits	15	2,592.78	2,075.35
Total current liabilities		**56,162.34**	**64,649.41**
Liabilities directly associated with assets classified as held for sale		320.00	-
Total equity and liabilities		**80,932.93**	**78,109.61**

Summary of significant accounting policies. 2.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Place: Bengaluru
Date: May 17, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

	Particulars	Notes	March 31, 2019	March 31, 2018
I	**Income**			
	Revenue from operations	20	117,451.91	103,176.23
	Other income	21	2,167.71	4,709.23
	Total income		**119,619.62**	**107,885.46**
II	**Expenses**			
	Cost of raw materials and components consumed	22	59,053.49	52,626.89
	Excise duty on sale of goods		-	48.50
	Changes in inventories of finished goods and work-in-progress	23	(6,727.61)	1,007.89
	Employee benefits expense	24	39,495.52	33,902.14
	Finance costs	25	3,290.94	3,745.29
	Depreciation and amortization expenses	26	1,922.36	1,646.45
	Job work charges		1,549.87	1,692.48
	Other expenses	27	17,900.58	16,227.93
	Total expenses		**116,485.15**	**110,897.57**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**3,134.47**	**(3,012.11)**
IV	**Exceptional items**	28	626.56	-
V	**Profit/(Loss) after exceptional items and before tax (III-IV)**		**2,507.91**	**(3,012.11)**
VI	**Tax expenses**			
	Current tax		-	23.26
	Adjustment of tax relating to earlier years		(50.05)	64.97
	Deferred tax (credit)/charge		-	-
			(50.05)	**88.23**
VII	**Profit/(Loss) after tax for the period (V-VI)**		**2,557.96**	**(3,100.34)**
VIII	**Other comprehensive income/ (loss) (net of tax)**			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plan		(175.31)	248.59
	Income tax effect		-	-
	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)		1,450.71	(1,123.80)
	Total other comprehensive income/ (loss) for the year, net of tax		**1,275.40**	**(875.21)**
IX	**Total comprehensive income for the period attributable to equity holders (VII+VIII)**		**3,833.36**	**(3,975.55)**
X	**Earnings per equity share (EPS) [nominal value of ₹ 5 (March 31, 2018- ₹ 5)]**	**30**		
	Basic EPS		6.08	(8.87)
	Diluted EPS		5.92	(8.87)

Summary of significant accounting policies 2.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Place: Bengaluru
Date: May 17, 2019

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

a. Equity share capital

Particulars	No of Shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2017	34,927,662	1,746.38
Add: Issued during the year	25,167	1.26
At March 31, 2018	**34,952,829**	**1,747.64**
At April 1, 2018	34,952,829	1,747.64
Add: Issued during the year	7,862,834	393.14
At March 31, 2019	**42,815,663**	**2,140.78**

b. Other equity

For the year ended March 31, 2019

Particulars	Attributable to equity holders of the Company (refer note 14)							Total
	Share application money pending allotment	Reserves and Surplus					Items of OCI	
		Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve	
As at April 1, 2018	-	13,899.90	2,192.09	9,769.12	263.05	(14,706.88)	(74.53)	11,342.75
Profit / (loss) for the year	-	-	-	-	-	2,557.96	-	2,557.96
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net) (refer note 34)	-	-	-	-	-	-	1,450.71	1,450.71
Remeasurement of post employment benefits obligations (net of tax effect)	-	-	-	-	-	(175.31)	-	(175.31)
Total comprehensive income	**-**	**13,899.90**	**2,192.09**	**9,769.12**	**263.05**	**(12,324.23)**	**1,376.18**	**15,176.11**
Additions on account of shares issued during the year [1]	-	6,436.33	-	-	-	-	-	6,436.33
Transfer to securities premium reserve on exercise of equity stock options	-	68.23	-	-	(68.23)	-	-	-
Share based payment expense	-	-	-	-	285.05	-	-	285.05
At March 31, 2019	**-**	**20,404.46**	**2,192.09**	**9,769.12**	**479.87**	**(12,324.23)**	**1,376.18**	**21,897.49**

[1] net off of share issue expenses of ₹ 195.96 lakhs

For the year ended March 31, 2018

Particulars	Attributable to equity holders of the Company (refer note 14)							Total
	Share application money pending allotment	Reserves and Surplus					Items of OCI	
		Securities premium	General reserve	Capital reserve on amalgamation	Share based payments reserve	Retained earnings	Cashflow hedge reserve	
As at April 1, 2017	1.61	13,887.42	2,192.09	9,769.12	150.55	(11,855.13)	1,049.27	15,194.93
Profit / (loss) for the year	-	-	-	-	-	(3,100.34)	-	(3,100.34)
The effective portion of gain and loss on hedging instruments in a cash flow hedge (net) (refer note 34)	-	-	-	-	-	-	(1,123.80)	(1,123.80)
Remeasurement of post employment benefits obligations (net of tax effect)	-	-	-	-	-	248.59	-	248.59
Total comprehensive income	**1.61**	**13,887.42**	**2,192.09**	**9,769.12**	**150.55**	**(14,706.88)**	**(74.53)**	**11,219.38**
Share application money received	(1.61)	1.36	-	-	-	-	-	(0.25)
Additions on account of ESOP's exercised	-	5.51	-	-	-	-	-	5.51
Transfer to securities premium reserve on exercise of equity stock options	-	5.61	-	-	(5.61)	-	-	-
Share based payment expense	-	-	-	-	118.11	-	-	118.11
At March 31, 2018	**-**	**13,899.90**	**2,192.09**	**9,769.12**	**263.05**	**(14,706.88)**	**(74.53)**	**11,342.75**

Refer note 2.3 for summary of significant accounting policies.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer
Place: Bengaluru
Date: May 17, 2019

Sameer Sudarshan R V
Company Secretary
Place: Bengaluru
Date: May 17, 2019

Consolidated Statement of Cash Flows for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	March 31, 2019	March 31, 2018
Cash flow from operating activities			
Profit/(Loss) before exceptional items and tax		**3,134.47**	**(3,012.11)**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expenses		1,922.36	1,646.45
Net loss/(gain) on disposal of property, plant and equipment		(59.27)	1.25
Foreign exchange loss/(gain), net unrealised		(74.19)	0.08
Gain on sale of investments in mutual fund units		(173.18)	
Income from government grants		(300.18)	(204.68)
Share based payment expenses		285.06	118.11
Provision no longer required, written back		(173.10)	(92.97)
Bad debts written off		-	14.35
Irrecoverable balances written off		565.93	38.78
Provision for doubtful deposits and advances		30.00	68.65
Provision for doubtful debts		327.73	-
Interest income		(1,135.29)	(971.60)
Finance costs		3,290.94	3,745.29
Operating profit/(loss) before working capital changes		**7,641.28**	**1,351.60**
Working capital adjustments:			
(Increase)/ decrease in loans		339.35	17.72
(Increase)/ decrease in other financial assets		15.05	30.74
(Increase)/ decrease in other assets		121.98	(2,327.19)
(Increase)/ decrease in inventories		(8,466.34)	1,349.83
(Increase)/ decrease in trade receivables		5,018.35	(68.27)
Increase/ (decrease) in provisions for employee benefits		384.63	614.16
Increase/ (decrease) in trade payables		(1,015.68)	1,284.53
Increase/ (decrease) in other financial liabilities		662.21	429.95
Increase/ (decrease) in other liabilities		20.01	(28.95)
		4,720.84	**2,654.12**
Direct taxes refunded/ (paid) (net of refund/payments)		393.15	(139.85)
Net cash flows from/ (used in) operating activities (A)		**5,113.99**	**2,514.27**
Cash flow from investing activities			
Purchase of property, plant and equipment (including intangible assets and capital work-in-progress)		(2,442.06)	(1,306.75)
Proceeds from sale of property, plant and equipment		209.71	66.08
Investments in bank deposits		(13,220.78)	(13,562.07)
Redemption of bank deposits		14,093.84	13,143.91
Purchase of investments classified as assets held for sale		-	(626.56)
Investment in mutual funds		(6,700.00)	-
Proceeds from sale of investment in mutual funds		6,873.18	-
Finance income received		1,190.44	918.56
Net cash flows from/ (used in) investing activities (B)		**4.33**	**(1,366.83)**

Consolidated Statement of Cash Flows for the year ended March 31, 2019

Corporate Identity Number (CIN): L18101KA2004PLC033475

All amounts in Indian ₹ in lakhs, except stated otherwise

Particulars	Notes	March 31, 2019	March 31, 2018
Cash flow from financing activities			
Proceeds from issue of shares/exercise of share options including share application money		6,829.47	6.52
Proceeds of short-term borrowings		173,724.71	150,523.41
Repayment of short-term borrowings		(182,795.97)	(150,748.54)
Finance costs paid		(3,450.04)	(3,757.45)
Net cash flows from/ (used in) financing activities (C)		**(5,691.83)**	**(3,976.06)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(573.51)	(2,828.62)
Cash and cash equivalents at the beginning of the year		(1,905.98)	922.64
Cash and cash equivalents at the end of the year	12	**(2,479.49)**	**(1,905.98)**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents (refer note 12)		1,118.75	1,714.43
Bank overdraft		(3,598.24)	(3,620.41)
Balances per statement of cash flows		**(2,479.49)**	**(1,905.98)**

Refer note 2.3 for summary of significant accounting policies.

Explanatory notes to statement of cash flows

1. Changes in liabilities arising from financial activities:

Particulars	March 31, 2019	March 31, 2018
Liabilities arising from financing activities		
Short-term borrowings (Refer note 16)		
Opening balance	**43,624.55**	**43,748.93**
Cash flow changes:		
Proceeds / (repayment of borrowings)	(9,071.26)	(225.13)
Non-cash changes		
Foreign exchange fluctuations	(81.46)	100.75
Closing balance	**34,471.83**	**43,624.55**

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Place: Bengaluru
Date: May 17, 2019

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 export of garments and related products.

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.

These consolidated finanicial statements were approved by the Board of Directors and authorised for issue on May 17, 2019.

2 Significant accounting policies

The significant accounting policies applied by the Group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements, unless otherwise indicated.

2.1 Statement of Compliance

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

Effective April 1, 2017, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *First time adoption of Indian Accounting Standards*, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

These consolidated financial statements are presented in Indian Rupees("₹"), which is the functional currency of GEL and all values are rounded to nearest lakhs except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. 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.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Advance tax paid is classified as non-current assets.

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

The Group has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

c. Foreign currencies

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

Exchange differences arising on the retranslation or settlement of other monetary items are included in the Consolidated Statement of Profit and Loss for the year.

d. Revenue recognition

i. Revenue from Contracts with Customers:

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Performance obligations and timing of revenue recognition:

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

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

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

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

Determining the transaction price:

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

Allocating amounts to performance obligations

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

Costs of fulfilling contracts:

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

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

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

ii. Revenue from export incentives:

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

iii. Interest income:

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

iv. Dividends:

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

v. Others:

Insurance / other claims are recognised on acceptance basis.

e. Non-current assets held for sale

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

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

a) The appropriate level of management is committed to a plan to sell the asset,

b) An active programme to locate a buyer and complete the plan has been initiated,

c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

f. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as income in the Consolidated Statement of Profit and Loss upon fulfilment of the conditions attached to the grant received. These grants are presented in the Consolidated Balance Sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

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

g. Taxes on income

Current income tax

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

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

Deferred income tax

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

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

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

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

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

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

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

h. Property, plant and equipment (PPE)

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

Freehold land is carried at historical cost and is not depreciated. Capital work-in-progress and all other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are de-recognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

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

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

Category of asset	Estimated useful life
Buildings	30 years
Plant and machinery	15 years
Electrical equipment's	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are capitalised at cost and amortized over their expected useful life or the non-cancellable term of the lease, whichever is less on a straight line basis.

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

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

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

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

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

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

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

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

i. **Borrowing cost**

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

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

j. **Leases**

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

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

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

Group as a lessee

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

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

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

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

a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

k. Inventories

Inventories are valued as follows:

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

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

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

l. Provisions and contingent liabilities

i. Provisions:

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

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

ii. Contingent liabilities:

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

Provisions and contingent liabilities are reviewed at each balance sheet.

m. **Retirement and other employee benefits**

Retirement benefit in the form of provident fund, employee state insurance and pension fund are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to provident fund, pension fund and employee state insurance as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

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

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

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

The Group presents the leave as a current liability in the Consolidated Balance Sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

a. The date of the plan amendment or curtailment, and

b. The date that the Group recognises related restructuring costs

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

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

n. **Share- based payments**

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

Equity-settled transactions:

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

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

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

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

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

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

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Effective interest method

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

(a) Financial assets

Financial assets at amortised cost

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

Financial assets measured at fair value

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

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the consolidated statement of profit and loss.

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

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

De-recognition of financial assets

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

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

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

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

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

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

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

i. **Financial guarantee contracts**

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

ii. De-recognition

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

Off-setting of financial instruments

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

p. Derivative financial instruments

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

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

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

b. Cash flow hedge accounting

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

q. Impairment of non-financial assets

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

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

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at 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.

2.4 The entities consolidated in the consolidated financial statements are listed below:

Particulars	Gokaldas Exports Limited		All Colour Garments Private Limited		SNS Clothing Private Limited		Vignesh Apparels Private Limited		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Country of incorporation	India		India		India		India			
Relationship as at March 31, 2019	Holding Company		Subsidiary		Subsidiary		Subsidiary			
Percentage of effective ownership interest held (directly and indirectly)	100%	100%	100%	100%	100%	100%	100%	100%		
Percentage of voting rights held	100%	100%	100%	100%	100%	100%	100%	100%		
Net assets i.e. total assets minus total liabilities [1]										
- As a % of consolidated net assets	99.66%	99.34%	1.54%	2.94%	6.63%	12.11%	0.41%	0.74%	108.24%	115.13%
- ₹ in lakhs (A)	23,955.34	13,003.65	371.06	384.56	1,594.00	1,585.47	98.02	96.85	26,018.42	15,070.53
Consolidation adjustments/ eliminations (B) [2]									(1,980.15)	(1,980.14)
Total (A-B)									**24,038.27**	**13,090.39**
Share in total comprehensive income										
- As a % of total comprehensive income	100.10%	100.13%	-0.35%	0.01%	0.22%	-0.03%	0.03%	0.02%	100.00%	100.13%
- ₹ in lakhs (C)	3,837.17	(3,980.85)	(13.50)	(0.27)	8.54	1.26	1.16	(0.68)	3,833.37	(3,980.54)
Consolidation adjustments/ eliminations (D) [2]									(0.01)	4.99
Total (C-D)									**3,833.36**	**(3,975.55)**

[1] The figures have been considered from the respective standalone financial statements and the consolidated net asset figure has been arrived after consolidation adjustments/eliminations.

[2] Consolidation adjustments/eliminations include intercompany eliminations and consolidation adjustments.

The financial statements of all the subsidaries have been drawn upto the same reporting date as of the Company i.e. March 31, 2019.

All amounts in Indian ₹ in lakhs, except stated otherwise

3. Property, plant and equipment and Capital work-in-progress

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and machinery	Electrical equipments	Office equipments	Furniture and fixtures	Computers	Vehicles	Total	Capital work-in-progress	Total
Gross carrying value [1]												
At April 1, 2017	954.01	2,045.16	268.95	7,313.95	202.48	124.12	251.58	225.89	36.17	11,422.31	90.04	90.04
Additions	-	-	70.88	1,096.15	73.37	60.58	58.17	58.77	37.09	1,455.01	7.00	7.00
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(90.04)	(90.04)
Disposals	-	-	-	(72.10)	-	-	-	-	(2.46)	(74.56)	-	-
At March 31, 2018	**954.01**	**2,045.16**	**339.83**	**8,338.00**	**275.85**	**184.70**	**309.75**	**284.66**	**70.80**	**12,802.76**	**7.00**	**7.00**
Additions	37.01	45.24	439.66	2,810.26	110.33	81.01	66.56	88.16	8.67	3,686.90	137.76	137.76
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-
Classified as held for sale [2]	(256.24)	(480.85)	-	-	-	-	-	-	-	(737.09)	-	-
Disposals	-	-	-	(219.78)	(0.06)	-	-	-	(5.21)	(225.05)	-	-
At March 31, 2019	**734.78**	**1,609.55**	**779.49**	**10,928.48**	**386.12**	**265.71**	**376.31**	**372.82**	**74.26**	**15,527.52**	**144.76**	**144.76**
Depreciation												
At April 1, 2017	**-**	**188.49**	**52.94**	**1,273.28**	**43.05**	**41.82**	**69.56**	**97.36**	**9.38**	**1,775.88**	**-**	**-**
Charge for the year	-	170.72	49.99	1,165.68	25.16	45.23	44.72	88.80	9.01	1,599.31	-	-
Disposals	-	-	-	(9.44)	-	-	-	-	(0.29)	(9.73)	-	-
At March 31, 2018	**-**	**359.21**	**102.93**	**2,429.52**	**68.21**	**87.05**	**114.28**	**186.16**	**18.10**	**3,365.46**	**-**	**-**
Charge for the year	-	157.63	138.44	1,317.34	42.96	50.94	37.91	66.41	12.99	1,824.62	-	-
Classified as held for sale [2]	-	(141.87)	-	-	-	-	-	-	-	(141.87)	-	-
Disposals	-	-	-	(71.75)	-	-	-	-	(2.86)	(74.61)	-	-
At March 31, 2019	**-**	**374.97**	**241.37**	**3,675.11**	**111.17**	**137.99**	**152.19**	**252.57**	**28.23**	**4,973.60**	**-**	**-**
Net book value												
At March 31, 2019	**734.78**	**1,234.58**	**538.12**	**7,253.37**	**274.95**	**127.72**	**224.12**	**120.25**	**46.03**	**10,553.92**	**144.76**	**144.76**
At March 31, 2018	**954.01**	**1,685.95**	**236.90**	**5,908.48**	**207.64**	**97.65**	**195.47**	**98.50**	**52.70**	**9,437.30**	**7.00**	**7.00**

[1] The Group has availed the exemption available under Ind AS 101, wherein the carrying value of property, plant and equipment and capital work-in-progress as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

[2] Pursuant to the approval of Board of Directors, during the year ended March 31, 2019, the Company initiated identification and evaluation of potential buyers for one of its land and building. Accordingly these assets have been classified as 'held for sale'. Subsequent to the year end, the Company has entered into an agreement to sell the aforementioned land and building for values higher than the carrying value.

Refer note 16(7), for details of charge created on PPE

All amounts in Indian ₹ in lakhs, except stated otherwise

4 Other intangible assets

Particulars	Computer Software	Total
Gross carrying value [1]		
At April 1, 2017	152.62	152.62
Additions	74.26	74.26
At March 31, 2018	**226.88**	**226.88**
Additions	156.72	156.72
At March 31, 2019	**383.60**	**383.60**
Amortisation and impairment		
At April 1, 2017	54.03	54.03
Amortisation for the year	47.14	47.14
At March 31, 2018	**101.17**	**101.17**
Amortisation for the year	97.74	97.74
At March 31, 2019	**198.91**	**198.91**
Net book value		
At March 31, 2019	**184.69**	**184.69**
At March 31, 2018	**125.71**	**125.71**

[1] The Company has availed the exemption available under Ind AS 101, wherein the carrying value of intangible assets as at April 1, 2016 under the previous GAAP has been carried forward as the deemed costs under Ind AS.

5 Investments

Particulars	March 31, 2019	March 31, 2018
Investments carried at amortised cost		
(i) Investment in unquoted Government securities		
Investment in National Savings Certificates and Indira Vikas Patra	0.29	0.29
Total investment in unquoted government securities	**0.29**	**0.29**
Investments carried at cost		
(ii) Unquoted equity shares in a body corporate		
Yepme UK Limited (refer note 45)	626.56	626.56
[22,577 (March 31, 2018: 22,577) 0.1% preference shares of GBP 1 each fully paid up]		
Less: Investments classified as held for sale (refer note 1 below)	(626.56)	(626.56)
Total investment in unquoted equity shares in a body corporates	**-**	**-**
Total (i+ii)	**0.29**	**0.29**

Note 1:

Particulars	March 31, 2019	March 31, 2018
Investments classified as held for sale	626.56	626.56
Less: Provision for diminution in value of investment (refer note 28)	(626.56)	-
	-	**626.56**

Particulars	March 31, 2019	March 31, 2018
Aggregate amount of unquoted investments	0.29	0.29
Aggregate amount of impairment in value of investments	626.56	-
Investments classified as held for sale (net) - Refer note 1 above	-	626.56

All amounts in Indian ₹ in lakhs, except stated otherwise

6 Financial assets - Loans

Particulars		March 31, 2019	March 31, 2018
Non-current			
Unsecured, considered good			
Security and other deposits		2,306.59	2,645.94
Total Financial assets - Loans		**2,306.59**	**2,645.94**

7 Financial assets - Other financial assets

Particulars		March 31, 2019	March 31, 2018
Carried at amortised cost			
Unsecured, considered good			
(a) Non-current			
Bank balance		13,237.92	14,083.85
Loan to employees		8.65	12.38
	(A)	**13,246.57**	**14,096.23**
(b) Current			
Derivative instruments at fair value through OCI			
Cash flow hedges - foreign exchange forward contracts (refer note 34)		1,457.86	-
Other financial assets at amortised cost			
Interest accrued on bank deposits		629.60	684.75
Loan to employees		34.55	45.87
	(B)	**2,122.01**	**730.62**
Total other financial assets	(A+B)	**15,368.58**	**14,826.85**

8 Non-current tax assets (net)

Particulars	March 31, 2019	March 31, 2018
Advance tax (including tax paid under protest)	1,315.78	1,658.88
Total non-current tax assets (net)	**1,315.78**	**1,658.88**

9 Other current / non-current assets

Particulars		March 31, 2019	March 31, 2018
Non current			
Unsecured, considered good			
Capital advances		123.96	121.13
Prepaid expenses		304.60	316.27
	(A)	**428.56**	**437.40**
Unsecured, considered doubtful			
Advance to suppliers		272.63	272.63
Export Incentives receivable		30.00	-
Less: Provision for doubtful advances		(302.63)	(272.63)
	(B)	-	-
Total non current assets	(A+B)	**428.56**	**437.40**
Current			
Unsecured, considered good			
Prepaid expenses		735.44	476.38
Balances with statutory / government authorities		1,958.87	1,827.57
Advance to suppliers		1,604.13	664.94
Export incentives receivable		2,178.61	3,899.70
Other receivables		-	314.70
Total current assets	(C)	**6,477.05**	**7,183.29**
Total current / non-current assets	(A+B+C)	**6,905.61**	**7,620.69**

All amounts in Indian ₹ in lakhs, except stated otherwise

10 Inventories

Particulars	March 31, 2019	March 31, 2018
Raw materials (including packing materials) and components	6,214.70	4,592.99
(includes goods in transit ₹ 199.16 lakhs (March 31, 2018 : ₹ 319.44 lakhs)) (refer note 22)		
Work-in-progress (refer note 23)	13,246.64	8,468.90
Finished goods (readymade garments)	6,364.35	4,414.48
(includes goods in transit ₹ 1,937.87 lakhs (March 31, 2018 : ₹ 213.68 lakhs)) (refer note 23)		
Consumables, stores and spares parts	443.03	326.01
Total inventories*	**26,268.72**	**17,802.38**

* Net of writedowns of inventories amounting to ₹ 5,458.25 lakhs as at March 31, 2019 (March 31, 2018: ₹ 6,174.56 lakhs)

11 Financial assets - Trade receivables

Particulars		March 31, 2019	March 31, 2018
Unsecured, considered good		16,170.02	21,616.45
	(A)	**16,170.02**	**21,616.45**
Unsecured, considered doubtful		1,510.47	868.25
Less : Allowances for doubtful trade receivables	(B)	(1,510.47)	(868.25)
		-	-
Total financial assets - trade receivables	(A+B)	**16,170.02**	**21,616.45**

Note:

a. 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.

b. Trade receivables are non-interest bearing.

12A. Financial assets

Particulars	March 31, 2019	March 31, 2018
Non-current		
Financial assets - Bank balances other than cash and cash equivalents		
Bank deposits with remaining maturity for more than 12 months [1,2,3]	226.00	765.27
Bank deposits with original maturity of more than 3 months but less than/equal to 12 months [1,2,3]	13,011.92	13,318.58
	13,237.92	**14,083.85**
Amount disclosed under other financial assets (refer note 7)	(13,237.92)	(14,083.85)
	-	-
Current		
Financial assets - Cash and cash equivalents		
Balances with banks		
On current accounts [4,5,6]	1,104.24	1,694.91
Cash on hand [6]	14.51	19.52
Total Financial assets - Cash and cash equivalents	**1,118.75**	**1,714.43**

Note:

[1] A charge has been created over the deposits of ₹ 3,083.34 lakhs (March 31, 2018: ₹ 3,083.34 lakhs) for loans against deposits availed by the Company (refer note 16)

[2] A charge has been created over the deposits of ₹ 9,564.22 lakhs (March 31, 2018: ₹ 9,896.23 lakhs) as collateral towards borrowing facility availed by the Company (refer note 16)

[3] A charge has been created over the deposits of ₹ 590.36 lakhs (March 31, 2018: ₹ 1,104.28 lakhs) as collateral towards bank guarantee facility availed by the Company (refer note 33)

[4] Balances with bank on current accounts does not earn interest.

[5] includes balances in Exchange Earner's Foreign Currency Accounts.

All amounts in Indian ₹ in lakhs, except stated otherwise

12A. Financial assets (contd.)

[6] For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:

Particulars	March 31, 2019	March 31, 2018
Balances with banks		
On current accounts	1,104.24	1,694.91
Cash on hand	14.51	19.52
	1,118.75	**1,714.43**
Less : Bank overdraft * (refer note 16)	(3,598.24)	(3,620.41)
Net debt	**(2,479.49)**	**(1,905.98)**

Net debt reconciliation:

Particulars	Cash & Cash equivalents	Bank overdraft	Total
Net debt as at April 1, 2017	**4,479.59**	**(3,672.87)**	**806.72**
Cash flows	(2,765.16)	416.19	(2,348.97)
Interest charge	-	(363.73)	(363.73)
Net debt as at March 31, 2018	**1,714.43**	**(3,620.41)**	**(1,905.98)**
Cash flows	(595.68)	368.27	(227.41)
Interest charge	-	(346.10)	(346.10)
Net debt as at March 31, 2019	**1,118.75**	**(3,598.24)**	**(2,479.49)**

*Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn.

12B. Bank balances other than cash and cash equivalents

Particulars	March 31, 2019	March 31, 2018
Current		
Bank balances other than cash and cash equivalents		
Deposits with original maturity less than/ equal to 12 months	-	27.13
Total Bank balances other than cash and cash equivalents	**-**	**27.13**

13 Share Capital

Particulars	Number of shares	Amount
Authorised share capital		
At April 1, 2017	40,000,000	2,000.00
Increase during the year	15,000,000	750.00
At March 31, 2018	**55,000,000**	**2,750.00**
Increase during the year	-	-
At March 31, 2019	**55,000,000**	**2,750.00**

(a) Issued equity capital

Particulars	Number of shares	Amount
Equity shares of ₹ 5 each issued, subscribed and fully paid		
At April 1, 2017	34,927,662	1,746.38
Add: Issued during the year (refer note 13(d))	25,167	1.26
At March 31, 2018	34,952,829	1,747.64
Add: Equity shares issued during the year (refer note 46)	7,708,000	385.40
Add: ESOP's issued during the year (refer note 13(d))	154,834	7.74
At March 31, 2019	**42,815,663**	**2,140.78**

All amounts in Indian ₹ in lakhs, except stated otherwise

13 Share Capital (contd.)

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 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.

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

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019	March 31, 2018
Clear Wealth Consultancy Services LLP, India:		
Number of shares	13,955,957	13,955,957
% holding in the class	32.60%	39.93%
Teesta Retail Private Limited, India:		
Number of shares	2,280,513	2,280,513
% holding in the class	5.33%	6.52%

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

(d) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option (ESOP) plan and Restricted Stock Units (RSU) of the Company, please refer note 38

14 Other equity

Particulars	March 31, 2019	March 31, 2018
Reserves and Surplus		
(A) Share application money pending allotment		
Balance at the beginning of the year	-	1.61
Less: Shares issued during the year	-	(1.61)
Balance at the end of the year	-	-
(B) Securities premium reserve		
Balance at the beginning of the year	13,899.90	13,887.42
Add: received during the year on account of issue of equity shares	6,355.84	-
Add: received during the year on upon ESOP's exercised	80.49	6.87
Add: transfer from share-based payments reserve	68.23	5.61
Balance at the end of the year	**20,404.46**	**13,899.90**
(C) General reserve		
Balance at the end of the year	**2,192.09**	**2,192.09**
(D) Capital Reserve on Amalgamation		
Balance at the end of the year	**9,769.12**	**9,769.12**
(E) Share-based payments reserve		
Balance at the beginning of the year	263.05	150.55
Add: addition during the year	285.05	118.11
Less: transfer to securities premium reserve	(68.23)	(5.61)
Balance at the end of the year	**479.87**	**263.05**
(F) Retained earnings		
Balance at the beginning of the year	(14,706.88)	(11,855.13)
Profit / (Loss) for the year	2,557.96	(3,100.34)
Add: Remeasurement of post employment benefits obligations (net of deferred tax)	(175.31)	248.59
Balance at the end of the year	**(12,324.23)**	**(14,706.88)**
(G) Hedge reserve		
Balance at the beginning of the year	(74.53)	1,049.27
Add: gain/(loss) for the year	1,450.71	(1,123.80)
Balance at the end of the year	**1,376.18**	**(74.53)**
Total other equity (A+B+C+D+E+F+G)	**21,897.49**	**11,342.75**

15 Provision for employee benefits

Particulars		March 31, 2019	March 31, 2018
(a) Non-current			
Gratuity (refer note 35)		412.32	369.81
Total Provision for employee benefits - non-current	(A)	**412.32**	**369.81**
(b) Current			
Gratuity (refer note 35)		1,705.70	1,291.23
Leave benefits		887.08	784.12
Total Provision for employee benefits - current	(B)	**2,592.78**	**2,075.35**

16 Financial liabilities - Borrowings

Particulars	March 31, 2019	March 31, 2018
Current borrowings		
Loans repayable on demand from banks (Secured)		
Indian rupee packing credit loan [1,2]	28,623.76	28,921.66
Indian rupee loan from bank [3]	497.63	2,266.75
Bill discounting from banks [4,5]	5,350.44	12,436.14
Bank overdraft [6]	3,598.24	3,620.41
Total financial liabilities - Borrowings	**38,070.07**	**47,244.96**
The above amount includes		
Secured borrowings	38,070.07	47,244.96
Unsecured borrowings	-	-

Notes:

[1] Indian rupee packing credit loan from a bank of ₹ 8,000 lakhs (March 31, 2018: ₹ 8,000 lakhs) carries interest @ one year MCLR + 0.60% (March 31, 2018: 6 months MCLR + 0.70%) and interest is payable monthly. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 7,624.67 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 7,925.08 lakhs). Also refer note 16 [7] and [8] below.

[2] Indian rupee packing credit loan from a bank of ₹ 21,000 lakhs carries interest @Marginal cost of funds based lending rate ('MCLR') plus applicable spread of 0.75% p.a (March 31, 2018: MCLR plus applicable spread of 0.75% p.a) and interest is payable monthly. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 20,999.09 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 20,996.58 lakhs). Also refer note 16 [7] and [8] below.

[3] Indian rupee loan from a bank of ₹2,700 lakhs (March 31, 2018: ₹2,700 lakhs) carries interest @pledged fixed deposit interest rate plus applicable spread of 1% p.a. (March 31, 2018:pledged fixed deposit interest rate plus applicable spread of 1 % p.a) and interest is payable monthly. The loan is secured by pledge of fixed deposits. Out of the above, ₹497.63 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 2,266.75 lakhs).

[4] Bill discounting from a bank of ₹ 2,000 lakhs (March 31, 2018: ₹ 2,000 lakhs) carries interest @LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and @ one year MCLR plus 0.60% for Indian Rupee bills discounting (March 31, 2018: LIBOR plus applicable spread of 2.00% p.a. for foreign currency bills discounting and @ six months MCLR plus 0.70% for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by first pari passu charge on current assets of the Company. Out of the above, ₹ 855.76 lakhs is outstanding as at March 31, 2019 (March 31, 2018: ₹ 1,765.55 lakhs). Also refer note 16 [7] and [8] below.

[5] Bill discounting from a bank of ₹ 10,850 lakhs carries interest @6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting (March 31, 2018:@6 months LIBOR plus applicable spread of 3.50% p.a. for foreign currency bills discounting and MCLR plus applicable spread of 0.75% p.a. for Indian Rupee bills discounting) and interest is payable on transaction basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company. Out of the above, ₹ 4,494.68 lakhs is outstanding as at March 31, 2019 (March 31, 2018: ₹ 10,670.58 lakhs). Also refer note 16 [7] and [8] below.

16 Financial liabilities - Borrowings (contd.)

[6] Bank overdraft from banks carries interest @one year MCLR plus applicable spreads of 4.50% p.a. (March 31, 2018:@one year MCLR plus applicable spreads of 4.50%) and interest is payable on monthly basis. The loan is secured by pari passu (i) hypothecation of inventory including stores and spares (including goods in transit/ goods awaiting bank negotiation/goods with processors meant for export) and (ii) trade receivables of the Company for a bank and first pari passu charge on current assets of the Company. Out of the above, ₹ 3,620 lakhs is outstanding as at March 31, 2019 (March 31, 2018:₹ 3,620 lakhs). Also refer note 16 [7] and [8] below.

[7] The Company has further provided the following as the collateral to the consortium lenders towards the borrowings availed by the Company and as mentioned in the aforesaid note 16.

a) Pari passu charge on certain factory land and building located in Bangalore and Mysore owned by the Company and its subsidiary,

b) Pari passu charge on plant and machinery and certain movable assets of the Company

c) Pari passu charge on certain fixed deposits made by the Company

[8] The Company has availed the interest subvention @3% during the years ended March 31, 2019 and March 31, 2018 under Interest Equalisation Scheme for pre and post shipment ruppee export credit of Reserve Bank of India.

17 Financial liabilities - Trade payables

Particulars	March 31, 2019	March 31, 2018
Current		
Total outstanding dues of micro, small and medium enterprises	18.62	16.64
Total outstanding dues of creditors other than micro, small and medium enterprises	8,553.82	9,782.61
Total financial liabilities - Trade payables	**8,572.44**	**9,799.25**

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 39.

18 Financial liabilities - other current financial liabilities

Particulars	March 31, 2019	March 31, 2018
Financial liabilities at fair value through OCI		
Cash flow hedges - foreign exchange forward contracts (refer note 34)	-	47.89
Other financial liabilities at amortised cost		
Interest accrued and not due on loans	33.99	193.09
Employee related payables (refer note 36)	4,888.22	4,226.04
Liability for capital assets	1,108.95	186.95
Total financial liabilities - other current financial liabilities	**6,031.16**	**4,653.97**

19 Other current liabilities

Particulars	March 31, 2019	March 31, 2018
Advance from customers	169.54	209.04
Statutory liabilities	726.35	666.84
Total other current liabilities	**895.89**	**875.88**

All amounts in Indian ₹ in lakhs, except stated otherwise

20 Revenue from operations

Particulars	March 31, 2019	March 31, 2018
(a) Sale of finished goods		
Exports	90,787.79	75,516.09
Domestic	17,596.06	18,650.14
	108,383.85	**94,166.23**
(b) Other operating revenues		
Sale of accessories, fabrics, etc	969.35	1,081.63
Job work income	1,280.99	873.72
Export incentives	6,566.56	6,815.09
Scrap sales and others	251.16	239.56
	9,068.06	**9,010.00**
Total revenue from operations	**117,451.91**	**103,176.23**

21 Other income

Particulars	March 31, 2019	March 31, 2018
Interest income on:		
Bank deposits	908.43	880.73
Security deposits	134.15	67.92
Income tax refunds	226.20	22.95
Others	0.66	-
Other non-operating income :		
Gain on account of foreign exchange fluctuations (net)	-	2,552.22
Freight recovered from customers	-	860.61
Net gain on disposal of property, plant and equipment	59.27	-
Gain on sale of investments in mutual fund units	173.18	-
Government grants *	300.18	204.68
Provisions no longer required, written back	173.10	92.97
Miscellaneous income	192.54	27.15
Total other income	**2,167.71**	**4,709.23**

* Government grants 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, 2019 and March 31, 2018.

22 Cost of raw materials and components consumed

Particulars	March 31, 2019	March 31, 2018
Inventory at the beginning of the year	4,592.99	4,908.84
Add: Purchases	60,675.20	52,311.04
	65,268.19	**57,219.88**
Less: inventory at the end of the year	(6,214.70)	(4,592.99)
Total cost of raw materials and components consumed	**59,053.49**	**52,626.89**

23 Changes in inventories of finished goods and work-in-progress

Particulars	March 31, 2019	March 31, 2018
Inventories at the beginning of the year		
Work-in-progress	8,468.90	9,632.05
Finished goods (Readymade garments)	4,414.48	4,259.22
	12,883.38	**13,891.27**
Inventories at the end of the year		
Work-in-progress	13,246.64	8,468.90
Finished goods (Readymade garments)	6,364.35	4,414.48
	19,610.99	**12,883.38**
Total changes in inventories of finished goods and work-in-progress	**(6,727.61)**	**1,007.89**

All amounts in Indian ₹ in lakhs, except stated otherwise

24 Employee benefits expense

Particulars	March 31, 2019	March 31, 2018
Salaries and wages (Refer note 36)	33,867.80	29,042.11
Contribution to provident and other funds	3,602.24	3,232.55
Share based payment expenses (Refer note 36 and 38)	285.06	118.11
Gratuity expense (net) (Refer note 35)	654.92	738.85
Staff welfare expense	1,085.50	770.52
Total employee benefit expenses	**39,495.52**	**33,902.14**

25 Finance costs

Particulars	March 31, 2019	March 31, 2018
Interest charge		
on Indian rupee packing credit loan / Indian rupee loan from bank	2,232.20	2,304.67
on bill discounting and others	497.16	733.57
Bank charges	561.58	707.05
Total finance costs	**3,290.94**	**3,745.29**

26 Depreciation and amortization expense

Particulars	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment (Refer note 3)	1,824.62	1,599.31
Amortisation of other intangible assets (Refer note 4)	97.74	47.14
Total depreciation and amortisation expense	**1,922.36**	**1,646.45**

27 Other expenses

Particulars	March 31, 2019	March 31, 2018
Consumption of consumables, stores and spares	973.40	1,575.70
Power and fuel	2,413.32	2,275.67
Other manufacturing expenses	189.63	631.51
Rent	4,130.84	4,028.53
Rates and taxes	173.15	458.92
Insurance	409.66	415.09
Repairs and maintenance		
Plant and machinery	516.35	690.30
Buildings	103.06	307.23
Others	643.72	575.63
Legal and professional fees	910.55	1,124.69
Printing and stationery	392.68	117.16
Communication costs	190.61	179.37
Travelling and conveyance	469.56	458.15
Payment to auditors*	36.67	43.00
Sitting fees	81.60	58.40
Freight and forwarding expenses	2,259.60	2,303.49
Loss on sale of property, plant and equipment (net)	-	1.25
Provision for doubtful deposits and advances	30.00	68.65
Irrecoverable balances written off	565.93	38.78
Provision for doubtful debts	327.73	-
Bad debts written off	-	14.35
Exchange differences loss (net)	1,565.53	-
Miscellaneous expenses	1,516.99	862.06
Total other expenses	**17,900.58**	**16,227.93**

27 Other expenses (contd.)

* Payment to auditors (exclusive of GST)

Particulars	March 31, 2019	March 31, 2018
Audit fees (including fees for consolidated financial statements and quarterly limited reviews)	35.00	41.00
Out of pocket expenses	1.67	2.00
Total payment to auditors (exclusive of GST)	**36.67**	**43.00**

28 Exceptional items

Particulars	March 31, 2019	March 31, 2018
Provision for diminution in value of investment (refer note 45)	626.56	
Total exceptional items	**626.56**	**-**

29 Income tax

The Company and its domestic subsidiaries are subject to income tax in India on the basis of their standalone financial statements. As per the Income Tax Act, these entities are liable to pay income tax which is the 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 15 years and can be offset against future tax liabilities.

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

Particulars	March 31, 2019	March 31, 2018
(a) Adjustment of tax relating to earlier periods	(50.05)	64.97
(b) Current tax	-	23.26
(c) Deferred tax	-	-
Total taxes	**(50.05)**	**88.23**

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

Particulars	March 31, 2019	March 31, 2018
Profit/(Loss) after exceptional items and before tax	2,507.91	(3,012.11)
Applicable tax rates in India	34.944%	34.608%
Computed tax charge	876.36	(1,042.43)
Tax effect on permanent non deductible expenses		
(i) Tax effect of expenses which are disallowed in calculating taxable income:		
Taxable losses	-	817.00
Employee related expenses	94.98	130.87
Depreciation expense	160.04	66.00
Provision for diminution in value of investment	218.95	-
Others	34.70	51.82
(ii) Amount of current tax not payable on account of brought forward losses:	(1,385.03)	-
Total current tax expenses	**-**	**23.26**

The Group has tax losses which arose in India of ₹ 16,348.11 lakhs (March 31, 2018:₹ 20,350.15 lakhs) that are available for offsetting over the period of eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire by March 2022.

The Group has unabsorbed depreciation of ₹ 7,939.43 lakhs (March 31, 2018:₹ 7,939.43 lakhs) that are available for offsetting for indefinite period.

Deferred tax assets have not been recognised in respect of these losses as the Group has been loss-making for some time.

All amounts in Indian ₹ in lakhs, except stated otherwise

30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share spilt and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the 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:

Particulars	March 31, 2019	March 31, 2018
Face value of equity shares (₹ per share)	5.00	5.00
Profit / (Loss) attributable to equity holders of the Company	2,557.96	(3,100.34)
Weighted average number of equity shares used for computing earning per share (basic)	42,071,938	34,944,310
Weighted average number of equity shares used for computing earning per share (diluted)	43,236,986	34,944,310
EPS - basic (₹)	6.08	(8.87)
EPS - diluted (₹)	5.92	(8.87)

Notes:
Employee stock options are not included in the calculation of diluted earnings per share as they are antidilutive for the year ended March 31, 2018.

31 Significant accounting estimates and assumptions

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

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include provision for obsolete inventory, impairment of investments, impairment of non current assets, provision for employee benefits and other provisions, fair value measurement of financial assets and liabilities, commitments and contingencies.

Estimates and assumptions

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

a. **Impairment of non-current asset including investments**

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units ('CGU'). The value in use calculation is based on DCF model over the estimated useful life of the CGU's. Further, the cash flow projections are based on estimates and assumptions relating to sale price/customer orders on hand, efficiency in opertaions, etc.

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

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the 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

31 Significant accounting estimates and assumptions (contd.)

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. Refer note 39 for further disclosures.

c. 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. Refer note 33 for further disclosure.

d. Defined benefit plans (gratuity benefits)

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

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

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at 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 35.

e. 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. Also refer note 10.

f. 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.

g. 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.

h. 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.

32 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
India	26,212.11	26,738.94	11,311.93	10,007.41
Rest of world	91,239.80	76,437.29	-	-
Total	**117,451.91**	**103,176.23**	**11,311.93**	**10,007.41**

The revenue information above is based on the locations of the customers.

Revenue from three (March 31, 2018: Two) customers amounted to ₹ 70,123.31 lakhs (March 31, 2018: ₹ 52,014.04 lakhs), arising from sales of readymade garments.

**Revenues 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.

33 Commitments and contingencies

I. Leases

Operating lease: Group as a lessee

The Group's leasing arrangements in respect of its office, factory and residential premises are in the nature of operating leases. These leasing arrangements, which are usually cancellable at the option of the lessee, are for a total period ranging from eleven months to ten years and are renewable with mutual consent. All leases include a clause to enable upward revision of the rental charge on a periodic basis as specified under the rental agreement usually being 5% every year or 15% once in three years. There are no restrictions imposed by lease arrangements. There are no subleases.

The lease rentals charged during the year ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	March 31, 2019	March 31, 2018
Lease rentals under cancellable leases and non-cancellable leases: office premises	4,130.84	4,028.53

The maximum obligation on the long term non-cancellable operating leases as per the lease agreement as at March 31, 2019 and March 31, 2018 are as follows:

Particulars	March 31, 2019	March 31, 2018
Within one year	1,471.88	1,421.80
After one year but not later than five years	362.88	1,553.94
Later than five years	-	-

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.

All amounts in Indian ₹ in lakhs, except stated otherwise

33 Commitments and contingencies (contd.)

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.

Particulars	March 31, 2019	March 31, 2018
(a) Performance Bank Guarantees		
Sanctioned	1,300.00	1,300.00
Outstanding	1,182.24	1,250.87
(b) Outstanding letters of credit		
Sanctioned	4,022.00	4,022.00
Outstanding	2,293.10	3,560.71
(c) Litigations		
(i) Matters relating to direct taxes under dispute *	278.43	278.43
(ii) Matters relating to other taxes under dispute	132.15	129.15

* Certain demands from income tax authorities have been set off against the brought forward business loss and unabsorbed depreciation of previous years and accordingly amount disclosed as contingent liabilities represent the demands after setting off such brought forward loss and depreciation.

(i) The aforementioned demand amounts under dispute are as per the demands from various authorities for the respective periods and have not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals.

(ii) The Group is also involved in various other litigations and claims other than as tabulated above, the impact of which is not quantifiable. These cases are pending with various courts/forums and are scheduled for hearings. After considering the circumstances and legal evaluation thereon, the Group's management believes that these cases are not tenable/material and accordingly have not made any further adjustments, other than amount already provided in the consolidated financial statements.

III. Capital and other commitments

Particulars	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	272.79	6.11
Commitments relating to forward contract- hedge of highly probable forecast sales	42,357.55	24,636.48

Refer note 33 (I) for lease commitments.

34 Hedging activities

Cash flow hedges

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in foreign currency. These forecast transactions are highly probable, and they comprise about 100% of the Group's total expected sales in foreign currency.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The Group is holding the following foreign currency forward contracts to hedge the exposure on its highly probable sales over the next 12 months:

Particulars	Currency	Amount	Average Strike rate
March 31, 2019	USD	584.5	72.47
March 31, 2019	INR	42,357.55	
March 31, 2018	USD	374.94	65.71
March 31, 2018	INR	24,636.48	

All amounts in Indian ₹ in lakhs, except stated otherwise

34 Hedging activities (contd.)

Details relating to hedging instrument with respect to foreign currency risk arising from sales:

Financial year	March 31, 2019	March 31, 2018
Nominal amount of hedging instrument	42,357.55	24,636.48
Carrying amount of cash flow hedges- foreign exchange forward contracts:		
Assets	1,457.86	-
Liabilities	-	47.89
Line item in balance sheet where hedging instrument is disclosed	Refer Note 7	Refer Note 18
Changes in fair value for calculating hedge ineffectiveness	-	-

Details relating to hedged item with respect to foreign currency risk arising from sales:

Particulars	March 31, 2019	March 31, 2018
Change in value used for calculating hedge ineffectiveness	-	-
Balance in cash flow hedge reserve		
For continuing hedges	1,376.18	(74.53)
For hedges no longer applied	-	-
Total balance	**1,376.18**	**(74.53)**

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, 2019 and March 31, 2018 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, 2019 are expected to mature and affect the Consolidated Statement of Profit and Loss during the year ended March 31, 2020.

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, 2019	March 31, 2018
Opening balance	(74.53)	1,049.27
Movement in OCI :		
Gain/(loss) recognised in OCI during the year	47.43	1,400.02
Less: amount reclassified to consolidated statement of profit and loss as hedged item has affected profit or loss	1,403.28	(2,523.82)
Less: amount reclassified to consolidated statement of profit and loss for which future cash flows are no longer expected to occur	-	-
Net (gain)/loss recognised in OCI for the year	1,450.71	(1,123.80)
Less: amount recognised in the consolidated statement of profit and loss on account of hedge ineffectiveness	-	-
Closing balance	**1,376.18**	**(74.53)**

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.

35 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.

35 Gratuity and other post-employment benefit plans (contd.)

(a) Net benefit expenses (recognised in the consolidated statement of profit and loss)

Particulars	March 31, 2019	March 31, 2018
Current service cost	559.35	683.90
Net interest cost on defined benefit obligations / (assets)	95.56	54.95
Net benefit expenses	**654.92**	**738.85**

(b) Remeasurement (gain)/loss recognised in other comprehensive income:

Particulars	March 31, 2019	March 31, 2018
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	265.09	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(185.23)	(64.69)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	19.01	(193.19)
Actuarial (gain)/loss arising during the year	**98.87**	**(257.88)**
Return on plan assets (greater)/less than discount rate	76.44	9.29
Actuarial (gain)/ loss recognised in other comprehensive income	**175.31**	**(248.59)**

(c) Net defined benefit asset / (liability)

Particulars	March 31, 2019	March 31, 2018
Defined benefit obligation	2,161.40	2,023.96
Fair value of plan assets	(43.38)	(675.34)
Plan liability/ (asset)	**2,118.02**	**1,348.62**

(d) Changes in the present value of defined benefit obligation are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening defined benefit obligation	2,023.96	2,143.75
Current service cost	559.35	683.90
Interest cost on the defined benefit obligation	123.38	100.24
Benefits paid	(644.17)	(745.71)
Acquisition adjustment	-	99.66
Actuarial (gain)/ loss on obligations arising from changes in demographic assumption	265.09	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(185.23)	(64.69)
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	19.01	(193.19)
Closing defined benefit obligation	**2,161.40**	**2,023.96**

(e) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
Opening fair value of plan assets	675.34	895.78
Interest income on plan assets	27.82	45.29
Contributions by employer	60.83	700.15
Benefits paid	(644.17)	(745.71)
Acquisition adjustment	-	(210.88)
Return on plan assets (lesser)/greater than discount rate	(76.44)	(9.29)
Closing fair value of plan assets	**43.38**	**675.34**

The Group expects to contribute ₹ 1,705.70 lakhs (March 31, 2018: ₹ 1,285.24 lakhs) towards gratuity fund.

All amounts in Indian ₹ in lakhs, except stated otherwise

35 Gratuity and other post-employment benefit plans (contd.)

(f) The following pay-outs are expected in future years:

Particulars	March 31, 2019
March 31, 2020	404.98
March 31, 2021	254.58
March 31, 2022	186.75
March 31, 2023	154.94
March 31, 2024	119.81
March 31, 2025 to March 31, 2029	344.09

(g) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2019	March 31, 2018
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, 2019	March 31, 2018
Discount rate (in %)	7.25%	6.84%
Salary escalation (in %)	5% to 8%	8.00%
Employee turnover (in %)	40.00%	40.00%
Retirement age (yrs)	60	60
Mortality rate	Refer note 4 below	

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2006-08) (modified) ultimate.

(i) A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	March 31, 2019	March 31, 2018
Discount rate		
Impact of defined benefit obligation due to 1% increase in discount rate	(101.16)	(46.83)
Impact of defined benefit obligation due to 1% decrease in discount rate	111.52	49.17
Salary escalation rate		
Impact of defined benefit obligation due to 1% increase in salary escalation rate	102.00	34.41
Impact of defined benefit obligation due to 1% decrease in salary escalation rate	(93.72)	(52.39)
Attrition rate		
Impact of defined benefit obligation due to 1% increase in attrition rate	(10.63)	(12.13)
Impact of defined benefit obligation due to 1% decrease in attrition rate	10.41	12.47

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.

All amounts in Indian ₹ in lakhs, except stated otherwise

36 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. Padala Ramababu, Managing Director (resigned w.e.f January 31, 2018)
	Mr. Sivaramakrishnan Vilayur Ganapathi, Managing Director (appointed w.e.f October 03, 2017)
	Mr. Mathew Cyriac (Director)
	Mr. Richard B Saldanha, (Chairman and Independent Director)
	Mr. Arun K Thiagarajan (Independent Director)
	Ms. Smita Aggarwal (Independent Director) (resigned w.e.f June 9, 2018)
	Mr. Jitendrakumar H.Mehta (Independent Director) (resigned w.e.f October 2, 2017) (re-appointed w.e.f December 29, 2017)
	Ms. Anuradha Sharma (Independent Director) (appointed w.e.f October 30, 2017)
	Mr. Palaniappan Chidambaram (Director) (appointed w.e.f October 30, 2017 as additional director) (appointed w.e.f February 07, 2018 as director) (resigned w.e.f November 12, 2018)
	Mr. Gautham Madhavan (Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as director w.e.f January 03, 2019)
	Mr. Prabhat Kumar Singh (Wholetime Director) (appointed w.e.f November 12, 2018 as additional director) (appointed as wholetime director w.e.f January 03, 2019)
	Mr. Sathyamurthy A, (Chief Financial Officer)
	Ms. Ramya Kannan (Company Secretary) (resigned w.e.f January 14, 2019)
	Mr. Sameer Sudarshan R V, (Company Secretary) (appointed w.e.f April 24, 2019)

b. Summary of transactions during the year with the above related parties are as follows:

Particulars	March 31, 2019	March 31, 2018
i) Managerial remuneration to		
a) Key managerial personnel *		
Mr. Sivaramakrishnan Vilayur Ganapathi	221.60	91.26
Mr. Padala Ramababu	-	131.44
Mr. Sathyamurthy A	127.93	95.00
Mr. Prabhat Kumar Singh	38.27	-
Ms. Ramya Kannan	10.93	10.15
	398.51	**327.85**
b) Sitting fees paid to directors (independent directors and non-executive directors)		
Mr Richard B. Saldanha	15.20	16.00
Mr. Mathew Cyriac	15.20	-
Mr. Arun K Thiagarajan	13.60	16.00
Ms. Anuradha Sharma	12.80	2.40
Mr. Jitendrakumar H Mehta	10.40	9.60
Mr. Palaniappan chidambaram	8.00	0.80
Ms. Smita Aggarwal	4.80	13.60
Mr. Gautham Madhavan	1.60	-
	81.60	**58.40**
c) Summary of compensation of key managerial personnel of the Company [1]		
Managerial remuneration	398.51	327.85
Sitting fees	81.60	58.40
Share based payment expenses	185.14	104.68
	665.25	**490.93**

All amounts in Indian ₹ in lakhs, except stated otherwise

36 Related party transactions (contd.)

c. **Summary of outstanding balances with the above related parties are as follows:**

Particulars	March 31, 2019	March 31, 2018
i) **Remuneration payable to Key managerial personnel**		
Mr. Sivaramakrishnan Vilayur Ganapathi	150.00	10.29
Mr. Sathyamurthy A	30.00	2.31
Ms. Ramya Kannan	-	0.74
	180.00	**13.34**

[1] As the liability for gratuity and leave encashment to key managerial personnel is provided on actuarial basis for the Group as a whole, the gratuity and leave encashment amount pertaining to the key management personnel is not disclosed separately.

37 Disclosures of dues/payments to Micro, Small and Medium Enterprises to the extent such enterprises are identified by the Group

Particulars	March 31, 2019	March 31, 2018
i. The principal amount due thereon remaining unpaid as at the year end	18.62	16.64
Interest amount due and remaining unpaid as at the year end	-	-
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	-	0.73
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	-	-

38 Share- based payments

The Group's employee benefit plans are as summarised below:

In September 2010, the shareholders of the Group approved Stock Option Plan (ESOP 2010) in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI) for Employees Stock Options Plan. The plan covered all employees of the Group including employees of subsidiaries and directors and provided for the issue of 1,718,800 shares of ₹ 5 each.

Further, the shareholders of the Group by way of special resolution dated August 26, 2018 approved Restricted Stock Unit Plan (RSU 2018) in accordance with the guidelines issued by the SEBI for employees Stock Options Plan. The plan covered all the senior management employees of the Group and provided for the issue of 2,133,040 shares of ₹ 5 each.

The fair value of the stock options is estimated at the grant date using a Black-Scholes-Merton ('BSM') option pricing model. The BSM option pricing model incorporates various assumptions including expected volatility, expected life and interest rates. The Group recognises share based compensation cost as expense over the requisite service period.

The contractual term of each option granted is 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 expenses for the year ended March 31, 2019 and March 31, 2018 is as tabulated below:

Particulars	March 31, 2019	March 31, 2018
Expense arising from equity-settled share based payment transactions	285.06	118.11
	285.06	**118.11**

All amounts in Indian ₹ in lakhs, except stated otherwise

38 Share- based payments (contd.)

Movement during the year for ESOP 2010 Plan:

The activity in the ESOP 2010 Plan for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	March 31, 2019		March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	819,835	72.45	558,336	63.28
Granted during the year	-	-	300,000	85.96
Exercised during the year	(154,834)	56.98	(25,167)	32.25
Lapsed during the year	(80,000)	72.55	(13,334)	68.21
Closing balance	**585,001**	**76.53**	**819,835**	**72.45**
Exercisable as at year end	345,003		399,835	

The weighted average share price at the date of exercise of the options during the period was ₹ 82 (March 31, 2018 : ₹ 101.57).

The weighted average remaining contractual life for the share options outstanding is 7.42 years (March 31, 2018: 8.12 years).

The range of exercise prices for options outstanding at the end of the year was ₹ 32.25 to ₹ 85.96 (March 31, 2018: ₹ 32.25 to ₹ 85.96).

Movement during the year for RSU 2018 Plan:

The activity in the RSU 2018 Plan for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	March 31, 2019		March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Opening balance	-	-	-	-
Granted during the year	2,133,040	5.00	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Closing balance	**2,133,040**	**5.00**	**-**	**-**
Exercisable as at year end	-		-	

The weighted average remaining contractual life for the share options outstanding is 7.12 years.

The weighted average fair value of options granted during the year was ₹ 72.31.

The exercise price for options outstanding at the end of the year was ₹ 5.

The following table list the inputs to the models used for the ESOP 2010 plan for the year ended March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
Dividend yield (%)	-	0.00%
Expected volatility (%)	-	58.10%
Risk-free interest rate (%)	-	6.45%
Expected life of share options (years)	-	12
Weighted average exercise price (₹)	-	72.45
Model used	-	Black-Scholes-Merton ('BSM') option pricing model.

* No options were granted under ESOP 2010 during the year ended March 31, 2019.

All amounts in Indian ₹ in lakhs, except stated otherwise

38 Share- based payments (contd.)

The following table list the inputs to the models used for the RSU 2018 plan for the year ended March 31, 2019 and March 31, 2018:

Particulars	March 31, 2019	March 31, 2018
Dividend yield (%)	0.00%	-
Expected volatility (%)	60.40% to 60.47%	-
Risk-free interest rate (%)	7.29% to 7.36%	-
Expected life of share options (years)	7 to 8	-
Weighted average exercise price (₹)	5.00	-
Model used	Black-Scholes-Merton ('BSM') option pricing model.	-

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.

39 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 2.3 (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, 2019 and March 31, 2018

As at March 31, 2019

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	0.29	-	0.29
Loans	2,306.59	-	2,306.59
Trade receivables	16,170.02	-	16,170.02
Cash and cash equivalents	1,118.75	-	1,118.75
Other financials assets	13,910.72	-	13,910.72
Foreign exchange forward contracts	-	1,457.86	1,457.86
Total assets	**33,506.37**	**1,457.86**	**34,964.23**
Financial liabilities			
Borrowings	38,070.07	-	38,070.07
Trade payables	-	-	-
Other financial liabilities	6,031.16	-	6,031.16
Foreign exchange forward contracts	-	-	-
Total liabilities	**44,101.23**	**-**	**44,101.23**

39 Disclosures on Financial instruments (contd.)

As at March 31, 2018

Particulars	Amortised cost	Fair value through OCI	Total
Financial assets			
Investments	0.29	-	0.29
Loans	2,645.94	-	2,645.94
Trade receivables	21,616.45	-	21,616.45
Cash and cash equivalents	1,714.43	-	1,714.43
Bank balances other than cash and cash equivalents	27.13	-	27.13
Other financials assets	14,853.98	-	14,853.98
Foreign exchange forward contracts	-	-	-
Total assets	**40,858.22**	**-**	**40,858.22**
Financial liabilities			
Borrowings	47,244.96	-	47,244.96
Trade payables	-	-	-
Other financial liabilities	4,606.08	-	4,606.08
Foreign exchange forward contracts	-	47.89	47.89
Total liabilities	**51,851.04**	**47.89**	**51,898.93**

(b) Fair value hierarchy

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

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

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

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

Particulars	Fair value measurements at reporting date using			
	Level 1	Level 2	Level 3	Total
March 31, 2019				
Financial assets				
Foreign exchange forward contracts	-	1,457.86	-	1,457.86
March 31, 2018				
Financial liabilities				
Foreign exchange forward contracts	-	47.89	-	47.89

(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 ₹ 2,306.59 lakhs as at March 31, 2019 (March 31, 2018: ₹ 2,645.94 lakhs) was ₹ 2,139.31 Lakhs (March 31, 2018: ₹ 2,551.27 lakhs).

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

39 Disclosures on Financial instruments (contd.)

(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, 2019 and March 31, 2018

(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, 2019	50	190.35
March 31, 2018	50	236.22

(ii) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group's exposure to foreign currency changes from investing activities is not material.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

As at March 31, 2019 and March 31, 2018, the Group hedged ₹ 42,357.55 lakhs (USD 584.50 lakhs) and ₹ 24,636.48 lakhs (USD 374.94 lakhs) respectively of it expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

39 Disclosures on Financial instruments (contd.)

The following table represents foreign currency risk from non derivative financial instruments as at March 31, 2019 and March 31, 2018

Particulars		March 31, 2019	March 31, 2018
Assets			
Trade receivables	USD	117.71	88.82
Trade receivables	GBP	-	0.45
Trade receivables	EUR	1.21	-
Cash and cash equivalents	USD	0.05	0.10
Liabilities			
Trade payables	USD	6.90	21.12
Trade payables	EUR	-	1.68
Trade payables	GBP	-	0.08
Liability for capital assets	USD	10.29	-
Liability for capital assets	EUR	1.99	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2019		
USD	5%	347.28
March 31, 2018		
USD	5%	226.86

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2019 and March 31, 2018. The period end balances are not necessarily representative of the average debt outstanding during the period.

Credit risk

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

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹34,964.23 lakhs, ₹40,858.22 lakhs, as at March 31, 2019 and March 31, 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments other than investments in subsidiaries and other financial assets.

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

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

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

39 Disclosures on Financial instruments (contd.)

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposit and government securities, which carry no or low market risk.

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

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

Particulars	0-1 year	> 1 year	Total
March 31, 2019			
Borrowings	38,070.07	-	38,070.07
Trade payables	-	-	-
Other financial liabilities	6,031.16	-	6,031.16
	44,101.23	**-**	**44,101.23**
March 31, 2018			
Borrowings	47,244.96	-	47,244.96
Trade payables	-	-	-
Other financial liabilities	4,653.97	-	4,653.97
	51,898.93	**-**	**51,898.93**

Equity Price risk

Equity Price Risk is related to the change in fair value of the investments in equity securities. Company's investments in equity securities, including investments held for sale, are subject to changes in fair value of investments. The carrying value of investments represents the maximum equity risk. The maximum exposure to equity price risk was ₹ Nil and ₹ 626.56 lakhs as on March 31, 2019 and March 31, 2018 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 (refer note 45).

40 Capital management

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

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

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt.

All amounts in Indian ₹ in lakhs, except stated otherwise

40 Capital management (contd.)

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, 2019	March 31, 2018
Borrowings (Refer note 16)	38,070.07	47,244.96
Total debts	**38,070.07**	**47,244.96**
Capital components		
Equity share capital (Refer note 13)	2,140.78	1,747.64
Other equity (Refer note 14)	21,897.49	11,342.75
Total capital	**24,038.27**	**13,090.39**
Capital and borrowings	**62,108.34**	**60,335.35**
Gearing ratio (%)	**61.30%**	**78.30%**

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, 2019 and March 31, 2018.

41 Standards issued but yet not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) notified certain amendments to Indian Accounting tandards (Ind AS). All these amendments are effective from financial year beginning on or after April 1, 2019.

a. Ind AS 116: Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases ('the Standard'). Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases Ind AS116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective: Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective: Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Group has taken certain land and building on operating lease. The Group is in the process of evaluating the impact of the new standard on the consolidated financial statements.

41 Standards issued but yet not effective (contd.)

b. Amendment to Ind AS 12 – Income taxes:

i) On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company believes that this amendment will not have a material impact on the consolidated financial statements.

ii) On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', to insert a Appendix C- Uncertainty over Income Tax Treatments. This Appendix clarifies the accounting treatment to be followed in case of income tax treatments that are yet to be accepted by taxation authorities.

The amendment requires the entity to consider whether tax authorities will accept the uncertain tax treatment. If it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings.

If an entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rate by using either the most likely amount or the expected value; whichever is expected to better predict the resolution of uncertainty.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company believes that this amendment will not have a material impact on the consolidated financial statements.

c. Amendment to Ind AS 19 – Employee Benefits

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company believes that this amendment will not have a material impact on the consolidated financial statements.

d. Amendments to Ind AS 28- Investments in Associates and Joint Ventures

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 28- Investments in Associates and Joint Ventures.

An entity's long term interests in associates and joint ventures; such as preference shares and long term receivables and loans are accounted in accordance with Ind AS 109- Financial Instruments. As per Ind AS 28, the losses that exceed the entity's investment in ordinary shares in associate or joint venture are applied to other components of the entity's interests in the associate or joint venture in the reverse order of their superiority.

The Amendment to Ind AS 28 clarifies that the entity needs to apply Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied.

e. Amendments to Ind AS 109, Financial Instruments:

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

41 Standards issued but yet not effective (contd.)

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company believes that this amendment will not have a material impact on the consolidated financial statements.

42 The Group is in process of taking necessary steps to comply with the Transfer Pricing requirements relating to the preparation & maintenance of the Transfer Pricing documentation with respect to the specified domestic transactions entered into by the Group during financial year ended March 31, 2019. 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.

43 The Company had applied for a scheme of amalgamation (the Scheme) of 9 wholly owned subsidiary companies with the Company. The appointed date of amalgamation is April 01, 2016. The application was filed with the Hon'ble National Company Law Tribunal ("NCLT") on February 23, 2017. The NCLT has passed an order dated September 25, 2017 instructing the Company to conduct Secured Creditors Meeting and shareholders meeting in November 2017. Necessary approval has been obtained from the Secured Creditors (Canara Bank and Corporation Bank) on November 24, 2017 and shareholders of the Group on November 29, 2017 and the Report of the Chairman along with necessary petition has been filed with the NCLT. The approval from NCLT was received by the Company on March 11, 2019. The financial statements comply with the accounting treatment described in the Scheme. Accounting for the amalgamation does not have an impact in the consolidated financial statements.

In view of the aforesaid matter and to facilitate ease of business operations, majority of the employees have been transferred from the subsidiary companies to the Group with effect from July 1, 2017.

44 During the year ended March 31, 2018, an open offer was proposed by Clear Wealth Consultancy Services LLP ("Acquirer") along with Mathew Cyriac {Person acting in concert ("PAC") 1}, Gazania Advisory LLP ("PAC II"), Westex Infotech Private Limited ("PAC III") and Gautham Madhavan ("PAC IV") (PAC I, PAC II, PAC III and PAC IV are collectively referred to as "PACs"). This Open Offer was made pursuant to the execution of share purchase agreement dated March 31, 2017 ("SPA") by the Acquirer with Blackstone FP Capital Partners (Mauritius) VB Subsidiary Ltd, being the erstwhile promoter of the Company. Pursuant to SPA, the Acquirer had agreed to acquire 13,955,742 equity shares representing 39.94% of fully paid-up equity share capital of the Target Company at a price of ₹ 42 per equity share aggregating to ₹ 586,141,164 payable in cash. This Open Offer was made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 to all public shareholders of the Target Company, pursuant to which the Acquirer will further acquire up to 9,179,993 equity shares representing 26% of expanded voting share capital of the Company at a price of ₹ 63.25 per equity share payable in cash subject to the terms and conditions set out in the detailed public statement and letter of offer that was sent to all public shareholders of the Company.

During the year ended March 31, 2018, the Acquirer has completed the acquisition of shares from Blackstone FP Capital Partners (Mauritius) VB Subsidiary Ltd and acquisition of 215 equity shares through open offer.

45 The Group assessed the fair value less cost of sale of the investment in an associate held for sale as at Mar 31, 2019. 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 current quarter. 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.

46 During the year, pursuant to the approval of the committee of the Board of Directors dated May 3, 2018, the Group had issued 77.08 lakh equity shares of ₹ 5 each, at an issue price of ₹ 90.00 per equity share (including ₹ 85.00 per share towards securities premium) aggregating to ₹ 6,937.20 lakh to qualified institutional buyers under chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "SEBI Regulations") and provisions of all other applicable laws. The Shareholders had approved the aforesaid issue of equity shares by way of special resolution dated February 8, 2018.

The amount raised from the above issue of shares has been utilised for the purposes for which it was raised.

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 The Board of Directors of the Company has appointed Mr. Sivaramakrishnan Vilayur Ganapathi (DIN 07954560) as the Managing Director of the Group with effect from October 03, 2017 and re-designated Mr. P Ramababu (DIN 00149649) as Vice Chairman of the Company. Mr. P Ramababu (DIN 00149649) resigned from the Company on January 31, 2018.

49 Ministry of Corporate affairs have published a list of Disqualified Directors in September 2017. As per this list, Mr. Jitendra Kumar H Mehta (director of the Company as at March 31, 2018) was reported as disqualified from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013 for the period from November 1, 2015 to October 31, 2020 pursuant to his directorship of Tag Media Network Private Limited (defaulting Company). Consequently, the Director has filed a writ petition with the High Court of Karnataka and have obtained an interim stay. The Group is confident to receive a favourable order and that there will not be a material impact on the Consolidated Ind AS financial statements of the Company.

50 One of the foreign customers with an aggregate outstanding balance of ₹ 441 lakhs has filed a plan for reorganisation of its business and creditors in respective jurisdictional court. Consequently, based on recommendation of legal counsel, the Group has filed a claim with the relevant authorities for the aforesaid receivable. The Group has made an expected loss provision of ₹ 133 lakhs on these receivables. Subsequent to the reorganisation plan filed by the customer, the Group has made further dispatch of goods amounting to ₹ 845 lakhs to the said customer based on updated purchase orders. In compliance with the Ind AS 115, the Group has postponed recognition of revenue towards goods supplied post filing of the customer's reorganisation plan and will be recognising revenue upon certainty in realization of sale consideration. The Group is confident of recovering at least the cost of inventory as this is under a court administered scheme. Further, the Group is confident that the impact of non-recoverability of the remaining receivable balances not provided for and the cost of inventory, if any, will not be material to these financial statements.

51 Revenue from contracts with customers

a. Disaggregation of Revenue

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 32.

Primary Geographic Markets (Name of the country)	Sale of finished goods (Exports)	
	March 31, 2019	March 31, 2018
United States of America	59,492.72	42,801.01
Canada	3,927.09	1,902.78
Germany	3,771.43	884.47
China	2,804.09	1,378.13
Spain	2,660.69	24.61
UAE	645.70	3,962.11
Sweden	525.93	14,623.84
Singapore	35.80	3,329.63
Other Countries	16,924.34	6,609.51
Total	**90,787.79**	**75,516.09**

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.

All amounts in Indian ₹ in lakhs, except stated otherwise

51 Revenue from contracts with customers (contd.)

b. Remaining performance Obligations

All of the Group'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 Group has not disclosed the information pertaining to remaining performance obligations as required by paragraph 120 of Ind AS 115.

c. Estimates and assumptions

Except as disclosed in note 50, there are no significant estimates and assumptions.

d. Contract balances

Particulars	Contract liabilities	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	209.04	106.66
Less: Amount included in contract liabilities that was recognised as revenue during the period	(209.04)	(106.66)
Add: Cash received in advance of performance and not recognised as revenue during the period	169.54	209.04
Balance at the end of the year	**169.54**	**209.04**

e. Transition to Ind AS 115

The Group has applied Ind AS 115 under modified retrospective approach as per paragraph C3(B) of Appendix C of Ind AS 115. Under the modified retrospective approach there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements for the year ended March 31, 2019.

52 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

53 Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's classification.

As per our report of even date

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

Deepak Rao
Partner
Membership No.: 113292

Place: Bengaluru
Date: May 17, 2019

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

Richard B Saldanha
Chairman
DIN: 00189029

Sivaramakrishnan Vilayur Ganapathi
Managing Director
DIN: 07954560

Sathyamurthy A
Chief Financial Officer

Sameer Sudarshan R V
Company Secretary

Place: Bengaluru
Date: May 17, 2019

Place: Bengaluru
Date: May 17, 2019

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments pursuant to the Issue shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue share capital (assuming that the Equity Shares are Allotted to them pursuant to the Issue) that may be held by them, is set forth below:

Sr. No.	Name of the proposed Allotees	Percentage of the post-Issue share capital (%)^
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^*Based on beneficiary position as on* [●], *2021*

(*Note: The above table has been intentionally left blank and will be filled-in before the filing of the Placement Document with the Stock Exchanges*)

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Sivaramakrishnan Ganapathi
Managing Director

Place: Bangalore
Date: October 4, 2021

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Sivaramakrishnan Ganapathi
Managing Director

I am severally authorised by the Fund Raise Committee of the Company, *vide* resolution number seven dated October 4, 2021, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct, and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly, and legibly attached to this form.

Signed by:

____

Sivaramakrishnan Ganapathi
Managing Director

Place: Bangalore
Date: October 4, 2021

GOKALDAS EXPORTS LIMITED
CIN: L18101KA2004PLC033475

Registered and Corporate Office

No. 25, Second Cross, Third Main,
Industrial Suburb,
Yeshwantpur, Bengaluru – 560 022
Karnataka, India

DETAILS OF COMPLIANCE OFFICER

Shrithee Shekar Magaji
No. 25, Second Cross, Third Main,
Industrial Suburb,
Yeshwantpur, Bengaluru – 560 022
Karnataka, India
Tel: +91 – 80 – 68951000
Email: shrithee.ms@gokaldasexports.com

BOOK RUNNING LEAD MANAGER

JM Financial Limited
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Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025

DOMESTIC LEGAL COUNSEL TO ISSUE

J. Sagar Associates
Sandstone Crest
Opposite Park Plaza Hotel
Sushant Lok - Ph 1
Gurgaon 122 009

SPECIAL INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318

STATUTORY AUDITORS

MSKA & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium,
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400063, India

APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Remainder of the page is intentionally left blank)

gokaldas exports ltd.	**APPLICATION FORM**
(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*) **Registered and Corporate Office** No. 25, Second Cross, Third Main, Industrial Suburb, Yeshwantpur, Bengaluru – 560 025 Karnataka, India **Telephone**: +91 – 80 – 68951000 | **Facsimile**: +91 – 80 – 68951001 **E-mail address:** info@gokaldasexports.com| **Website**: www.gokaldasexports.com **CIN:** L18101KA2004PLC033475	**Name of Bidder**: ___________________ **Form No:** _________________________ **Date:** ______________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] LAKHS UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY GOKALDAS EXPORTS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 194.58 AND THE COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE IN TERMS OF REGULATION 176(1) OF THE SEBI ICDR REGULATIONS AND IN ACCORDANCE WITH THE APPROVAL OF ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or including foreign exchange laws; or other applicable laws ,or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S"). You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated October 4, 2021 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON DEBT RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFS IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. PURSUANT TO FDI POLICY READ ALONG WITH PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
GOKALDAS EXPORTS LIMITED
No. 25, Second Cross, Third Main,
Industrial Suburb, Yeshwantpur,
Bengaluru – 560 025
Karnataka, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others _________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "*same group*" or "*common control*", see "*Application Form*" under *Issue Procedure* section of the PPD.
** Sponsor and Manager should be Indian owned and controlled.*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with JM Financial Limited (the "**BRLM**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Karnataka at Bangalore (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*" and "*Selling Restrictions*" and "*Transfer Restrictions"* sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLM, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an 'offshore transaction' as defined in, and in reliance on, Regulation S and in compliance with the applicable laws of the jurisdiction where those offers and sales are made.**

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX.**	
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. ____________________		
FOR MFs	SEBI MF REGISTRATION NO. ____________________		
FOR AIFs***	SEBI AIF REGISTRATION NO. ____________________		
FOR VCFs***	SEBI VCF REGISTRATION NO. ____________________		
FOR SI-NBFC	RBI REGISTRATION DETAILS____________________		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS ____________________		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLM will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY [1 PM] (IST), [DATE], [DAY]	
Name of the Account	Escrow Bank 1: Gokaldas Exports Limited- QIP Escrow with HDFC Bank Limited Escrow Bank 2: Gokaldas Exports Limited- QIP Escrow with The Federal Bank Limited
Name of the Bank	Escrow Bank 1: HDFC Bank Limited Escrow Bank 2: The Federal Bank Limited
Address of the Branch of the Bank	Escrow Bank 1: Escrow Bank 2:
Account Type	Escrow Account
Account Number	Escrow Bank 1: Escrow Bank 2:
IFSC	Escrow Bank 1: Escrow Bank 2:
Tel No.	Escrow Bank 1: Escrow Bank 2:
E-mail	Escrow Bank 1: Escrow Bank 2:

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "Gokaldas Exports Limited- QIP Escrow". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/ Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS										
Depository Name(Please ✓)	National Security Depository Limited									Central Depository Services (India) Limited
Depository Participant Name										
DP – ID	I	N								
Beneficiary Account Number										(16-digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**										

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**BID AMOUNT PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	

ENCLOSURES ATTACHED

Attested/ certified true copy of the following:
- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF

Signature of Authorised Signatory *(may be signed either physically or digitally)***		☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank ☐ Copy of notification as a public financial institution ☐ FIRC ☐ Copy of IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of Power of Attorney ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.